

Top Commitment

Sustainability at the ITOCHU Group

Environment

Governance

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Editing Policy

ITOCHU's ESG Report seeks to provide various stakeholders including shareholders, investors, business partners, and others with a deep understanding of our company's sustainability policies, approaches, targets, systems, and specific initiatives. We recognize that meeting the expectations of society through business activities will help maintain sustainability and lead to further growth. With this in mind, ESG Report 2024 reports the details of our sustainable activities in the previous fiscal year together with ESG performance data and our contribution to the SDGs.

Reporting Period

This report principally covers actual data for the fiscal year beginning on April 1, 2023, and ended on March 31, 2024 (FYE 2024). However, some of the most recent information on our activities and initiatives is also included.

Reporting Boundary

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

Independent Assurance

The environmental and social performance indicators marked with \star , \bullet and \blacksquare in this report are independently assured by KPMG AZSA Sustainability CO., Ltd. (P232)

Publication Information

Publication: September 2024

Next publication (scheduled): September 2025

Previous publication: September 2023

Referenced Guidelines

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

- The Paris Agreement (COP21)
- The Ten Principles of the United Nations Global CompactOpen in a new window
- GRI Sustainability Reporting Standards (GRI Standards)
- Please refer to GRI Standard Reference Table.
- International Integrated Reporting Framework (IIRC)
- IFRS ISSB S1, S2
- The Environmental Reporting Guidelines issued by the Ministry of the Environment
- ISO 26000 (Social Responsibility)
- TCFD Recommendations
- TNFD 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
- Keidanren: Charter of Corporate Behavior, Global **Environment Charter**
- Japan Foreign Trade Council: Shosha's Corporate Environmental Code of Conduct, Supply Chain CSR Action Guidelines, Long-term Vision for Climate Change Measures

Corporate Profile

ITOCHU Corporation Company Name

Founded 1858

Incorporated December 1, 1949

Headquarters

Tokyo Osaka

5-1, Kita-Aoyama 1-3, Umeda 3-chome,

2-chome, Minato-ku, Kita-ku.

Tokyo 107-8077, Japan Osaka 530-8448, Japan Chairman & CEO Masahiro Okafuji **Common Stock** 253.448 Million Yen Domestic Offices 7 Number of Offices Overseas Offices 86

Number of Employees* Consolidated 113,733 Non-consolidated 4,098

(As of March 31, 2024)

Inquiries

ITOCHU Corporation Sustainability Management Division

TEL: +81-3-3497-4060 E-mail: tokcr@itochu.co.jp

Disclosure of Sustainability-related Information

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

Forward-Looking Statements

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

^{*} The number of consolidated employees is based on actual working employees excluding temporary staff.

Evaluation by Society

Chairman & CEO

Pursuing "Sampo-yoshi" and Enhancing Our Corporate Brand Value

Ever since taking on my earlier role of President, I have managed ITOCHU Corporation with the aim of continuously enhancing our corporate value and broadly returning the profits we have earned to society, shareholders, employees, and all other stakeholders. Enhancement of corporate brand value through dialogue with all stakeholders is featured as a key area of the management policy we announced in April.

Corporate brand value is enhanced not only by building a stable revenue base with continued upward growth, but also by refining qualitative aspects which cannot be numerically measured. Enhanced brand power attracts new information, leading to earnings, part of my "earn, cut, prevent" principle. Furthermore, it leads to corporate growth. ITOCHU Corporation's continued growth is the result of gaining the support of our customers who believe that doing business with us is profitable. As a company, we aim to continue this virtuous cycle.

We can say that a brand is the accumulation of confidence and trust from various stakeholders. Conversely, there is a risk that a single employee or a single incident can cause all of that confidence and trust to be lost instantly. Based on the "prevention" element of the principle above, it is important that each individual thoroughly prevents damage to our brand value and holds an awareness of the impact their actions may have on external evaluations and society.

The driving force behind this steady enhancement of corporate brand value is the growth of individual employees. We are currently producing a virtuous cycle: our business performance is good, which also motivates our employees to work hard. This in turn leads to a positive evaluation by society, attracting excellent student graduates to the company. I hope to maintain and improve this virtuous cycle going forward. We will strive to strengthen human capital by creating an environment which facilitates a cycle of trust and expectations between employees and the company, including by giving employees meaningful work and thorough training that leads them to produce results.

Through these efforts, we will aim to achieve ITOCHU's corporate mission, "Sampo-yoshi" (good for the seller, good for the buyer, and good for society), put "Sampo-yoshi" capitalism into practice, and steadily increase our corporate value.



June 2024

m. Oley

Masahiro Okafuji

Member of the Board

Chairman & Chief Executive Officer

President & COO

Laying the Foundation for Sustainable Growth

ITOCHU Corporation established our new management policy, "The Brand-new Deal: Profit Opportunities Are Shifting Downstream," in 2024. We have made it our policy to improve both business performance and corporate brand value. Our business is not simply product-orientated; instead, it is based on heading on-site, listening carefully to the market, and accurately understanding the needs of our customers with a market-oriented approach in order to expand our business. In addition to further business expansion, we are aiming for "offset zero" in greenhouse gas (GHG) emissions by 2040 and for net zero GHG emissions by 2050, as part of efforts to achieve a decarbonized society. We believe that contributing to a reduction in GHG emissions across our value chain through our core businesses of trading and business investment will lead to the sustainable growth of ITOCHU itself and an enhancement of our corporate brand value. Accordingly, we will continue to undertake Sustainable Development Goals (SDGs)-related business initiatives, which will produce a virtuous cycle for the environment and the economy going forward.

The demand from society for decarbonization will bring about a major change in the world. We see this change as an opportunity for ITOCHU. In a management environment that seeks businesses with reduced environmental impact, it is essential that we quickly find the seeds of new businesses and nurture them carefully, without being beholden to existing businesses. ITOCHU's human resources will play a key role in achieving this. The culture of valuing employees has been an important ITOCHU tradition since our founding. Today, strengthening human capital is again featured in our management policy. We believe that securing excellent human resources, diversifying our human resources, and honing marketing skills will help identify the seeds of future-oriented businesses and promote further business expansion.

We will continue to work to sustainably enhance our corporate value by engaging in ongoing dialogue with all of our stakeholders and strengthening SDGs-related initiatives going forward.



Evaluation by Society

June 2024

Keita Ishii Member of the Board President & Chief Operating Officer **Top Commitment**

Chief Administrative Officer (Sustainability Committee Chair)

"Sampo-yoshi" through Strengthened Non-financial Initiatives

Based on the spirit of "Sampo-yoshi" (good for the seller, good for the buyer, and good for society), the ITOCHU Group not only pursues profits for our company, we also help to solve social issues, in line with the expectations and trust placed on us by our business partners, shareholders, employees, and various other stakeholders. We seek to create virtuous cycles in society and also to help achieve a sustainable society.

In our management policy announced in April 2024, we seek to improve our corporate brand value as a non-financial initiative based on three measures: reinforcement of human capital, strengthening dialogue with stakeholders, and enhancing our contribution to and engagement with the Sustainable Development Goals (SDGs) through business activities. We are devoting major efforts to these key missions as we strive to create a better company together.

We have fewer employees than other companies in our industry. Accordingly, we promote work-style reforms as an initiative to contribute to the reinforcement of human capital, with the goal of enabling employees to work healthily and with a high level of motivation. The introduction of our unique morning-focused working system was ahead of its time, and it is improving the health and labor productivity of our employees as well as helping solve social issues: as a result of proactive information disclosure, it has been described as a best practice for reducing long working hours in Japan. Moreover, our support for balancing work with treatment for cancer, a disease which affects one in two Japanese people, also helps support the advancement of women, whose cancer rates are especially high among those of working age. We have endeavored to create a working environment which eliminates concerns about balancing work and health.

Through ongoing discussions in the Women's Advancement Committee, which was established in 2021 and incorporates third-party perspectives, we have steadily promoted the appointment of women to key positions, including the first female president of an overseas office and president of an ITOCHU group company in Japan. On April 1, 2024, we appointed five female executive officers, bringing the ratio of women among all of our executive positions to 21%. In addition, we have established a numerical target to increase the ratio of women among all officers and employees (including executive officers) to 30% or higher by 2030. We aim to create an environment where women can play an active role over the long-term. We are also fostering a corporate culture which respects diversity, including by strengthening Femtech initiatives to address health issues specific to women, and making it compulsory for male employees to take childcare leave as a measure to support the growth of dual-income households. These efforts contribute not only to our company but also to helping solve social issues.



Through our measures to promote sustainability, we will not only promote the reinforcement of human capital focused on work-style reforms, we will also contribute to the SDGs through strengthened efforts to address the urgent issue of climate change and environment-related initiatives such as the Task Force on Nature-related Financial Disclosures (TNFD). Going forward, we will continue to enhance our corporate value as we seek to address common global issues by further deepening dialogue with stakeholders, including by sharing the spirit of "Sampo-yoshi" internationally.

June 2024
Fumihiko Kobayashi
Member of the Board
Executive Vice President
Chief Administrative Officer

Commitment Sustainability at the ITOCHU Group Environment Society Governance Sustainable Finance Evaluation by Society Independent Assurance Report



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Our Sustainable History and Value Creation Model

The Roots of Management Philosophy

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" (Japanese for "good for all three sides": good for the seller, good for the buyer, and good for society), the management philosophy of merchants of Ohmi, his home province. The philosophy originated in the shogunate era, when the Ohmi merchants were permitted to do business in the regions they visited because they focused not only on good for the seller and good for the buyer, but also on contributing to the economy of these regions, or good for society. This can be said to form the roots of modern sustainability, which requires corporations to conduct business that balances the interests of multiple 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 society."



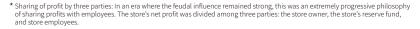
Our founder, Chubei Itoh (1842 - 1903)



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

The Roots of a Management Philosophy Inherited from Our Founding

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 today could be called the corporate mission, guideline of conduct, human resources system, and employment regulations, which subsequently became the philosophical foundation of ITOCHU Corporation's management. 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 a system 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 undertaken sustainable corporate management.





A daifukucho ledger from the time of ITOCHU's founding

More than 160 Years of History and Sustainability

Why have we been 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 them into opportunities.

Since its founding, ITOCHU Corporation has consistently thrived despite the turmoil it has faced in different eras, including two world wars and times of economic volatility. Starting as a trading company mainly handling textiles, our influence has

expanded as we have shifted the composition of the products we handle and our business areas, spanning from upstream to downstream, and from raw materials to retail. In so doing, ITOCHU Corporation has continued to grow, evolving with the times 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 firmly upheld and passed on the spirit of "Sampo-yoshi," remaining an essential component of society by responding to its evolving expectations across eras.



Headquarters with modern amenities, built in 1915

Consolidated net profit

(Bln Yen)

900

Our Sustainable History and Value Creation Model

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No.1

General Trading Companies

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.

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



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.

1858

Founding

1970s

Oil crisis in Japan and attempt to cultivate the Chinese market

1950s - 1960s

Globalization and diversification

Expansion in the ICT Sector

1980s

Non-Resource Sector

No.1

Consumer Sector

2011

No.1

1858 1991 1996

1990s

Collapse of Japan's bubble economy

2000s

Focus on "defense" and commodity super cycle

2010s

2016

Shift to "offense" and expanding financial base

2020s

2021

2025 (FYE)

(Plan)

Return to growth trajectory after COVID-19



and disposal of negative legacy assets



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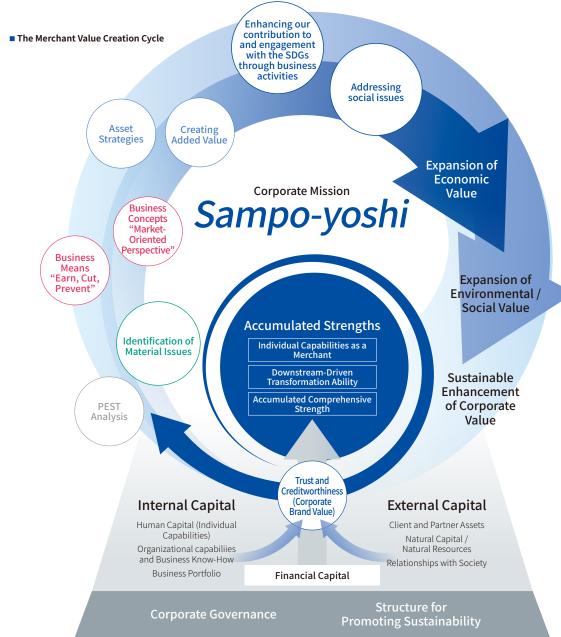
Our Sustainable History and Value Creation Model

Sampo-yoshi Capitalism and The Merchant Value Creation Cycle

To achieve a sustainable society, we embrace an approach to a capitalism that serves all stakeholders, or *Sampo-yoshi* Capitalism. Through our business activities, we will contribute to the achievement of the Sustainable Development Goals (SDGs) in such ways as maintaining the foundations of everyday life and protecting the environment.

Based on the spirit of ITOCHU's founding spirit and corporate mission "Sampo-yoshi," we have identified seven key issues (material issues) from Environmental, Social, and Governance (ESG) perspectives, and aim to address social issues through our core business based on our management policy. As a result, we will expand the economic value and environmental and social value of our business activities, thereby enhancing our corporate brand value.

The long-term management policy announced for FYE 2025, "The Brand-new Deal: Profit opportunities are shifting downstream," calls for continued efforts to enhance our contribution to and engagement with the SDGs through business activities, one of the pillars of the previous medium-term management plan, "Brand-new Deal 2023." We will actively promote efforts in areas such as business expansion in accordance with a decarbonized society, leading development in the recycling businesses, and sustained growth through strengthening the value chain in order to enhance our contribution to and engagement with the SDGs.



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Sustainability Policy

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

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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 Paris Agreement (COP21)
- GRI Standards
- IFRS ISSB S1, S2
- ISO14001 (Environmental Management System)
- TCFD Recommendations
- Universal Declaration of Human Rights (UDHR)
- Sustainable Development Goals (SDGs)*
- Basic Principles on the Use of Force and Firearms by Law Enforcement Officials
- Keidanren: Charter of Corporate Behavior, Global **Environment Charter**
- The Ten Principles of the United Nations Global Compact
- International Integrated Reporting Framework (IIRC)

- The Environmental Reporting Guidelines issued by the Ministry of the Environment
- ISO 26000 (Social Responsibility)
- TNFD Recommendations
- UN Guiding Principles on Business and Human Rights
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- OECD Guidelines for Multinational Enterprises
- Japan Foreign Trade Council: Shosha's Corporate Environmental Code of Conduct, Supply Chain CSR Action Guidelines, Long-term Vision for Climate Change Measures
- * Sustainable Development Goals (SDGs): Following the 2015 deadline for the Millennium Development Goals (MDGs), the SDGs set goals for sustainable development by 2030. The 17 goals address issues such as poverty, starvation, energy, climate change and social equality.

SUSTAINABLE GALS

























ITOCHU Group's Concept of Sustainability

Guided by our founding spirit and corporate mission of "Sampo-yoshi" (good for the seller, good for the buyer and good for society). ITOCHU seeks not only to achieve profit but also to help address social issues, in line with the trust and expectations placed on us by our diverse stakeholders, including our shareholders, investors, business partners, and employees.

Evaluation by Society

Collaboration with Outside Initiatives

In April 2018, we adopted an environmental, social, and governance (ESG)-oriented management approach, identifying seven Material Issues (key sustainability issues) from two perspectives: societal impact and business impact. We believe that addressing these Material Issues in terms of both the associated risks and opportunities will serve to enhance our corporate value over the medium- to longterm.

In our long-term management policy, "The Brand-new Deal: Profit opportunities are shifting downstream," announced in April 2024, we have stated that we will achieve the enhancement of corporate brand value alongside growing earnings and shareholder returns.

Our Group has viewed change as an opportunity over the course of our development for more than 160 years. As a result, from upstream to downstream, and from raw materials to retail, our influence has expanded; we have developed while shifting the composition of the products we handle and our business areas in line with the times. We thus believe that constantly creating new value beyond the boundaries of our existing business is especially important in enhancing our group's corporate brand and generating synergies with financial growth. Building on strengths like our points of contact with the consumer sector and based on the market-oriented mindset of all employees, we aim to further enhance our corporate brand value by listening to the voices of the market, society, and consumers, while continuing to steadily refine the qualitative aspects of our business activities.

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Material Issues

ITOCHU put forth Material Issues that incorporate an ESG perspective when we formulated the previous medium-term management plan as of April 2018. 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 (P14)
- Risks and Opportunities/Social Impacts of Each Material Issue (P20)
- Sustainability Action Plans (P24)



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 circular economy 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 decisionmaking.



























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Identification and Review Process for Material Issues

Since ITOCHU first identified Material Issues in 2013, we have conducted annual 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 mission 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."

Processes of identifying and reviewing the Material Issues are as illustrated.

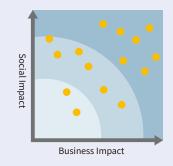
Step 1 Identification of Issues

ITOCHU referred to the international guidelines issued by the International Integrated Reporting Council (IIRC), items assessed by ESG evaluation organizations, etc. We prepared a strategy analysis sheet based on the SDGs, which cover a wide range of social issues, considering internal and external business environments, and international trends. With these approaches, we extracted issues (candidates of Material Issues) for sustainable growth.



Step 2 Division Companies Determine Importance and Set Success Indicators

Each of ITOCHU's Division Companies determined the risks, opportunities and success indicators for their business activities. Concerning risks and opportunities by internal and external stakeholders, Business Impact and Social Impact of dozens of materiality candidates were examined from a medium- to long-term perspective for each Division Company, and mapped on a strategic analysis sheet. We followed the "Sampo-yoshi", which was our business philosophy and also our corporate mission to identify priority issues to address for sustainable growth.

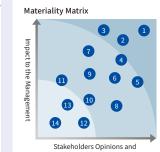


Step 3 Reviews by the Sustainability Advisory Board

ITOCHU created a Materiality
Matrix based on both Impact to
Management, and Stakeholders
Opinions and Expectations. The
Sustainability Advisory Board
conducted reviews and an
exchange of ideas on Materiality



Matrix between outside experts with diverse backgrounds and expertise, based on the external environment and trends of other companies. We identified seven Material Issues as follows.



- Evolve Businesses through Technological Innovation
- 2 Address Climate Change
- 3 Develop a Rewarding Work Environment
- 4 Respect and Consider Human Rights
- 5 Contribute to Healthier and More Affluent Lifestyles
- 6 Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures
- 8 Improve Infrastructures
- Supply Safe and Secure Products
- Consider Biodiversity
- Conserve Water
- 12 Prevent Air Pollution
- Stimulate Regional Economy through Finance
- Reduce Waste
- Discussion Processes with External Stakeholders (Experts): ITOCHU Sustainability Report 2018 P24 (https://www.itochu.co.jp/en/files/18fulle-all.pdf#page=25)

Step 4 Discussion and Decision-Making Among Management

The Sustainability Committee chaired by the CAO held deliberations and confirmed the validity of Material Issues. Then meetings of the Board of Directors chaired by the CEO decided the 7 Material Issues.

Step 5 Reviews of Material Issues

Each year, Sustainability Management
Division reviews the Materiality Matrix by
taking account of the scope of the
Company's business and the concerns
raised through the annual Sustainability
Advisory Board meetings with external
experts and interviews with shareholders
for confirming the effectiveness of the
current Materiality. The results are
discussed by the Sustainability
Committee, where Division Companies
and headquarters' administrative divisions
also attend, and decided by the CAO, and
reported to the Board of Directors.

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Organization and Systems

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 reviews policy formulation and important matters. In addition to a role in heading the Sustainability Committee, the CAO joins meetings of the Board of Directors, the Headquarters Management Committee (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.

* CAO: Chief Administrative Officer HMC: Headquarters Management Committee ■ Sustainability-related Governance Structural Chart (As of June 21, 2024) **Oversight functions** CAO chairs CAO Governance, Nomination **Board of Directors** CAO and Remuneration Committee Approves sustainability-related group policies, Consultation CAO is a member strategies and related business promotion CAO Supervise the appropriateness of Women's Advancement sustainability disclosure information Committee Consultation **Executive functions** Chairman & CEO Sustainability Committee Sustainability Deliberates and reviews sustainability-Advisorv related matters President & COO Board Internal Control Committee CAO Headquarters Management CAO Dialogue with Deliberates and reviews ERM-related matters Committee external experts including sustainability-related risks Determines sustainability-related group including proposals policies and strategies Investment Consultative CAO and advice relating Determines and monitors ERM policies including to the latest trends Committee Report on sustainability-related risk management • Deliberates sustainability-related risks in in sustainability eliberation Promotes new business and makes divestment issues new and existing businesses and approves and review decisions based on sustainability-related risks submissions to the HMC findings Instruct on policy formulation and Plan proposal Planning, promotion and information collection/analysis functions Sustainability Management Division • Plans, formulates measures and implements company-wide sustainability promotion, focusing on the response to critical issues for sustainability (material issues) • Supports the formulation and implementation of measures in business activities • Undertakes the general management of the implementation status of measures and reports to the Sustainability Committee General ICT & Metals & Energy & Textile Products & The 8th Machinery Food Minerals Chemicals Financial Realty Appoint management of each organization as Group ESG Officer Headquarters Overseas Domestic Assign Group ESG Manager as assistant under the Officer Administrative Branches Blocs • Manage progress and monitor various measures and initiatives Divisions

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Board of Directors

ITOCHU group recognizes that responding to sustainability issues is an important management issue. The Board of Directors approves the Group's policies, strategies and related business promotion concerning sustainability, and oversees the appropriateness of sustainability disclosure information.

The Board of Directors oversees the appropriateness of material issues through a review of key issues such as policies to respond to risks and opportunities for each material issue, the specific approach outlined in Sustainability Action Plans to responding to them, the performance indicators of the results of the response to them, and the degree of progress on them.

The Board of Directors also oversees the execution of business and investment strategies to respond to sustainability-related risks and opportunities including environmental and social risks. (That includes a review of strategies and divestment decisions). To explain details, we use the ESG Checklist for Investment as an advance ESG risk assessment on all our new investment projects. At the HMC, which is the decisionmaking body for appropriate and agile business execution by CEO and the Board of Directors, we identify, analyze, and verify important matters related to sustainability risks and opportunities, as well as discuss relevant policies, structures, and initiatives. Moreover, after investing in projects, we conduct multifaceted management such as monitoring and reviews of group companies to avoid sustainability-related risks, on-site visits and surveys to prevent environmental pollution, and human rights due diligence.

For management along the value chain, we conduct an annual sustainability survey to check the status of ESG initiatives of our suppliers. In addition, initiatives related to risks and opportunities regarding climate change are analyzed and disclosed based on the TCFD, and similarly those for natural capital are based on the TNFD frameworks. The CAO periodically reports on its sustainability-related deliberations and initiatives to the Board of Directors which then oversees them.

Skills and Competencies of the Board of Directors

Our CAO has specialized experience and knowledge in the field of the SDGs and ESG. The CAO receives periodic reports about twice a month from the Sustainability Management Division in charge of planning and implementing various sustainability-related measures. Furthermore, we invite external experts to give talks and exchange opinions at meetings of the Sustainability Advisory Board held every year. Through those opportunities, we deepen our knowledge about sustainability-related trends in the world, the expectations in our company and the issues we should tackle.

The CAO, our representative director, is a member of the HMC which discusses our general management policy and important management-related matters. At the same time, the CAO concurrently serves as the chair of the Sustainability Committee. The CAO decides matters deliberated upon in meetings of the Sustainability Committee as the person with overall responsibility for sustainability. The HMC then approves important matters after they have been decided upon by the CAO. The CAO reports those decisions to the Board of Directors about three times a year together with the status of the main activities to promote sustainability. We believe this structure gives the Board of Directors the competency when overseeing sustainability.

Sustainability Committee

The Sustainability Committee deliberates on the formulation and implementation of various measures to respond to sustainability-related matters. The committee identifies, assesses and manages the setting of sustainability-related targets, the state of progress on those targets, and current sustainability-related risks and opportunities. The Board of Directors oversees the promotion of business and investment strategies to respond to sustainability-related risks and opportunities. (That includes a review of strategies and divestment decisions.) In addition, at the executive level, the managers of each company concurrently serving as those in charge of ESG and the managers of headquarters administrative division participate in the Sustainability Committee as core members. The committee receives reports on sustainability-related matters from the Sustainability Management Division and those in charge of promoting ESG in each company and headquarters administrative division. It then manages and monitors the progress on the various measures and initiatives.

Collaboration with Outside Initiatives

FYE 2024 Sustainability-related Deliberations and Reports

Sustainability- related Meetings	Members	Number of Meetings Held	Main Approval, Deliberation and Report Contents
Board of Directors	Directors and Audit & Supervisory Board members	4	Deliberations by the Sustainability Committee and decisions by the CAO Social contribution activity reports
Sustainability Committee	Chair: CAO Members: General Managers of the Corporate Planning & Administration Division, Corporate Communications Division, Human Resources & General Affairs Division, Legal Division, Finance Division, General Accounting Control Division, Global Risk Management Division, and Investor Relations Division; General Managers of the Planning & Administration Departments in each Division Company; full-time Audit & Supervisory Board member	3	Disclosure of sustainability-related information in Annual Securities Report Confirmation of the material issues Review of sustainability action plans External ESG assessments Results of environmental and social risks monitoring and review CSRD promotion system Response to climate change Natural capital (biodiversity)/TNFD disclosures ISO14001 environmental management reviews Human rights due diligence and sustainability surveys Human capital

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Sustainability Advisory Board

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The Sustainability Advisory Board was established to engage outside stakeholders in dialog with our executive management 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.

Overview of the Sustainability Advisory Board 2023

In FYE 2024, we welcomed three experts from industry, academia and the government to discuss the theme of "Natural Capital Biodiversity TNFD" in a meeting of the Sustainability Advisory Board we held in February 2024. The experts gave talks on the latest trends from their differing perspectives. After that, ITOCHU introduced "the status of plans toward disclosure of natural capital related information". There was then a frank exchange of opinions in the question-and-answer session.

Based on the opinions exchanged at this advisory board, we will disclose our risk and opportunity initiatives related to natural capital and the results of our analysis and evaluation based on the TNFD framework. The following comments were made from the three experts with expectations and advice for ITOCHU: "I can see that you are already working on risk management in terms of sustainable procurement," "I think it is important to change the entire supply chain by purchasing from producers who are making sustainable raw materials," "There are aspects of nature-related business opportunities for trading companies. How to anticipate and uncover business opportunities is the key to show ITOCHU's skills."



Meeting of the Sustainability Advisory Board 2023

Summary of Past Activities

• Ms. Mami Fukuchi

• Mr. Hidemi Tomita

(Job Titles at the Time)

Natural Capital Biodiversity TNFD **Sustainability Advisory Board Members** • Ms. Naoko Hamashima Office for Mainstreaming Biodiversity, Biodiversity Policy Division, Nature Conservation Bureau, Ministry of the Environment Ms.Kaori Fuiita Professor, Green Goals Initiative / Graduate School of Life Sciences, Tohoku University and Senior Deputy Editor, Nikkei ESG SDGs Center • Mr. Hidemi Tomita Managing Director, LRQA Sustainability K.K. **ITOCHU Members** Fumihiko Kobavashi Member of the Board, Executive Vice President, Chief Administrative Officer • Ryoma Omuro General Manager, Planning & Administration Department, Textile Company FYE 2024 Toshio Okudera General Manager, Planning & Administration Department, Machinery Company Osamu Tano General Manager, Planning & Administration Department, Metals & Minerals General Manager, Planning & Administration Department, Energy & Chemicals • Hajime Sakanashi • Yoshihiro Kamigaichi General Manager, Planning & Administration Department, Food Company Yasuhiro Takahashi 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) Supply Chains and Human Rights **External Lecturer** • Mr. Ken Toyoda Director for Business and Human Rights Policy, Ministry of Economy, Trade and **FYE 2023 Sustainability Advisory Board Members** • Ms. Tomovo Matsui Professor of Graduate Schools for Law & Politics, The University of Tokyo • Mr. Hideki Wakabayashi Director, Japan NGO Center for International Corporation • THINK Lobby Board Member · Director, Global Compact Network Japan **Carbon Credits Sustainability Advisory Board Members** FYE 2022 Mr. Fumihiro Kaiikawa 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. **Response to Climate Change Sustainability Advisory Board Members** • Ms. Yukari Takamura Professor of Institute for Future Initiatives, The University of Tokyo FYE 2021 • 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. Sustainable Business Direction in a Circular Economy Sustainability Advisory Board Members Professor of Business Administration and Information Science, Chubu University. • Mr. Eiji Hosoda **FYE 2020**

Professor Emeritus, Keio University

Director, Lloyd's Register Japan K.K.

The University of Tokyo

Associate Professor of Graduate School of Interdisciplinary Information Studies,

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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 2024	CAO message, "Sampo-yoshi" capitalism, Role of non-financials in enhancing corporate value, Expansion of disclosure requirements, Expansion in environment from GHG to natural capital, Social and human rights	100.0%
FYE 2023	SDGs and Sustainability (Examples: Latest trends, Sustainability Action Plans, GHG emission reduction and climate change measures, business and human rights, supply chain management, etc.)	100.0%
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%

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 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. Moreover, in April 2023, we held a video training course on the relationship between business and natural capital and biodiversity, and what should be done, mainly for departments responsible for businesses with a high degree of dependence on and impact on natural capital, etc. In October, we held a seminar to deepen understanding of the background and significance of TCFD scenario analysis, mainly for departments conducting scenario analysis. In October, a seminar was held to deepen understanding of the background and significance of TCFD scenario analysis, focusing on the departments that conduct scenario analysis. In both cases, outside consulting firms presented specialized content.

Collaboration with Outside Initiatives

FYE 2024	Training on Biodiversity (basic, practical)
	Briefing for TCFD and Scenario Analysis
FYE 2023	Method of Calculating Scope 3 Emissions in the ITOCHU Group
FYE 2022	When and Where Does CO ₂ Occur? Life Cycle Assessment (LCA) Study Session
FYE 2021	Are the SDGs Profitable?
FYE 2019	Business and Human Rights (in the Supply Chain)



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 2024
Group ESG Managers Conference	Group ESG managers	Basic knowledge and explanation of work duties for ITOCHU Group ESG promotion supervisors	101
Training New Recruits	New employees	ITOCHU Group sustainability promotion	114
Training in Preparation for Overseas Assignments	Employees designated for overseas assignment	Points of caution related to ITOCHU Group sustainability and promoting sustainability overseas	62
Training for Group Executive Officers	Group executive officers	ITOCHU Group sustainability and importance of Group alliances	130
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	50
Sustainability Survey Workshop	Employees conducting sustainability surveys	Important items in the Sustainability Action Guidelines for Supply Chains and sustainability surveys	109

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Flow of Sustainability Promotion

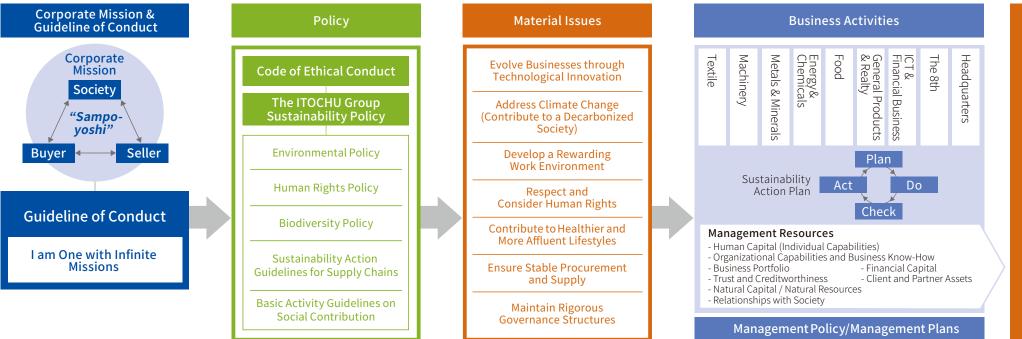
ITOCHU Group has established the ITOCHU Group Sustainability Policy based on its corporate mission and changes in the external environment. We work to promote initiatives that contribute to sustainability in a structured and systematic manner. Specifically, we incorporate the Group's Material Issues into the Sustainability Action Plans, and we aim to help resolve key sustainability challenges through trading and business investments based on the policies set out in our management policy and management plan.

Through our Sustainability Action Plans, we manage key challenges to be addressed, target business areas,

specific approaches, key performance indicators, and the status of progress toward them every year. We conduct progress reviews based on the key performance indicators set for each of the eight division companies and for administrative divisions, and report this progress to the Sustainability Committee every year. We implement the PDCA cycle and disclose this information to ensure that progress on Material Issues continues.

Please refer to the "ITOCHU Group Sustainability Policy (P11)" for details.

■ Flow of Sustainability Promotion



Solving Sustainability Issues Through Business Activities

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Risks and Opportunities for Each Material Issue

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

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Social Impacts of Each Material Issue

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

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Social Impacts of Each Material Issue

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

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Risks and Management

Identification, Assessment and Management

Identification of Sustainability-related Risks and Opportunities

As a corporate group with global operations, ITOCHU Group constantly monitors the risks to its business arising from changes in society and the business environment, including environmental and societal measures and legislation in respective countries. The Division Company Management Committee (DMC), which serves as an advisory body to the Division Company President of each operating segment, who hold responsibility for overseeing the management and business activities of their respective companies, annually reviews business risks and opportunities, including those related to environmental, social and other sustainability-related issues, and formulates the plan that sets out a range of measures and business priorities. The plan for each operating segment is submitted to the HMC and to the Board of Directors, which serves as the Group's supervisory body, and is approved by the Board of Directors following a final comprehensive analysis and deliberation from a sustainability perspective.

Evaluation of Sustainability-related Risks and Opportunities

Our group recognizes that risk management is an important management priority. Accordingly, we have established a basic policy for risk management at the Group with reference to the COSO-ERM framework, and developed the required risk management systems and methodologies. We recognize factors that may have a major future impact on our financial situation and performance as significant risks. We identify risks by gathering information on a regular basis regarding regulatory and other trends related to sustainability, including climate change, supply chain issues, and human rights, as well as sustainability-related risks and opportunities impacting our business operations throughout the world.

Management of Sustainability-related Risks and Opportunities

Our group delegates authority to its operating segments in order to enable swift decision-making and to manage sustainability-related risks and opportunities associated with their business operations. At each operating segment's DMC, management policies as well as investments, loans, guarantees, and businesses and other matters affecting Company's management are deliberated, with final decisions made by the Division Company President. These decisions are managed, as appropriate to the circumstances at each stage of the business.

Integration into the Enterprise Risk Management System

Our group has established a variety of in-house committees and responsible departments to deal with various risks and opportunities including sustainability-related risks and opportunities. At the same time, we have set up the necessary risks management structures and management methods. For example, we have set up various management rules, investment criteria, risk limits and transaction limits, and reporting and monitoring structures. We then manage risks and opportunities all-inclusively and individually.

Each of our companies reports the risks and opportunities it manages to our in-house committees. The HMC and/or the Board of Directors then approves those risks and opportunities after they have been deliberated on by the committees according to their level of importance. The Internal Control Committee reviews the effectiveness of the management structure every year and makes a report to the Board of Directors.

Please refer to the "Governance>Risk Management (P213)" for details.

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Sustainability Action Plans

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

In addition, each unit—headquarters administrative divisions, domestic branches and offices, overseas locations, etc.—formulates a Sustainability Action Plan according to its business and function, the goal being to further entrench the foundations supporting business activities.

For the top four material issues that are of high importance to us, we have set mid- to long-term numerical targets for the entire company and are managing their progress.



Evolve Businesses through Technological Innovation

Mid-to Long-term Targets

ITOCHU Group creates avoided emissions that exceeds its GHG emissions by 2040 and achieve "offset zero.

Background on Setting the Targets for This Material Issues

As technological innovation progresses, the development and diffusion of cleantech businesses, as well as efforts to contribute to environmentally friendly design of products and services and resource recycling, and work efficiency improvement through AI and DX are expected. As an indicator of the evolution of business, we have set the creation of GHG's avoided emissions, which is an urgent issue.

Results

Created avoided emissions

- FYE 2024: 12.3 million t-CO2e
- FYE 2023: 6.4 million t-CO2e
- FYE 2019: 1 million t-CO2e



Evolve Businesses through Technological Innovation: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	9 MALIETY MONOTERS	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 building a system to utilize IT and data.	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.	At JOI'X CORPORATION, thanks to the project to achieve the optimal inventory volume in FYE 2024, we have confirmed a decrease in the inventory quantity compared to last year for the main brand, Paul Smith Men's. The decrease was 7.8% at the end of the Spring/Summer 2023 season and 4.5% in the same year's Fall/Winter season (based on the end of January). SANKEI CO., LTD. has built a database that centralizes product information for thousands of clothing accessories. It allows related parties to instantly access, share, and update product information, and promote operational efficiency. In the near future, it will be possible to link data with enterprise systems and collaborate with apparel customers that digitalized their operations.
Machinery Company	7 amend for all amends of the formal	Climate Change Opportunities Innovation	Taking countermeasures against climate change Next-generation business development	Ships/Shipping field	We will contribute to decarbonization in the shipping and maritime sectors through the promotion of an "integrated project" encompassing the development, ownership and operation of ammonia-fueled ships, the development of fuel supply chains, and fuel procurement.	In addition to the joint development of ammonia-fueled vessels with the Japanese consortium and the ownership and operation of these vessels, ITOCHU will take the lead in the development of supply chain of an ammonia bunkering and fuel procurement, aiming for early materialization of the pilot project.	After 2027, promote the spread of ammonia-fueled vessels and the establishment of a supply chains to contribute to the decarbonization of the maritime industry.	To contribute to decarbonization in the shipping sector, we are developing an "integrated project" aimed at: (i) developing ammonia-fueled vessels, (ii) owning and operating ammonia-fueled vessels, (iii) establishing fuel supply chains, and (iv) procuring/producing clean ammonia. As a pilot initiative, discussions are underway with stakeholders for the development of the first ammonia-fueled vessels, initially targeting large bulk carriers with a projected completion date of 2027. Concurrently, discussions have commenced for container ships and car carriers to adopt ammonia as their primary fuel. In addition, we are actively progressing the development of ammonia bunkering facilities in Singapore, followed by Algeciras in Spain and the Suez Canal in Egypt. In March 2024, we secured support from the Green Innovation Fund for the development of various technologies related to ammonia handling, in collaboration with Fuji Electronic. We have established an international framework for conducting a "Joint Study" on the risk assessment of ammonia fuel and safety standards, and have also formed a "Container Ship Joint Study." These frameworks were concluded as of March 2024 to transition into the commercialization phase.

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Machinery Company	13 anns	• Climate Change Opportunities • Innovation	Taking countermeasures against climate change Next-generation business development	Sales of passenger cars and commercial vehicles	We will achieve the eco- friendly mobility society by strengthening businesses of electric vehicles (EVs), hybrid vehicles (HVs), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco- friendly vehicles by increasing business of eco-friendly and high-efficiency products, such as EVs, HVs, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	As a partner in "EVision," Isuzu's total solution program for EVs, we have expanded our efforts to promote commercial EVs and have actively provided consultations to users encountering challenges related to EV introduction. In November 2022, we commenced demonstration and operations with a prototype developed and manufactured as part of the "Combination of developing battery-exchangeable EVs and utilizing renewable energy Sector coupling demonstration project," commissioned by the Ministry of the Environment. By the end of December 2023, we had achieved a cumulative delivery distance exceeding 20,000km.
Metals & Minerals Company	7 seconds 13 and 2	• Climate Change Opportunities • Capital Introduction • Innovation	Taking countermeasures against climate change	Resource recycling business Mining business Environmental business Materials-related business	We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials.	Take the lead in developing recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, etc. as resources and raw materials that contribute to the decarbonization 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 utilization (CCU). Promote initiatives to completely withdraw from thermal coal mine interests while continuing to realize stable resource supply as our social mission and responsibility through trading in regards to our coal business. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper).	Promote recycling- orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, etc. as resources and raw materials that contribute to the decarbonization 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).	 Together with JFE Steel, Emirates Steel Arkan, and others, we have promoted detailed feasibility studies for the establishment of a supply chain of ferrous raw material for green ironmaking with low carbon emission, which contribute to the decarbonization of the steel industry. 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). Specifically, we are steadily promoting initiatives in venous industries. This includes the reuse and recycling of store facilities and fixtures, the expansion and increase in sophistication of metal scrap and waste treatment through the use of a nationwide network of recycling companies, and strengthening of cooperation with the TRE HOLDINGS CORPORATION general recycling company we invested in FVE 2020. 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 have invested in Everfuel (Denmark), who conducts the design, EPC, and operation of green hydrogen production facilities, distribution assets, and operation of hydrogen stations by using water electrolysis equipment, as well as the sale of hydrogen. In collaboration with Everfuel, we are promoting the construction of a green hydrogen value chain for local production - consumption in Europe. We are promoting the Platreef project and others in the PGM (platinum group metals)/nickel business where demand is expected to grow significantly due to the worldwide spread of electric vehicles and fuel cell vehicles, and also expanding trade activities of such materials. We continue to conduct a commercialization survey of a by-product hydrogen project in northern Kyushu with partners for the social implementation of hydrogen.



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Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Metals & Minerals Company	9 result services	Innovation	Development of DX-related businesses	Mining business Resource-related business Logistics business	We will contribute to improving business efficiency and eliminating concerns about skilled worker availability while fully considering the health and safety of on-site employees.	Promote an increase in efficiency of mine operations and facility management utilizing digital transformation. Promote conversion to the automatic operation of mining equipments such as underground mining equipments and dump trucks.	Promote initiatives that contribute to an improvement in the health and safety of employees at operation sites and in the overall business efficiency.	We signed a memorandum to collaborate in decarbonization and digital transformation with Companhia Siderúrgica Naciona [CSN] and started demonstration experiment with the aim of contributing to increased safety, operational efficiency, and decarbonization at the iron ore mine (Casa de Pedra [CdP] Mine) that we have invested and CSN steel work. Since FYE 2023, we have been operating GE Digital's operation and asset management software at the CdP Mine in full-scale with improving the plant's actual yield rate. We are also considering to apply of the system at other mines and other regions. We also agreed to collaborate on decarbonization of the CSN Group mainly at the CdP Mine with Shell, a major resource company.
ICT & Financial Business Company	9 Industry Industrial B and Information	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.	Developed 6 new vendors to provide stable solutions and further improve services. Provide services and solutions that contribute to improving work efficiency and ensuring information security. Aiming to further expand business to contribute to the realization of a safe, secure, and convenient social infrastructure.
The 8th Company	9 10 10 10 10 10 10 10 10 10 10 10 10 10	Innovation	Next-generation business development	Consumer related business	We will aim to create innovative services and new business by integrating assets and new technologies of the ITOCHU Group.	Increase contact with consumers by promoting the retail business in our initiatives to understand consumer behaviors, and combine the wide range of products, functions, and expertise of the Group to create unique new value that will be profitable for consumers and communal society.	Aim to develop new businesses and cultivate new customers by taking full advantage of the business foundations possessed by the ITOCHU Group.	We have formed a capital and business alliance with Couger Inc., a company that develops virtual human agents with advanced recognition technology. We are utilizing their technology to develop an AI assistant to support store manager operations at FamilyMart, by providing optimal data tailored to each store's situation and store manager, which leads to labor savings and improve store operation. The AI assistant has already been introduced in approximately 5,000 stores as of March 2024, and aiming to introduce to all stores by the end of FYE 2024. ITOCHU, FamilyMart, NTT Docomo and CyberAgent established Data One, an advertising distribution company, in October 2020. Data One sells 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. In April 2023, PPIH Group, FamilyMart, and ITOCHU began collaborating in the retail media business. With a total of approximately 33 million advertising IDs (as of the end of March 2024), Data One is promoting the improvement of customers' purchasing experience and the high efficiency of digital marketing. In September 2021, Itochu and FamilyMart established a media business company called "Gate One Co., Ltd." utilizing digital signage. They installed large-scale signage in FM stores, transforming the stores into media outlets. By March 2024, they had installed signage in 10,000 stores, establishing the largest-scale domestic retail media that reaches approximately 64 million people per week. In addition to expanding location-specific advertising menus, they also strengthened the delivery of beneficial content to local residents and visitors. They aim to continue installing signage in stores where possible and provide customers who visit FamilyMart stores with an unprecedented store experience.

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Address Climate Change (Contribute to a Decarbonized Society)

Mid-to Long-term Targets

ITOCHU Group achieve 75% GHG reduction from 2018 levels by 2040 and achieve net zero GHG emissions by

Background on Setting the Targets for This Material Issues

In support of the Paris Agreement and Japanese government targets, the ITOCHU Group set a target to reduce GHG emissions in Scope 1/2/3 and promote initiatives such as complete withdrawal from thermal coal mining interests and clean-tech business.

Results

	FYE 2019	FYE 2023	FYE 2024
Scope 1/2/3 total	4,161 thousand t-CO ₂ e	4,103 thousand t-CO ₂ e	3,923 thousand t-CO ₂ e
Reduction rate compared to FYE 2019	_	1.4%	5.7%

^{*} The above figure is the sum of Scope 1/2/3 disclosed in ESG data.



Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	7 street to the	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.	Tyr Energy Development Renewables, LLC ("TED"), established in 2022, is currently developing 26 assets, approximately 4 GW of solar power plants. NAES Corporation, another wholly-owned subsidiary of ITOCHU and the world's largest independent provider of 0&M services for power plants, extends its expertise to asset management and maintenance services in the renewable energy sector. Currently, NAES oversees approximately 1,400 solar power plants with a capacity of 2GW, as well as wind power plants with a capacity of 1.1GW. In June 2023, we launched a fund dedicated to investing in renewable energy generation assets across North America. The renewable energy ratio, calculated on an equity interest basis, stands at 17.1% as of March 2024.
Machinery Company	7 mineral m summan 13 cms	• Climate Change Opportunities • Innovation	Taking countermeasures against climate change Next-generation business development	Ships/Shipping field	We will contribute to decarbonization in the shipping and maritime sectors through the promotion of an "integrated project" encompassing the development, ownership and operation of ammonia-fueled ships, the development of fuel supply chains, and fuel procurement.	In addition to the joint development of ammonia-fueled vessels with the Japanese consortium and the ownership and operation of these vessels, ITOCHU will take the lead in the development of supply chain of an ammonia bunkering and fuel procurement, aiming for early materialization of the pilot project.	After 2027, promote the spread of ammonia-fueled vessels and the establishment of a supply chains to contribute to the decarbonization of the maritime industry.	To contribute to decarbonization in the shipping sector, we are developing an "integrated project" aimed at: (i) developing ammonia-fueled vessels, (ii) owning and operating ammonia-fueled vessels, (iii) establishing fuel supply chains, and (iv) procuring/producing clean ammonia. As a pilot initiative, discussions are underway with stakeholders for the development of the first ammonia-fueled vessels, initially targeting large bulk carriers with a projected completion date of 2027. Concurrently, discussions have commenced for container ships and car carriers to adopt ammonia as their primary fuel. In addition, we are actively progressing the development of ammonia bunkering facilities in Singapore, followed by Algeciras in Spain and the Suez Canal in Egypt. In March 2024, we secured support from the Green Innovation Fund for the development of various technologies related to ammonia handling, in collaboration with Fuji Electronic. We have established an international framework for conducting a "Joint Study" on the risk assessment of ammonia fuel and safety standards, and have also formed a "Container Ship Joint Study." These frameworks were concluded as of March 2024 to transition into the commercialization phase.
Machinery Company	13 ами	• Climate Change Opportunities • Innovation	Taking countermeasures against climate change Next-generation business development	Sales of passenger cars and commercial vehicles	We will achieve the eco-friendly mobility society by strengthening businesses of electric vehicles (EVs), hybrid vehicles (HVs), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco-friendly vehicles by increasing business of eco-friendly and high-efficiency products, such as EVs, HVs, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	As a partner in "EVision," Isuzu's total solution program for EVs, we have expanded our efforts to promote commercial EVs and have actively provided consultations to users encountering challenges related to EV introduction. In November 2022, we commenced demonstration and operations with a prototype developed and manufactured as part of the "Combination of developing battery-exchangeable EVs and utilizing renewable energy Sector coupling demonstration project," commissioned by the Ministry of the Environment. By the end of December 2023, we had achieved a cumulative delivery distance exceeding 20,000km.





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Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	6 annual formation of the control of	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 the investment portfolio in the water and environment field which contribute to social demands for the environment and the promotion of a circular economy.	Water Field ● We are promoting seawater desalination business in Australia and Oman. Environmental Field ● UK: Our operations encompass four municipal solid waste incineration and power generation facilities (waste-to-energy plants), processing 1.3 million tons of waste annually. This accounts for 10% of the UK's waste incineration market and provides electricity for 160,000 British households. ● Serbia: We have initiated an integrated waste management business, including an Energy-from-Waste (EfW) project in the City of Belgrade. The project anticipates a reduction of approximately 210,000 tons of greenhouse gas emissions and has received Certification of Carbon Credit from the Gold Standard. ● UAE: The first Energy-from-Waste (EfW) project in Dubai, we are advancing the construction of the world's largest EfW plants. These facilities are designed to process half of the Dubai's municipal solid waste annually (1.9 million tons). ● Saudi Arabia: We are actively engaged in integrated hazardous waste management services in Jubail Industrial City.
Metals & Minerals Company	7 emerina 13 sma	• Climate Change Opportunities • Capital Introduction • Innovation	Taking countermeasures against climate change	Resource recycling business Mining business Environmental business Materials-related business	We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighterweight vehicles and electric vehicles (EVs)) and the stable supply of essential materials.	Take the lead in developing recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, etc. as resources and raw materials that contribute to the decarbonization in client industries (e.g. steel and power). Promote businesses to contribute to the stable supply of nickel, PGM and other materials necessary in the manufacture and supply of hydrogen, green materials and energy, and storage batteries. Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gas emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Promote initiatives to completely withdraw from thermal coal mine interests while continuing to realize stable resource supply as our social mission and responsibility through trading in regards to our coal business. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper).	Promote recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, etc. as resources and raw materials that contribute to the decarbonization 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).	 Together with JFE Steel, Emirates Steel Arkan, and others, we have promoted detailed feasibility studies for the establishment of a supply chain of ferrous raw material for green ironmaking with low carbon emission, which contribute to the decarbonization of the steel industry. 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). Specifically, we are steadily promoting initiatives in venous industries. This includes the reuse and recycling of store facilities and fixtures, the expansion and increase in sophistication of metal scrap and waste treatment through the use of a nationwide network of recycling companies, and strengthening of cooperation with the TRE HOLDINGS CORPORATION general recycling company we invested in FYE 2020. 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 have invested in Everfuel (Denmark), who conducts the design, EPC, and operation of green hydrogen production facilities, distribution assets, and operation of hydrogen stations by using water electrolysis equipment, as well as the sale of hydrogen. In collaboration with Everfuel, we are promoting the construction of a green hydrogen value chain for local production - consumption in Europe. We are promoting the Platreef project and others in the PGM (platinum group metals)/nickel business where demand is expected to grow significantly due to the worldwide spread of electric vehicles and fuel cell vehicles, and also expanding trade activities of such materials. We continue to conduct a commercialization survey of a by-product hydrogen project in northern Kyushu with partners for the social implementation of hydrogen. We have an investment



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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	13 зыят	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.	To realize a sustainable society through the stable supply of energy, we continue to discuss with competent partners ways to participate in new upstream projects and collaborate on decarbonization as raw materials for a transition fuel.
Energy & Chemicals Company	7 MICROSOLLAND	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 district heating and cooling to neighboring areas.	We are continuing discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.
Energy & Chemicals Company	7 street to	Climate Change Opportunities	Efforts to optimally and continuously supply renewable energy	• Energy Storage System • Power & Environmental Solution	We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular.	We will continue to sell Energy Storage System equipped with optimal charging/discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	Number of storage batteries sold. Use of recycled and reused batteries.	 Sold a cumulative total of approximately 60,000 units (588 MWh) of energy storage systems, as of the end of March, 2024. Continuing to promote recycling and traceability demonstrations with partners in Japan and overseas, with the aim of building a high-value-added supply chain through the implementation of recycling chains and traceability. Working on the structuring battery storage facilities (3 projects) and the sale of large storage batteries (4 projects). Have sold a total of 100MWh of grid storage batteries, including those currently under construction. In the process of establishing Japan's first fund dedicated to grid storage batteries in cooperation with the Tokyo Metropolitan Government.
Energy & Chemicals Company	7	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 Working on new energy initiatives	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 and to improve energy efficiency.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	Hydrogen and Ammonia To realize a decarbonized society, we concluded a Memorandum of Cooperation (MOC) with Hive Hydrogen South Africa to collaborate in the field of green ammonia. Renewable Diesel (RD) and Sustainable Aviation Fuel (SAF) In 2022, ITOCHU was selected by the Civil Aviation Bureau (Ministry of Land, Infrastructure, Transport and Tourism) to carry out an "Imported Neat SAF Model Demonstration Project". ITOCHU established a domestic blending supply chain by importing neat SAF from Neste OYJ in cooperation with a partner company. Following successful SAF supply arrangements for Haneda and Narita airports, ITOCHU has begun supplying SAF to Central Japan International Airport. ITOCHU and its partners were selected for the "Program Supporting the Commercialization of Biofuel Utilization", a Tokyo Metropolitan Government public procurement. The members of the association aim to increase biofuel use by using RD in land transport vehicles and airport work vehicles. New Energy ITOCHU will acquire shares of Blue Laser Fusion Inc. (BLF), a fusion energy-related startup, through a third-party allotment, while simultaneously concluding a strategic and business alliance agreement with BLF for fusion energy and other related businesses in which laser technology developed by BLF will be used.



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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	13 amer	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.	Together with ITOCHU Oil Exploration Co., Ltd., we joined the Geological Carbon Dioxide Storage Technology Research Association, which researches and develops technologies for underground sequestration of carbon dioxide. In FYE 2024, the Tohoku Region West Coast CCS initiative was publicly selected by the Japan Organization for Metals and Energy Security to study the feasibility of a Japanese Advanced CCS Project. We are also studying with our consortium partners the feasibility of a CCS value chain project using ship transportation.
Energy & Chemicals Company	7 emercin	Climate Change Opportunities	Working on initiatives to optimally and continually supply renewable energy	Renewable energy independent power producers (IPPs) / renewable energy-related materials procurement / dispersed power source initiatives	We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power gird through the deployment of solar power dispersed power sources.	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power plants (VPP).	Scale of our renewable energy assets Scale of our dispersed power sources	We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 850 on-site photovoltaic power plants(combined output is appx 200,000kW) across Japan through i Grid Solutions Co., Ltd. We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 1,200 off-site photovoltaic power plants(combined output is appx 100,000kW) across Japan through Clean Energy Connect, Inc.
Food Company	7 STREEMELT AND STREET	GHG Emissions	Taking countermeasures against climate change	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	Dole will utilize green energy in our processed food business.	Situation of operation of biogas plant at Dole Philippines. Status of introduction of other clean energy sources, etc.	 Result of utilization of processed pineapple residue: 155,558MT in FYE 2024. Result of GHG reductions from utilization of clean energy: 97,445t-CO₂e in FYE 2024.
General Products & Realty Company	12 SEPRIFICATION OF SERVICE AND PRODUCTION OF SERVICE AND SERVICE	Forest	Using sustainable forest resources	Pulp Woodchips Wood products & materials	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In FYE 2024, 100% of our Pulp, Woodchips and Wood Priducts & Materials transactions were handled as certified material or were intensively managed.
General Products & Realty Company	12 STEPRINE CONTROL OF STE	Capital Introduction Pollution Prevention and Resource Recycling	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. In FYE 2024, global slag transactions amounted to 1.75 million tons.

* (1) to (4) are stipulated in the General Employer Action Plan under the Act on

• Enhanced the utilization of femtech (eg.subsidize for egg freezing fee).

Promotion of Women's Participation and Advancement in the Workplace.

• Introduced the following measures as a result of discussions at

the Women's Participation Promotion Committee. · Made it "mandatory" for male employees to take 5 days of

childcare leave (paid leave).



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supports.

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Develop a Rewarding Work Environment

Mid-to Long-term Targets

ITOCHU increases the ratio of female officers (including Executive Officers) to 30% or higher by 2030.

Background on Setting the Targets for This Material Issues

The perspective of female managers is extremely important to ITOCHU with its advantages in the consumer business.

education).

employees with disabilities.

Results

disabilities over our entire group: 2.5% as of

March 2024 (Includes ITOCHU Uneedus Co.,

(1) to (5) are stipulated in the General Employer Action

Plan under the Act on Promotion of Women's Participation

Affairs Services Inc.).

and Advancement in the Workplace.

Ltd. and ITOCHU Human Resources & General

As a result of appointing five new female Executive Officers as of April 1, 2024, the ratio of women among all of our executive positions is 21%.



Develop a Rewarding Work Environment: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Headquarters	8 OCCUPATION AND SCHOOL COUNTY	Labor Practices	Improving operating efficiency and preventing long working hours through work style reform	Human resources affairs	We will aim to improve labor productivity and employee engagement by promoting varied work styles.	Conduct regular monitoring of employees' work situations. Conduct employee engagement survey. Promote the percentage of taking employee acquiring paid leave.	Compliance to labor laws. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. Paid leave acquisition rate at 70% or higher.	Conducted monitoring of employee's working hours and working environment so as to prevent unpaid overtime work. The positive answer rate to the "employee engagement" in employment survey; 71% in FYE 2022, 76% in FYE 2019, 78% in FYE 2015. Percentage of taking employee acquiring paid leave; 64.7% in FYE 2024
Headquarters	8 accretions no	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.	Reach the percentage of employees who receive regular medical checkups in Japan to 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote support system for balancing cancer care and work. Encourage support for smoking cessation treatment. Continue to provide special programs for employees at a high risk for lifestyle-related diseases. Conduct stress check every year.	Percentage of employees who receive regular medical checkups in Japan: 100%. Percentage of employees who receive specific health guidance: 55%. Rate of employees found to have a high level of stress in the stress check at 5% or lower.	Percentage of employees who receive regular medical checkups in Japan: 93.5% (As of April 3rd, 2024). Percentage of employees who receive specific health guidance: 52.7% in FYE 2024. Rate of employees found to have a high level of stress in the stress check at 5.2% in FYE 2024.
Headquarters	8 acceptable was	Labor Practices	Sustainable development of employees' capabilities	Human resources affairs	We will develop training programs on a global basis and provide opportunities to learn proactively that respond to the changing times and business needs with a market-oriented mindset to foster employees who can constantly change their business to meet their needs while inheriting the corporate philosophy. We will also utilize training programs to continuously produce excellent human resources.	Continue to develop and provide training programs at all jobs levels. Continue and enhance overseas deployment of interns and language trainees. Offer diverse career path options and experience in diverse work through regular rotation. Foster career awareness among employees by enhancing personnel assessments, career vision training, career counselling systems and other programs/systems.	Annual training-related expenses exceeding one billion yen. The number of employees who joined human development program (cumulative total number) 50,000 or more. Percentage of career-track employees who are deployed overseas in their first eight years at the company at 80% or higher.	Annual training-related expenses forecast: 2.27 Billion yen in FYE 2024. The number of employees who joined human development program (cumulative total number) 68,824. Overseas dispatch rate for career-track employees in up to their eighth year since joining the company: 87.3%.
Headquarters	5 10000	Labor Practices	Creating an environment that allows diverse human resources to exercise their potential	Human resources affairs	We will prohibit all types of discrimination, including those based on race, gender, religion, nationality and age, and respect human rights. We will accept diverse values and create an environment where each employee maximize their ability with flexible working style and other	Continue fair and equitable recruitment and promotion. Create a work environment in which employees accept and leverage diverse values. In anticipation of an increase in dual-income couples, enhance support for balancing childcare, nursing care, fertility treatment and similar circumstances with work (including utilization of flexible working style). Promote understanding and acceptance of LGBTQ and other sexual minority employees (e.g., employee education).	Achieve the following plans by Year 2030. Female board of directors (including executive officers) as a percentage: 30%. Achieve the following plans by FYE 2026. Female employees as a percentage of workforce: 30%. Female employees as a percentage of new employees: More than 40%. Female employees as a percentage of employees in managerial positions: 10%. Fercentage of male employees who take childcare leave: 100%. Achieve the following plans by FYE 2025. Chippercentage of employment of those with	Achieved the following plans by the end of FYE 2024. Female employees as a percentage of workforce: 25% as of March 2024. Female employees as a percentage of new employees: 39% in FYE 2024. Female employees as a percentage of employees in manageria positions: 9% as of March 2024. Female employees as a percentage of employees in manageria positions: 9% as of March 2024. Fercentage of male employees who take childcare leave: 53% as of March 2024. Figure 10. The percentage of employment of those with disabilities over our entire group: 2.43% as of March 2024 (Includes ITOCHU Uneedus Co., Ltd. and ITOCHU Human Resources & General Affairs Services Inc.). Figure 10. Figure 11.

· Give reasonable consideration to the work environment of

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Mid-to Long-term Targets

ITOCHU conducts Sustainability Survey of key suppliers every year over the medium to long term, with the aim of reducing to zero the number of noncompliant suppliers requiring corrective action.

Background on Setting the Targets for This Material Issues

We examine the key suppliers' responses to the questionnaire, which is including prohibition of child labor, forced labor, payment of living wages, etc., and reconfirm with suppliers if we need to check details of their policies or actions. We aim to achieve sustainable procurement by identifying noncompliant suppliers and requiring further correction.

Results

- In FYE 2024, the Sustainability Survey was conducted for 305 suppliers.
- Requests of reconfirmation: 34
- Requests of corrective actions: 0
- Suppliers in violation:0



Respect and Consider Human Rights: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	8 ECCET VERIC AND ECCEPTIVE CONTROL CO	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.	In FYE 2024, surveys were conducted for 74 suppliers in China and the Asian region. As a result, no significant issues were identified. We also confirmed that follow-up actions were in progress such as maintenance of internal regulations that was considered as an issue through the human rights due diligence carried out in the previous year.
Machinery Company	8 ECCET VEIN AND STORE CONTRACT	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Overall electric power and plant projects	We will contribute to improving the quality of life of all stakeholders in the supply chain and business investment destinations.	Set rules on due diligence related to social and business environmental safety for suppliers and business investment destinations based on the distinctive characteristics of each business, implement due diligence, and strengthen monitoring continuously.	Implement the due diligence described on the left in all new development projects.	We continue operations to check the core subjects outlined in the social responsibility guidelines by employing a company-wide ESG checklist across all investment projects. Prior to investment, we conduct due diligence on each development project, assessing its social and environmental integrity based on the unique characteristics of each business.
Metals & Minerals Company	8 montoness	Mining Electric Power Mining Oil and Gas Fields	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education.	Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure.	Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. His seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%).	We held internal EHS (environment, health and occupational safety) guidelines training courses for supervisors and staffs engaged in mining projects. The attendance rate of the training was achieved 100%. We checked the proper compliance to the EHS guidelines for one new project, nine existing projects, and one another resource-related project. We carried out social activities at the communities where our projects are located.



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Respect and Consider Human Rights: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Food Company	8 mar reace 15 mas	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries.	Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil.	Coffee beans: We achieved our quantitative target for FYE2024 of a certified product ratio 20% or more. (Actual result is projected to be 37%.) We achieved a significant increase over the previous year by acquiring market share for UCC and Ajinomoto that had been acquired by other trading companies in the previous year. BtoB level disclosure of digital traceability information utilizing Farmer Connect (coffee traceability platform) has reached 3 thousand MT in FYE 2024. Cacao beans (traceable products): achieved 64% (5,950MT of traceable beans out of 9,253MT total.) Palm oil: Check supplier's sustainable palm oil sourcing policies through regular surveys, and continue purchasing based on our procurement policies. At the same time, we continue to publicize the ratio of RSPO certified Palm Oils and Traceable To Mill etc. Ratio of RSPO Certified Palm Products/Oleo chemicals Palm Oils 29% Oleo Chemical Products 72% Support Achievements to Each Producing Country (Qualitative) Coffee Beans: Support for Mobile Clinics / Guatemala Through Unex, medical care is provided to coffee producers and their families living in mountainous areas without nearby hospitals. Sesame: Support for Livelihood Improvement in Malawi Infrastructure support to Malawi through collaboration with Takemoto Oil & Fat. In FYE 2023, the provision of ambulances and medical equipment was implemented. In FYE 2024, 9 wells were constructed. Support for Small-scale Sesame Farmers in Paraguay Through collaboration with Kadoya Oil, support is provided to farmers, including technical guidance, agricultural tools such as seeders and sieves, and provision of seeds.
Food Company	8 Ideal Face of the Control of the C	Forest Stable Supply of Resources	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone.	Employment: 1,857 employees as of 2024 March. Pineapple Production: 16,000MT in FYE 2024. Signed a partnership agreement with a non-profit organization for medical collaboration. Started providing maternal healthcare services to employees, their families, and local residents of Sierra Tropical Limited, a local company.
Food Company	8 ECONT FEOR OF	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.	We have acquired the MSC fisheries certification for six fishing vessels as of July 2022. We have obtained MSC fisheries certification for an additional 19 fishing vessels in June 2023.

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Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
General Products & Realty Company	8 Inch res val (Control parts) 12 Extraction Control Control	Forest Supply Chain	Realization of sustainable supply of natural rubber	Natural Rubber	We will endeavor to establish measures to identify and avoid procuring rubber from any suppliers who dispossess indigenous people and develop High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland. We support or offer a training to improve yields and quality for natural rubber producers, especially smallholders. We also offer a risk-assessment education that includes modern slavery issue.	We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative "PROJECT TREEO (https://project-tree-natural-rubber.com/)".	We aim to procure raw materials with traceability and sustainability ensured in our 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.	Traceability of the natural rubber raw materials' procurement reported by suppliers reached 100%. Traceability of the natural rubber raw materials' procurement using our system reached 7.0% up to the collecting points and 0.4% up to the smallholders. 3,804 of smallholders implemented sustainability training and education. Based on the performance from January to December 2023.
General Products & Realty Company	11 2074-0011 0TS 11 2074-0011 0TS 1	Community Contribution	Developing a safe and secure, environmentally responsible community	Real Estate	To promote the construction of public facilities which prevent disasters, reduces the effects on the environment, and revitalizes the local economy.	Cooperating with local administrations to construct public facilities utilizing private capital.	Continuously and multilaterally promote the construction of public facilities which prevents disasters, reduces the effects on the environment, and revitalizes the local economy.	In Shibata-machi, Miyagi Prefecture, a public-private partnership project (PPP) is underway to develop a comprehensive gymnasium that will function as an evacuation center in case of a disaster. In Kuwana City, Mie Prefecture, another PPP is being promoted to construct an indoor swimming pool that contributes to the revitalization of the local community by consolidating school swimming lessons as well as expanding the functions of the sports park.



Contribute to Healthier and More Affluent Lifestyles: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	2 mm unumumumumumumumumumumumumumumumumum	Food Safety	Address Climate Change Develop a Rewarding Work Environment Respect and Consider Human Rights Contribute to Healthier and More Affluent Lifestyles Stable food procurement and supply	DENBA products and related business	We will contribute to the reduction of food loss by utilizing freshness preservation technology.	Retain food freshness and reduce consumption of edible oil through promotion of DENBA products.	Expand sales of DENBA Fresh Pro and DENBA Fryer in the super market and restaurant chain industry. Improve diffusion of DENBA Marine for ship warehouse.	We are continuously supporting the promotion of DENBA products. In the retail industry, DENBA received bookings from 60 stores of a medium-sized supermarket chain and others which aim to reduce waste from refrigerated showcases. Anticipated sales for FYE 2024 are projected to reach approximately 300 million yen. A total of 150 units have been deployed in ship food warehouses, bringing the cumulative installed units to 360. Through a leasing arrangement facilitated by Tokyo Century, DENBA secured contracts for three children's cafeterias and installed total 5 units under two additional contracts. This brings the total installed units to 8. Regarding opening of new offices for the disabled, DENBA obtained a contract for Minaminihon Total Logistics Service as a pilot project.

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Contribute to Healthier and More Affluent Lifestyles: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company	3 occa stunos	Medical Health	Promoting good health among people	Pharmaceutical products	We will contribute to improve people's health and working environment through accelerating the development of pharmaceuticals and other products in fields with significant needs including cancer-related fields.	Actively promoting to support the development and marketing of new pharmaceutical and generics.	Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical, generics and other products of which we are engaged in supporting the development and place them on the market.	Continuing to maintain a stable supply of pharmaceutical raw materials and other products to pharmaceutical manufacturers in Japan and overseas and support for launch some new generics products by ITOCHU CHEMICAL FRONTIER Corporation. (launched in 2023: generic muscle-relaxant restorative) We have continued to sell a pain reliever in North America through ITOCHU CHEMICAL FRONTIER Corporation.
Food Company	3 occa standa	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 conducted inspections to 339 factories in FYE 2024. We are continuing to stably supply safe and secure food. We are achieving this by continuing to enhance the audits and guidance for suppliers mainly by the persons with certifications/qualifications related to the Food Safety Management System (FSMS) or in-house qualification holders related to factory audit.
ICT & Financial Business Company	9 HOLEN I MONETO	Innovation	Next-generation business development	Business incubation through venture investments, focusing on FinTech, IoT, Al 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 from FYE 2023, 3 new fund investments were made to collaborate with startups that have new products, new technologies, and new business models.
ICT & Financial Business Company	3 0000 HILDS 1900	Medical Health	Promoting good health among the people	Support pharmaceutical development projects Preventative healthcarerelated business Medical healthcare IT business Sales of Cutting-Edge medical devices and provision of medical services	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools. We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly.	We will optimize healthcare utilizing medical data. Promote sales of advanced medical devices, and the business of supporting the operation of designated regional cancer care hospitals.	Realization of new services and business development relating to medical data. Expansion of existing business. Increase the penetration of advanced medical devices in Japan.	MRI-guided radiation therapy systems Provided medical care to a total of 800 patients, including those with intractable cancer that was difficult to treat with conventional methods, at three facilities: National Cancer Center Hospital, Saitama Medical University International Medical Center, and Edogawa Hospital. Scalp cooling therapy system for cancer patients Currently installed at 79 facilities, with a total of 2,900 patients using the system.
ICT & Financial Business Company	8 items ressue	Retail Finance	Providing financial services	Domestic and overseas retail finance business	We work on expanding and creating the retail financial market and providing financial services to individuals to contribute to enriching people's lives.	Increase the number of customers and loan balance by expanding and creating the retail financial market.	The number of customers and loan balance.	Growth Rate of Outstanding Lendings As the end of January 2024 compared to the end of March 2023 UAF: 102.0% EasyBuy: 101.5% FRF: 117.0% ACF: 88.5% "Operation started in 2018 UAF, EB, and FRF remained steady. On the other hand, ACF's loan balance decreased YoY as a result of curbing new lending. PDP has already executed its exit strategy in FYE 2024 as planned at the beginning of the period.

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Ensure Stable Procurement and Supply: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company	12 SUPPORT	Prevention of Pollution and Circulating Society	Reducing our environmental burden by circulating society	Textile products in general	We will contribute to realize a circular society through our sustainable textile products and recycling of them.	Promote sustainable products and projects leading to the recycling of resources.	Promote the sustainable products such as "RENU", a recycled polyester derived from textile, and set up schemes to recycle textile products.	The environmental impact of handling recycled polyester through the RENU project is as follows (estimated for FYE 2024). Waste volume to be made into "RENU": equivalent to 6.3 million T-shirts, CO2 reduction: 1,931 tons, Water usage reduction: 6,500 kiloliters. Approximately 3,000 collection points for "Wear to Fashion", the clothing recycling service (as of March 2024). Launched the "ARChemia Project" as a joint project between textiles and chemicals, and started it to transform used clothing into chemical products with high environmental added value.
Textile Company	8 mont view ne	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.	In FYE 2024, surveys were conducted for 74 suppliers in China and the Asian region. As a result, no significant issues were identified. We also confirmed that follow-up actions were in progress such as maintenance of internal regulations that was considered as an issue through the human rights due diligence carried out in the previous year.
Metals & Minerals Company	12 seconds agreement COO	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.	Polish existing interests and 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 strengthen and expand business foundation, in addition to polishing our existing competitive mining operations.	Commercial production began at the Allegheny (Longview) coking coal mine in the USA, in which we invested in FYE 2020 for the purpose of securing a stable supply of high-quality steelmaking raw materials. Production began in 2022 at the Western Ridge iron ore deposits, which we acquired a partial interest in FYE 2022 from major resource company BHP. New equipment installation and infrastructure construction began in 2024. The South Flank iron ore deposit, which began production in 2021, is planned to achieve 80 million tons per year scale in 2024. In the Western Australian Iron Ore Operations, various measures are being promoted to ensure a stable supply, improve productivity, and to maintain and strengthen cost competitiveness. In FYE 2023, we invested in the AMMC iron ore mine in Canada operated by steel giant ArcelorMittal and others, acquiring interest that will enable us to secure a stable long term supply of high grade iron ore, which will be required due to the accelerating shift to low carbon emission steel production.
Metals & Minerals Company	8 ************************************	Mining Electric Power Mining Oil and Gas Fields	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education.	Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure.	Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%).	We held internal EHS (environment, health and occupational safety) guidelines training courses for supervisors and staffs engaged in mining projects. The attendance rate of the training was achieved 100%. We checked the proper compliance to the EHS guidelines for one new project, nine existing projects, and one another resource-related project. We carried out social activities at the communities where our projects are located.
Energy & Chemicals Company	12 SECOND STREETS OF STREETS OF STREETS	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.	Including Coca-Cola who joined a new member of the BLUE Plastics project, we conducted a demonstration trial of a service for tracing the progress of recycling used plastic bottles on a digital platform for the realization of a resource-circulating society using a smartphone app. We will expand the demonstration trials at three FamilyMart stores in Tokyo. We have launched the recycling business for flooring material together with the launch of DESSO, an eco-friendly flooring material produced by European construction material manufacturer Tarkett S.A., in the Japanese market through Lilycolor Co., LTD., an interior design and decorating wholesaler. We succeeded in developing and establishing a mass production system for recycled nylon fishing nets combining Aquafil's developing ECONYL® ingredient.

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Ensure Stable Procurement and Supply: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company	7	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 Working on new energy initiatives	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 and to improve energy efficiency.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	Hydrogen and Ammonia To realize a decarbonized society, we concluded a Memorandum of Cooperation (MOC) with Hive Hydrogen South Africa to collaborate in the field of green ammonia. Renewable Diesel (RD) and Sustainable Aviation Fuel (SAF) In 2022, ITOCHU was selected by the Civil Aviation Bureau (Ministry of Land, Infrastructure, Transport and Tourism) to carry out an "Imported Neat SAF Model Demonstration Project". ITOCHU established a domestic blending supply chain by importing neat SAF from Neste OYJ in cooperation with a partner company. Following successful SAF supply arrangements for Haneda and Narita airports, ITOCHU has begun supplying SAF to Central Japan International Airport. ITOCHU and its partners were selected for the "Program Supporting the Commercialization of Biofuel Utilization", a Tokyo Metropolitan Government public procurement. The members of the association aim to increase biofuel use by using RD in land transport vehicles and airport work vehicles. New Energy ITOCHU will acquire shares of Blue Laser Fusion Inc. (BLF), a fusion energy-related startup, through a third-party allotment, while simultaneously concluding a strategic and business alliance agreement with BLF for fusion energy and other related businesses in which laser technology developed by BLF will be used.
Food Company	8 ************************************	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries.	Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil.	Coffee beans: We achieved our quantitative target for FYE2024 of a certified product ratio 20% or more. (Actual result is projected to be 37%.) We achieved a significant increase over the previous year by acquiring market share for UCC and Ajinomoto that had been acquired by other trading companies in the previous year. BtoB level disclosure of digital traceability information utilizing Farmer Connect (coffee traceability platform) has reached 3 thousand MT in FYE 2024. Cacao beans (traceable products): achieved 64% (5,950MT of traceable beans out of 9,253MT total.) Palm oil: Check supplier's sustainable palm oil sourcing policies through regular surveys, and continue purchasing based on our procurement policies. At the same time, we continue to publicize the ratio of RSPO certified Palm Oils and Traceable To Mill etc. Ratio of RSPO Certified Palm Products/Oleo chemicals Palm Oils 29% Oleo Chemical Products 72% Support Achievements to Each Producing Country (Qualitative) Coffee Beans: Support for Mobile Clinics / Guatemala Through Unex, medical care is provided to coffee producers and their families living in mountainous areas without nearby hospitals. Sesame: Support for Livelihood Improvement in Malawi Infrastructure support to Malawi through collaboration with Takemoto Oil & Fat. In FYE 2024, 9 wells were constructed. Support for Small-scale Sesame Farmers in Paraguay Through collaboration with Kadoya Oil, support is provided to farmers, including technical guidance, agricultural tools such as seeders and sieves, and provision of seeds.
Food Company	8 tichericose 9 tecent proces 9 tecent proces 15 title	• Forest • Stable Supply of Resources	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone.	Employment: 1,857 employees as of 2024 March. Pineapple Production: 16,000MT in FYE 2024. Signed a partnership agreement with a non-profit organization for medical collaboration. Started providing maternal healthcare services to employees, their families, and local residents of Sierra Tropical Limited, a local company.

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Ensure Stable Procurement and Supply: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Food Company	8 60001 refer use Crossing Convent 14 IF MILLOW MATER ***********************************	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.	We have acquired the MSC fisheries certification for six fishing vessels as of July 2022. We have obtained MSC fisheries certification for an additional 19 fishing vessels in June 2023.
Food	12 special	Pollution Prevention	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 and Philippines as Mottainai bananas and distribute them in the market again.	Reduction of waste at the production site (Philippines) Reuse of discarded bananas (Japan)	Reuse of discarded bananas (Philippines): 19,953MT in FYE 2024. Reuse of discarded bananas (Japan): 910MT in FYE 2024.
Company	S ASTREMENTES	and Resource Recycling	Reduction of food loss, promotion of recycling	Overall food- related businesses	We contribute to the realization of a circular economy by promoting food loss reduction throughout the entire supply chain in the food distribution sector.	Promoted measures to reduce food loss in the domestic wholesale business. The company has implemented improvement measures based on the policies of "no food loss," "sell out products," and "donate food products".	In the domestic wholesale business, in addition to strengthening inventory management through the use of IT technology, the company contributes to the reduction of food loss by utilizing its domestic sales network and donating to food banks.	Newly added from FYE 2025.
General Products & Realty Company	12 SCHOOLS SOLITONS S	Forest	Using sustainable forest resources	Pulp Woodchips Wood products materials	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In FYE 2024, 100% of our Pulp, Woodchips and Wood Priducts & Materials transactions were handled as certified material or were intensively managed.
General Products & Realty Company	8 interest and int	● Forest ● Supply Chain	Realization of sustainable supply of natural rubber	Natural Rubber	We will endeavor to establish measures to identify and avoid procuring rubber from any suppliers who dispossess indigenous people and develop High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland. We support or offer a training to improve yields and quality for natural rubber producers, especially smallholders. We also offer a risk-assessment education that includes modern slavery issue.	We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative "PROJECT TREE (https://project-tree-natural-rubber.com/)".	We aim to procure raw materials with traceability and sustainability ensured in our 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.	Traceability of the natural rubber raw materials' procurement reported by suppliers reached 100%. Traceability of the natural rubber raw materials' procurement using our system reached 7.0% up to the collecting points and 0.4% up to the smallholders. 3,804 of smallholders implemented sustainability training and education. Based on the performance from January to December 2023.
General Products & Realty Company	12 ENTERED LA COMPANIE LA COMP	Capital Introduction Pollution Prevention and Resource Recycling	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. In FYE 2024, global slag transactions amounted to 1.75 million tons.
ICT & Financial Business Company	12 appediate constitution (A) Properties (A) Proper	Pollution Prevention and Resource Recycling	Provide products/ services that support the realization of a sustainable lifestyle.	Reuse / Recycling Business	Contribute to the development of a sustainable society by making most of limited resources through the distribution of used mobile phones and tablets in the Japanese market.	Expand supply channels in order to realize a sustainable and stable procurement of resources. Reinforce promotional activities in order to raise the awareness of secondhand mobile phones/tablets.	Expand product variation and supply channels. Expand distribution outlets.	The number of models handled increased from 671 (FYE 2023) to 856 (FYE 2024). (27.6% increase over the previous year) Procurement sources increased from 6 companies (Japan, Hong Kong, and US) in FYE 2023 to 12 companies (Japan, Hong Kong, and US) in FYE 2024. Distribution channels remained strong due to sales through major e-commerce companies.

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Maintain Rigorous Governance Structures: Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Headquarters	16 AND SOFT	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Corporate governance	We will implement highly effective supervision over the management from an independent and objective standpoint and ensure the appropriate and efficient execution of business operations by improving the transparency of our decision-making, aiming to our sustainable growth as well as the medium- and long-term improvement of our corporate value.	Appoint several outside Directors, who have a high level of independence that fulfills our independence criteria and are expected to contribute to the company management with a high level of knowledge in their respective fields. Maintain a highly transparent and objective Directors' and officers' remuneration system, which can increase their motivation to contribute to our medium- and long-term improvement of our company's performance and the improvement of our corporate value.	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of the Board of Directors.	We have maintained the diversity of the Board of Directors (through appointing always one third or higher percentage of outside Directors-4 outside Directors out of 10 Directors, 2 female Directors out of 10 Directors, 2 female Director sout of 10 Directors, 2 female Director and an outside Audit & Supervisory Board Members, and an outside Director and an outside Audit & Supervisory Board Member who had wide range of sufficient experiences in corporate management). We have restructured the Governance and Remuneration Committee and the Nomination Committee into the Governance, Nomination and Remuneration Committee, the chair of which being the outside Director and a majority of the members of which being the outside Directors (4 out of 7 members). We have maintained the chair of the Women's Advancement Committee being the female outside Director, and a half of the Women's Advancement Committee being the outside Directors and the outside Audit & Supervisory Board Members, and the female members (3 out of 6 members respectively).
Headquarters	16 No. mark	Governance	Ensuring compliance	Compliance	We will make employees more aware that ensuring compliance at any time is our contribution to the company and society.	Recognizing attitude of employees identifying issues and ensuring action plans to tackle the issues through periodic compliance attitude survey and direct communications.	Continuous direct communication with employees through face-to-face training programs whose contents shall be updated along with monitoring the measures according to risks, expectations from society and issues on site which will change with the time.	 In the period of April-May 2023, we conducted "Monitor and Review" of the ITOCHU Group's compliance system of for FYE 2023, which covered a total of 433 organizations, including all organizations at the headquarter, all domestic branches, overseas blocks, and ITOCHU Corporation's Group companies, and their sub-subsidiaries. The purpose is to understand and promote the status of the compliance system in each organization. In the period of Aug-Sept 2023, we conducted a compliance awareness survey of approximately 56,000 executives and employees (including contract employees and temporary employees) of ITOCHU Corporation and 242 ITOCHU Group companies in Japan and overseas (with approximately 55,000 respondents) in order to improve the compliance system of the ITOCHU Group and prevent the occurrence of compliance incidents. In the period of Dec 2023-Feb 2024, we identified compliance-related cases occurred in ITOCHU Group companies, for which recurrence prevention measures were formulated in FYE 2023 and monitoring was thought to be highly necessary. As a result of the monitoring on the implementation status of the formulated measures, we confirmed that they were properly implemented. In the period of Jan-Feb 2024, 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. (Number of the participants: 4,271) The status of our periodical on-site compliance training seminars in FYE 2024 is as follows: For ITOCHU Corporation: 3,291 employees (who all watched the training video) Group companies: 75 companies, 15,964 persons
Headquarters	16 MAG BUILD NO STATE OF THE ST	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Risk management	We will build a system for group risk management and maintain it to manage the risk of loss and ensure the appropriateness of our corporate group's operations.	Conduct regular reviews of risk management systems that have been established, including internal committees and risk management departments, various rules and regulations, reporting and monitoring systems, as well as the effectiveness of such systems.	Maintain a firm governance system in the medium- and long-term by establishing a PDCA cycle, including development and implementation of action plans by the departments responsible for risk management, and monitoring and reviews by internal committees	We reviewed the progress of the action plans of the FYE 2024 submitted by each risk management responsible divisions. Including all issues dealt during the period, we reported to the Internal Control Committee that Itochu's internal risk management system is active, which was held in October 2023 (review of the first half of FYE 2024), and in April 2024 (review of the second half of FYE 2024, and the action plans for FYE 2025).

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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 anticorruption.



The Ten Principles of the United Nations Global Compact

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

Work with Global Compact Network Japan

ITOCHU is the corporate director of Global Compact Network Japan (GCNJ), the local network for the United Nations Global Compact in Japan. 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 2024, ITOCHU proactively participated in the ESG subcommittee.

TCFD Consortium

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

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

TNFD Forum

ITOCHU supports the principles and activities of the TNFD which promotes disclosure of the impact of nature-related risks and opportunities on corporate business and financial accounting. In June 2022, we joined the TNFD Forum to gain experience and knowledge. Through the forum, we have been gathering information on TNFD and is committed to appropriate disclosure in accordance with the TNFD Recommendations.

CDP (Climate Change, Water Security and Forests)

ITOCHU is actively providing information on ESG initiatives to various stakeholders around the world. As part of these initiatives, we have been responding to climate change, water security and forests questionnaires of the CDP, which is recognized worldwide as a global standard for corporate environmental information disclosure.

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

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

In 2022, ITOCHU expressed its support for the GX League Basic Concept established by the Ministry of Economy, Trade and Industry, and has been actively involving and making proposals at the public-private councils regarding the concept of emissions trading, the carbon credit market, and the ideal way to trade credits in the GX League. Taking into account our involvement of the various initiatives during the preparatory period for the establishment of the GX League, we participated in the GX League, which began in earnest in April 2023. The GX League will take on the challenge of GX (Green Transformation) with a view to achieving carbon neutrality and social change in 2050, and will serve as a forum for collaboration among industry, government and academia to achieve sustainable growth. As a participating company, our company will continue to be actively involved in the league's initiatives, including emissions trading, which is a concrete policy tool for decarbonization, and contribute to the virtuous cycle of the environment, economy and society, including climate change.

GX League (https://gx-league.go.jp/en/)

Japan Climate Initiative (JCI)

ITOCHU participates in the Climate Change Initiative, a network of Japanese non-governmental actors actively working to achieve the 1.5 degree target. This network gathers companies, local governments, organizations, and NGOs who support the idea of "participating from Japan on the front line of decarbonization."

RSPO (Roundtable on Sustainable Palm Oil)

Please refer to P173 for details of our activities.

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

GPSNR (Global Platform for Sustainable Natural Rubber)

Please refer to P172 for details of our activities.

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

KEIDANREN (Japan Business Federation)

- Committee on Environment
- 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)

- Sustainability Promotion Committee
- Social Contribution & ABIC Committee

ESG Disclosure Study Group

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

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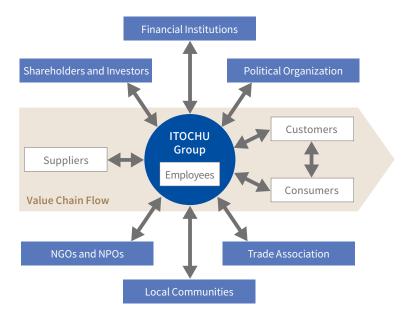
Stakeholder Engagement

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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.

Multi-Stakeholder Policy (Japanese only) (https://www.itochu.co.jp/en/csr/pdf/multi_stakeholder_policy.pdf?230404)





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



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FYE 2024: The Expense of Associations and Social Contribution

		(U	nit: 1 million yen)
Trade Association, Economic Association, Other Association	91	Social Contribution (Donation)	636 (117)
Political Association	32		
Total	123		

Major Donation Cases in FYE 2024

(Unit: 1 million yen)

Subject of Donation	Amount	Summary
General Incorporated Foundation National Political Association	28	Corporate donations to the National Political Association.
Non-Profit Organization Japan Platform	10	In January 2024, providing aid to the victims of the Noto Peninsula Earthquake.
EU-Japan Fest Japan Committee	3	Donation as part of a cultural exchange regarding a program to promote artistic and cultural exchange between Europe and Japan.
National Museum of Nature and Science, Independent Administrative Institution	2	Our company aims to create blue carbon credits through mangrove reforestation. As part of this project, we support the national biodiversity conservation policy and make donations for the ex-situ conservation of Bruguiera (a mangrove species).
Shiga Prefecture	1	A donation to support the educational policies of Shiga Prefecture, the birthplace of our company.

Consultation Desk for the General Public (including Stakeholders)

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

ITOCHU makes use of opinions and suggestions from customers to improve customer satisfaction, facilitate stakeholder understanding, prevent risks, and other purposes, thereby helping to improve our corporate value. Customer **Division Companies** Corporate Improving our Communications Human Resources & Website corporate value Division General Affairs Division (Inquiry form available on our satisfaction Investor Relations Division Promoting understand-ing of stakeholders website) Compliance Department Preventing risks, and other purposes Other related divisions. Departments, etc.

Third Party Opinion

Sustainability issues surrounding companies are extremely wideranging. These issues include climate change, biodiversity, and human rights, and require initiatives throughout the entire business value chains. The businesses of general trading companies are diverse and international. Therefore, the breadth of those businesses and the diversity of stakeholders is extremely high compared to ordinary operating companies. That means addressing sustainability issues involving diverse risk aspects is not easy.

The recent emergence of the TNFD and the rapidly growing interest in the field of biodiversity are considered important issues for ITOCHU Corporation, which has strengths in non-resource fields. We can say that ITOCHU's effective efforts in each business segment are making steady progress.



Institute for Sustainability Management

ITOCHU is also unique in that it proactively views the SDGs as a business opportunity based on its corporate philosophy of "Sampo-

yoshi". Businesses that help reduce emissions throughout society, such as entering into new decarbonization-related businesses, are areas where ITOCHU can leverage its strengths, and at the same time, are consistent with its corporate philosophy. I expect ITOCHU to listen to its various stakeholders, respond appropriately to risks, and take on the challenge of its mission for a better future, and eventually will bring "answers" to the world that will surprise people.

Top Commitment Sustainabi

nability at the ITOCHU Group

Environment





Clean-tech Business

Environmental Policy

Policy and Basic Concept

The ITOCHU Group Environmental Policy

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

1. Compliance with Laws and Regulations

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

2. Response to Climate Change

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

3. Environmental Pollution Prevention

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

4. Promotion of Resource Circulation

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

5. Conservation and Effective Use of Water Resources

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

6. Biodiversity Conservation

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

7. Transparency

We shall proactively disclose and raise awareness about environmental impact of our business and maintain a communicative relationship with all stakeholders in the value chain, including partner company, outsourcing partners, local communities, and our employees.

8. Environmental Management System

We shall set targets for reducing environmental impact and take appropriate actions based on environmental impact assessments including due diligence in initial consideration phase and regular monitoring reviews for all business activities, such as investments, provision of products and services, and logistics.

Fumihiko Kobayashi

Member of the Board Executive Vice President Chief Administrative Officer Established in April 2020 Revised in May 2024

Clean-tech Business

ESG Data (Environment

Environmental Policy

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Climate Change

Prevention of Pollution and

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations

Environmental Management

Policy and Basic Concept

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

Therefore, we established the Global Environment Department (current Sustainability Management Division) in 1990 ahead of other trading companies. We are ensuring compatibility of both offense and defense — offense to promote environment conserving business and defense to take a precautionary approach to environmental and social risks — based on our environmental policy. The aim of this is to fulfill our corporate mission of "Sampo-yoshi." We are also engaged in global corporate management and activities with a constant awareness of global environmental problems.

We reorganized and integrated our conventional environmental management structure into a structure to promote sustainability in line with the revision to this policy in April 2018. We have built and are maintaining and operating an efficient environmental management system (EMS) in accordance with the ISO 14001 standards.

• The ITOCHU Group Environmental Policy (P45)

Structures and Systems

ITOCHU was the first trading company to acquire ISO 14001 certification in 1997 and is working to continuously improve its sustainability promotion system. We recognize that our business activities can have an impact on the global environment and society and so are looking to take a precautionary approach to environmental and social risks. To that end, we have built a sustainability management system including EMS to assess in advance the impact in regards to new investments in particular together with the products we handle. Under this system we formulate targets every year for items related to environmental and social risks, environment conserving businesses, saving energy, saving resources, GHG emissions reduction and other climate change related risks. We then assess and analyze the progress, and we move through the PDCA cycle to reliably achieve our targets. • ITOCHU's Sustainability Promotion Structure (P15)

ISO 14001 Certification of the ITOCHU Group

Group companies subject to ISO 14001 certification of ITOCHU

- Corporation
- ITOCHU Corporation • ITOCHU Automobile
- Corporation
- Corporation • ITOCHU Taiwan Corporation
- ITOCHU Metals

Number of companies in ITOCHU Group that have acquired ISO 14001 certification

Number of business sites in ITOCHU Group that have acquired

out of 608 companies

ISO 14001 certification out of 5.340 business



Revenues of subsidiaries within ITOCHU Group that have acquired ISO 14001 certification

External Audits

ITOCHU undergo an ISO 14001 certification review every year by the BSI Group Japan K.K. (BSI). We underwent the maintenance audit recently in November 2023. The latest registration certificate is valid until December 23, 2024.



EMS 657977 / ISO 14001

Internal Audits

We conduct internal sustainability audits every year based on ISO 14001. In FYE 2024, we audited all 49 departments. Members of the Sustainability Management Division constitute the audit team and conduct them with emphasis on compliance audits. The implementation of internal



sustainability audits over half a year leads to a precautionary approach to environmental and social risks.

Initiatives

Assessment of Sustainability Risk in Products We Handle

ITOCHU deals in a wide variety of products on a global scale. Therefore, we believe it is vital that we assess the impact on the global environment of each product, our environmental related laws and regulation compliance situation, and our relationships with stakeholders. Accordingly, we conduct our own sustainability impact assessments on all our products. The assessment is based on LCA* analysis methods to investigate the environmental and social impacts of the product, from the procurement of raw materials to the manufacturing process, use and disposal of the product. We evaluate climate change risks such as tropical rainforest deforestation, desertification, and global warming, as well as the dependence and impact on biodiversity, and the impact on the human body and local communities in both normal and emergency situations. If the results of the assessment of our newly handling products indicate that there is a significant environmental or social impact, the product in question will be registered as a priority management target, and various regulations, procedure manuals, and specific operational personnel training are individually formulated and implemented, and monitored during the annual cycle of the EMS.

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



Environmental Management

Climate Change

Prevention of Pollution and

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business



Environmental Management

Investigations into the Actual Conditions in Group Companies

We have continued to visit and investigate Group companies having relatively high environmental impacts since 2001. The aim of this is to prevent environmental pollution by these Group companies. We have investigated a total of 298 offices over the past 23 years up to the end of FYE 2024. We assess companies in these investigations by investigating their factory and warehouse facilities, their situation of drainage to rivers, and their compliance with environmental laws and regulations in addition to holding an engagement interview with their management regarding their response toward environmental challenges including climate change.

Sustainability Risk Assessments on New Investment Projects

ITOCHU assesses the social and environmental impact of its business investment projects and the governance status of the investment targets in advance using the "ESG Checklist for Investments". This checklist consists of 28 checkpoints, including elements from the seven core subjects of ISO 26000, the international standard for organizational social responsibility, and includes items on climate change, pollution prevention and resource circulation, water resources, and biodiversity. For projects that require expert knowledge, we make request to external expert to conduct investigations in advance. The investment project is then only undertaken upon confirming that there are no problems in the results of those investigations.

Environmental Education and Awareness

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

Seminars and Training Sessions

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

Sustainability Awareness Activities at ITOCHU (P18)

Inquiries from Inside and Outside the Company and Our Response to Them (FYE 2024)



Inquiries from outside parties

4 from government authorities

• 56 from companies (business partners: 22, media: 3, finance: 15, others: 16)

• 6 from industry associations

• 3 from NGOs



Requests for submission of ISO 14001 certification copy



Serious environmental accidents, troubles, lawsuits or penalties in our company

Sustainable Finance

In March 2021, ITOCHU became the first trading company to have decided to issue US\$500Million Senior Unsecured Bonds due 2026 to raise funds for projects that contribute to SDGs (the "SDGs Bonds"). To issue the SDGs Bonds, ITOCHU has established the SDGs Bond Framework in alignment with the Green Bond Principles, 2018, the Social Bond Principles, 2020 and the Sustainability Bond Guidelines, 2018 as administered by ICMA (the International Capital Market Association). And it has obtained an external evaluation (second party opinion) from Vigeo Eiris (MOODY'S ESG SOLUTIONS FRANCE SAS) for the conformity of our Framework with principles such as the Sustainability Bond Guidelines.

In September 2023, we entered into a green loan financing agreement with Sumitomo Mitsui Trust Bank, Limited. The Green Loan will be used for eligible projects (renewable energy power generation, waste treatment and power generation, and circular economy-related).

Sustainable Finance (P226)

Environmental Management

Climate Change

Prevention of Pollution and

Water Resources Conservation

Natural Capital and Biodiversity

Clean-tech Business

Climate Change (Information Disclosure Based on TCFD Recommendations)

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

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

Policy and Basic Concept Concerning Climate Change

We recognize that climate change is one of the most urgent global environmental issues, therefore ITOCHU Group, which operates globally, considers climate change and other global environmental issues as one of the most important management issues. We support international policies and standards, including the Paris Agreement, the contribution determined by the Japanese government (NDC), climate change-related laws and regulations (such as the Act on Rationalizing Energy Use and the Act on Promotion of Global Warming Countermeasures) and various governmental policies, and we will view adaptation to changes in the business environment due to climate change as an opportunity for further growth and incorporate these into our policies and specific initiatives.

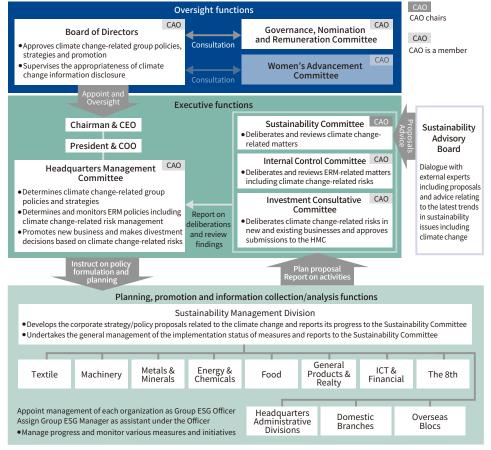
We define our initiatives related to climate change in the ITOCHU Group Environmental Activities Policies "2. Response to Climate Change: We shall reduce greenhouse gas emissions and increase the efficiency of energy use within our own operations, as well as externally provide products and services that contribute to the mitigation and adaptation to climate change." In March 2021, our Board of Directors approved the inclusion of greenhouse gas (GHG) emissions reduction targets for 2030, 2040, and by 2050 as core targets for our Medium-term Management Plan, Brand-new Deal 2023. These targets are in line with Japan NDC, which we aim to achieve by reducing avoidable emissions and actively promoting businesses that contribute to reductions.

Under our corporate philosophy of the "Sampo-yoshi" approach, we will respond to climate change risks and opportunities in collaboration with the stakeholders to increase our corporate value.

Governance

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

■ Governance System Concerning Climate Change (As of April 2024)



^{*} CEO: Chief Executive Officer

COO: Chief Operating Officer

CAO: Chief Administrative Officer

HMC: Headquarters Management Committee

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Data (Environment)

Environmental Policy Environmental Management Climate Change (Information Disclosure Based on TCFD Recommendate)

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The ITOCHU Sustainability Committee is the body delegated with general management responsibilities concerning the proposal and implementation of the various policies that will enable us to respond to climate change and other sustainability matters. This Committee ascertains, manages, and evaluates climate change-related targets, the implementation status of transition plans, and current environmental and social risks and opportunities. ITOCHU's Chief Administrative Officer (CAO) is the director responsible for climate-related issues and is also a member of the Headquarters Management Committee (HMC). The CAO also serves as chair of the Sustainability Committee. The CAO provides a report to the Board of Directors approximately twice per year on matters deliberated and decided by the Sustainability Committee in addition to a report on the status of major sustainability promotion activities. This creates an organization that allows the Board of Directors to appropriately supervise business and financial strategies (including reviewing strategy and making divestment and asset replacement decisions) for responding to environmental and social risks and opportunities while giving proper consideration to matters deliberated and decided by the Sustainability Committee. As the executive level, management from each company and administrative division also serving as ESG Officers participate in Sustainability Committee meetings as core members. The Sustainability Committee receives reports on climate-related matters from the Sustainability Management Division and ESG Managers from each company and administrative division. We use these reports towards progress management and monitoring for each policy and various initiatives.

In 2021, our Board of Directors approved the inclusion of growth strategy and GHG emissions reduction targets in our Medium-term Management Plan, Brand-new Deal 2023. This decision reflects our commitment to the climate-related issues impacting our Company and we believe this will enable us to lead the industry in realizing a decarbonized society in enhancing our contribution to and engagement with the SDGs through business activities. Based on this decision by the Board of Directors, the Sustainability Committee deliberates specific policies and targets related to decarbonized initiatives. Each business division works continuously to implement these policies and initiatives approved by the CAO, the director in charge, and progress is reviewed by the Sustainability Committee. Our Board of Directors has further resolved to continuously respond to social demand by aiming to balance both sustaining the basic policies outlined in the previous medium-term management plan and to promote businesses that contribute to emissions reduction and reflected it in the Management Policy "The Brand-new Deal" formulated in 2024.

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

Climate-related Meetings Held by the Board of Directors and Committees	Frequency of Meetings and Reports	Main Items Deliberated or Reported on (FYE 2019 to FYE 2024)
The Board of Directors	Periodic reports are made at least once a year Results Once in FYE 2019 2 times in FYE 2020 Once in FYE 2021 Once in FYE 2022 3 times in FYE 2023 4 times in FYE 2024	PYE 2019 Announcement of support for the TCFD recommendations FYE 2020 Disclosure based on the TCFD recommendations, calculation of Scope 3 GHG emissions FYE 2021 GHG reduction target, Disclosure based on the TCFD recommendations FYE 2022 Creation of Medium-term Management Plan, Brand-new Deal 2023. (Growth strategy and GHG emissions reduction targets towards leading the industry in realizing a decarbonized society in enhancing our contribution to and engagement with the SDGs through business activities.) Report on ITOCHU SDGs/ESG initiatives FYE 2023 Confirmation of the Material Issues Policy for GHG emissions reduction Monitoring of Scope 1/2/3 results FYE 2024 Status of GHG emissions reduction roadmap Results and forecast of avoided emissions
Sustainability Committee	 Usually held 1 ~ 2 times a year Results Once in FYE 2019 2 times in FYE 2020 Once in FYE 2021 2 times in FYE 2022 3 times in FYE 2023 3 times in FYE 2024 	• FYE 2019 • Announcement of support for the TCFD recommendations • FYE 2020 • Disclosure based on the TCFD recommendations, calculation of Scope 3 GHG emissions • FYE 2021 • GHG reduction target, Disclosure based on the TCFD recommendations • FYE 2022 • Confirmation of Scope 1/2/3 results, status of progress on reduction targets • FYE 2023 • Confirmation of the Material Issues • Policy for GHG emissions reduction • Monitoring of Scope 1/2/3 results • FYE 2024 • Status of GHG emissions reduction roadmap • Results and forecast of avoided emissions

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Strategy

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

Climate Change-related Risks and Opportunities

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

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

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

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

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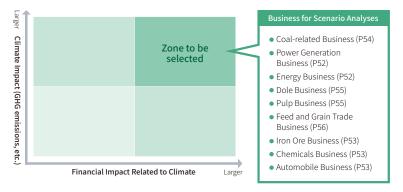
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Scenario Analysis

Scenario Selection

We categorized our businesses with climate impact, such as GHG emissions volume on the vertical axis and climate-related financial impact on the horizontal axis and analyzed our businesses with priority given to those mapped in a zone where both dimensions are high. Based on this, we designated the following businesses as targets for scenario analysis: "Power Generation," "Energy," "Coal," "Iron Ore," "Automotive," and "Chemicals" as businesses with significant transition risk impacts, including policy and legal risks, and "Dole," "Feed and Grain Trade," and "Pulp" as businesses with significant physical risk impacts from climate change. The above nine businesses are included in the four non-financial sectors (energy, transportation, materials and buildings, and agriculture, food, and forest products) designated by the TCFD as potentially highly affected by climate change.



Definition of Scenario Groups

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

As the reduction targets of various countries, international guidelines, and investor demands are mainstreaming the goal of limiting the increase to 1.5° C above pre-industrial levels, we will continuously review the risks, opportunities, and mitigation measures based on the parameters and business environment approximately every 1 to 2 years.

Scei	nario	4°C	<2℃	1.5°C
Image of society		The policies of countries, such as the Intended Nationally Determined Contributions (INDC) established in accordance with the Paris Agreement, are implemented. Nevertheless, the average temperature at the end of this century rises by 4°C. This is a society in which there is a high likelihood climate change (e.g., a rise in temperature) will impact business.	The average temperature rise is kept below 2°C until the end of this century. Bold policies and technological innovation are promoted. This is a society in which social changes due to the transition to a de-carbonized society are highly likely to impact business.	Bold policies and technological innovations will be promoted to limit the average temperature increase to 1.5°C until the end of the century and achieve sustainable development. This is a society in which social changes due to the transition to a de-carbonized society are highly likely to impact business.
Reference scenarios	Transition aspects	tated Policies Scenario (IEA WEO2023) Stated Policies Scenario (ETP WEO2020), etc.	Sustainable Development Scenario (IEA WEO2019) 2°C Scenario (IEA ETP2017), etc.	Net Zero Emissions by 2050 Scenario (IEA WEO2023) Announced Pledges Scenario (IEA WEO2023), etc.
	Physical aspects	• RCP8.5 (IPCC AR5), SSP5-8.5 (IPCC AR6), etc.	• RCP2.6 (IPCC AR5), etc.	• RCP2.6 (IPCC AR5), SSP1-1.9, SSP1-2.6 (IPCCAR6), etc.
Risks and opportunities		Risks and opportunities in terms of physical aspects will be more likely to surface	Risks and opportunities in terms of transition aspects will be more likely to surface	Risks and opportunities in terms of transition aspects will be more likely to surface

^{*} The IEA WEO2019 Sustainable Development Scenario is the following scenario: The world works to keep the rise in temperature to less than 2°C – if possible, 1.5°C. At the same time, this is a scenario in which the targets of everyone being able to use energy and improving air pollution are achieved.

Important Input Parameters and Prerequisites for the Climate-related Scenarios

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

Parameters Used to the Power	Timeframe: By 2040				
Generation Business in the US	4°C Scenario	1.5°C Scenario			
Carbon price	● N/A	• US\$205/ton-CO ₂			
Thermal power generation		• Coal: — • Gas: 1,119TWh			
Renewable energy generation	Solar: 11,961TWh Wind: 9,275TWh Geothermal: 317TWh Solar Heat: 161TWh	Solar: 22,241TWhWind: 16,826TWhGeothermal: 662TWhSolar Heat: 831TWh			
Low-carbon thermal power generation	Hydrogen and ammonia: 82TWh Thermal power with CCUS: 59TWh	Hydrogen and ammonia: 1,028TWh Thermal power with CCUS: 847TWh			

^{*} IEA WEO2023 "Net Zero Emissions by 2050 Scenario" is a scenario that shows a possible path for the global energy sector to achieve net zero GHG emissions by 2050 and limit temperature rise to 1.5°C above pre-industrial levels.

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Scenario Analysis and Results

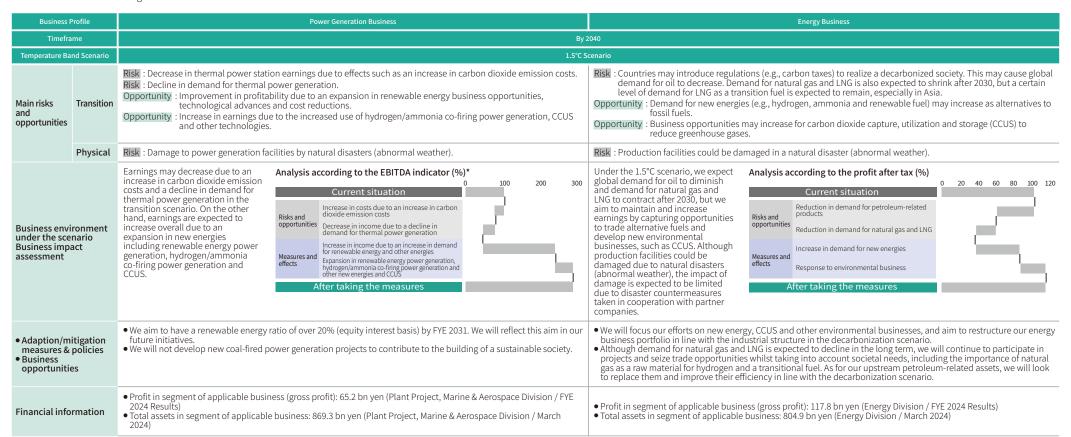
For the scenario analysis, we did not limit the timeline range to the short-term. We also added medium- and long-term axes for 2030 and beyond when organizing and evaluating the factors of latent risks and opportunities that could have a significant qualitative or quantitative financial impact for each business. We identified risk and opportunity factors from the perspective of procurement, business operations, and markets' demand for the subject business, and then organized and evaluated factors of high importance. For particularly important factors, our scenario analysis was based on finance models that reflect defined parameters. We defined these

parameters by identifying variables that significantly impact transition and physical risks and opportunities. For the analysis of financial impact level, we measured the latent impact level of climate change and analyzed the financial impact level, including the effect of risk and opportunity measures.

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

1. Businesses for Which Transition Risks Are the Main Issues

The main issues for following 5 business are transition risks in the 1.5°C scenario.



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

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Business F	Profile	Chemicals Business	Automobile Business	Iron Ore Business
Timefra	me	By 2	2030	By 2050
Temperature Band Scenario			1.5°C Scenario	
Main risks and opportunities	Transition	Risk: Introduction and increase of carbon tax Risk: Decrease in demand for virgin plastic due to widespread adoption of recycling Opportunity: Increase in demand for low-carbon / decarbonization-related materials and products Opportunity: Increase in demand for clean fuels and chemical raw materials	Risk: The number of internal combustion engine vehicles we handle may decrease. Opportunity: The number of electric vehicles we handle may increase. Opportunity: New business may expand with the spread of electric vehicles. Risk: Transportation costs may rise due to the introduction of carbon taxes.	Opportunity: The stable supply of low-carbon emission steelmaking raw materials Risk: Increase in cost of fuels and materials due to the introduction of a carbon tax Opportunity: Creation of a new low-carbon emission steelmaking raw materials business
оррогинисэ	Physical	Risk: Damage to facilities / inventories and shutdown of operations caused by typhoons, floods, etc. Opportunity: Increase in demand for chemical materials and products related to production increase, preservation and stockpile of food.	Risk: There is a risk the factories of our business partners may suffer damage and suspend operations.	Risk: Increase in procurement costs due to the increased frequency of severe weather events and worsening water scarcity Risk: Disruption of iron ore supply chain due to frequent weather disasters
Business envi under the sce Business impa assessment	nario	Under the transition scenario, while the introduction and increase in carbon tax will increase costs and lower demand for virgin plastics will result in lower sales and profits, our chemical business will be able to increase earnings by capturing opportunities in environmental businesses such as recycled plastics, bioplastics, clean ammonia and methanol, where demand is expected to increase. Analysis according to the profit after tax (%) Current situation Increase in costs for installation of renewable energy Increase in demand for virgin plastic Restriction of sales due to environmental regulations Capturing demand for low-carbon materials and Products Capturing demand for clean fuels After taking the measures	The automobile industry is expected to shift from internal combustion engine vehicles to electric vehicles. Our customers are found all over the world. That means we can expect automobile demand to remain firm despite the expectation there will be a gradual shift in the vehicles we handle from internal combustion engine vehicles to electric vehicles in line with the regulations of each country. It is also expected that the introduction of carbon taxes may lead to an increase in transportation costs in some regions. We will continue to maintain competitiveness by working with our partners to reduce costs. We will aim to obtain further earnings by strengthening our storage battery and other related businesses with the spread of electric vehicles. Analysis according to the Gross trading profit indicator (%) Current situation Decrease in the number of internal combustion engine vehicles we handle norease in the number of electric vehicles we handle Carbon Taxes Measures and effects Measures and effects After taking the measures	The introduction of a carbon tax is expected to increase the cost of fuel, materials, and other items. Nevertheless, the impact on earnings will be limited due to strengthened relationships with blue-chip business partners and improvement of operational efficiencies. Further growth is expected by focusing on the production of high-grade ore, for which demand is expected to increase due to the acceleration of the shift to decarbonization, and steadily seizing business opportunities in iron ore and related fields, such as creation of businesses related to low-carbon emission steelmaking raw materials. Analysis according to the profit after tax (%) Current situation The stable supply of low-carbon emission steelmaking raw materials due to the introduction of carbon tax Strengthen relationships with business partners Creation of a new low-carbon emission steelmaking raw materials business After taking the measures
Adaption/mitigation measures & policies Business opportunities		 Accelerate progress toward a decarbonized society through energy saving measures, procurement of renewable energy, etc. Taking the initiative in realizing resource circulation by providing a 3R platform and sustainable cycle. Restructuring our chemical business portfolio by accelerating our efforts in environment-related businesses, such as sourcing of environmentally friendly raw materials. 	We will continue to expand business by ascertaining demand trends by region based on the electric vehicle development and production situation of automobile manufacturers and trends in electric vehicle-related regulations in the countries where we sell our products. We will strengthen relationships with business partners who are reducing greenhouse gases in regard to freight forwarders and marine transportation companies. We will develop and expand business by linking up with partners who are mainly automobile manufacturers to expand our electric vehicle-related business.	We will closely monitor trends in low-carbon emission steelmaking technologies and promote initiatives to ensure a stable supply of low-carbon emission steelmaking raw materials. Promote initiatives to reduce GHG emissions by strengthening relationships with business partners.
Financial info	rmation	 Profit in segment of applicable business (Profit After Tax): 134.2 bn yen (Chemical Division / FYE 2024 Results) Asset in segment of applicable business: 656.6 bn yen (Chemical Division / March 2024) 	Profit in segment of applicable business (gross profit): 185.1 bn yen (Automobile, Construction Machinery & Industrial Machinery Division / FYE 2024 Results) Asset in segment of applicable business: 1,114.2 bn yen (Automobile, Construction Machinery & Industrial Machinery Division / March 2024)	Profit in segment of applicable business (gross profit): 195.9 bn yen (Metals & Minerals Company / FYE 2024 Results) Asset in segment of applicable business: 1,403.5 bn yen (Metals & Minerals Company / March 2024)

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I Initiatives in Coal-related Business

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

Business environment under the scenario	Under the 2°C scenario, business could be impacted by technological innovation, regulatory trends, and global energy demand but, overall, thermal coal usage volume will decrease over the medium- and long-term.
Measures and policies	 In February 2019, we adopted a policy outlining not developing new coal thermal power plants or acquiring thermal coal mine businesses. Decided on the withdrawal from thermal coal mine interests to reflect commitment to leading the industry in realizing a decarbonized society. This is in line with the basic policies in the Medium-term Management Plan from FYE 2022: enhancing our contribution to and engagement with the SDGs through business activities. In April 2021, we sold our Drummond interests in Colombia, completing our withdrawal from interests in coal mines that only produce thermal coal. In March 2022, we also sold our interests in Ravensworth North in Australia, which produced both coking coal and thermal coal. We will strongly promote efforts toward technological development and social implementation to contribute to a reduction in greenhouse gas emissions. This includes carbon capture and storage (CCS) and carbon capture and utilization (CCU). On the other hand, there will continue to be a need for thermal power generation as regulated power supplies and backup power supplies for the time being for the large-scale spread of renewable energy. Therefore, we will continue to fulfill our duty to stably supply resources through thermal coal trading.
Financial information	 Profit in segment of applicable business (gross profit): 195.9 bn yen (Metals & Minerals Company / FYE 2024 Results) Total assets in segment of applicable business: 1,403.5 bn yen (Metals & Minerals Company / March 2024)

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12. Businesses for Which Physical Risks Are the Main Issues

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

Business F	Profile	Dole Business	Pulp Business							
Timeframe		By 2030								
Temperature Ba	and Scenario	4°C S	cenario							
Main risks and	Transition	Opportunity: Enhance the adoption of renewable energy solutions, such as solar power generation and biomass boilers, and the biogas power generation using in-house organic resources including residues from pineapple, banana and other fruit-base wastes.	Risk: Risk of the diversion of the use of timber to products other than paperboard products (competition in demand for timber). Opportunity: Improvement in competitive advantage if the cost of carbon tax increases because we already use 100% biomass energy in pulp manufacturing. Opportunity: Preference for renewable and non-fossil resource-derived raw materials (timber).							
opportunities	Physical	Risk: Reduction in harvest volumes due to extreme weather (floods, typhoons and droughts etc.) in banana and pineapple plantations in the Philippines.	Risk: Change in the suitable areas for growing trees for each species due to the temperature rise. Decrease in the amount produced depending on the species and region (pine trees throughout Finland and spruce trees in the south of the country). Risk: Impact on procurement and production from rainstorms, droughts, floods, forest fires, pests, frozen soil thawing and other issues.							
Business envi under the sce Business imp assessment	nario	The decrease in harvest volumes attributable to extreme weather events can be mitigated by improving the unit yield through the development of resistant varieties and production methods (cultivation and irrigation etc.). We will diversify production areas and procurement sources (Sierra Leone and Vietnam etc.) for preparation against weather risks, and expand our portfolio of high value-added products. The above initiatives will make it possible to increase earnings. Analysis according to the EBITDA indicator (%)* Current situation Risks and opportunities Preduction in harvests due to rising temperatures Diversification of producing regions Expansion of high value-added products After taking the measures	The amount produced is expected to decrease in some areas due to the rise in the global average temperature. Nevertheless, we can continue to improve earnings by increasing the amount of pulp we produce with the augmentation of facilities in afforestation regions where the amount produced is expected to increase. Analysis according to the EBITDA indicator (%)* Current situation Decrease in the amount of pulp we produce facilities in afforestation regions where the amount produced is expected to increase. After taking the measures							
Adaption/m measures & Business opportunition	policies	We will diversify producing areas and procurement sources in preparation for weather risks (Sierra Leone and Vietnam etc.). We will increase unit yield by implementing advanced production methods, including the developing resistant varieties, improving seedling cultivation methods, and installing irrigation equipment. We will use drones and ICT (agricultural chemical spraying location identification, yield prediction, and timely and accurate fertilization) to increase the efficiency of production. We will contribute to low carbonization and water resource protection, capture the support of environmentally-conscious consumers and increase our brand value by expanding the introduction of recycling-based clean energies and renewable energies such as solar power. We will expand our portfolio to include a diverse range of high value-added product offerings.	 ITOCHU will utilize our strengths in the paper pulp business to contribute to the elimination of plastics and promote the launch onto the market of new materials which will contribute to sustainability. We invest in Paptic Ltd. in Finland and Transend Packaging Ltd. in the U.K. We continue development of cellulose nanofiber applications. Through such efforts, we will develop new markets in high value-added fields with forest-derived pulp serving as the main raw material. The impact from the rise in temperature on the amount of pulp we produce will differ between northern and southern Finland. Accordingly, we will consider a production structure based on the location of afforestation regions and factories in Finland. We are planning to improve operating rates in northern Finland in particular with our minds focused on increasing the amount of pulp we produce. We made a large capital investment in a pulp factory in northern Finland through Metsa Fibre Oy in 2023 to raise production capacity (approximately 20% increase). We will aim for stable business operation by dispersing geographical risks relating to timber procurement and other areas through the dispersion of factory locations and production capacity. Profit in segment of applicable business (gross profit): 194.6 bn yen (Forest Products, General Merchandise & Logistics Division / FYE 2024 Results) Total assets in segment of applicable business: 809.3 bn yen (Forest Products, General Merchandise & Logistics Division / March 2024) 							
Financial info	ormation	 Dole International Holdings net profit: 1.5 bn yen (FYE 2024 Results) Total assets in segment of applicable business: 2,420.9 bn yen (Food Company / March 2024) 								

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

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Business Profile Timeframe Temperature Band Scenario			Fee	d and Grain Trade Business					
		By 2030							
				4°C Scenario					
	Transition	Opportunity: We may capture demand with feed products and other low-carbon-related products which contribute to reducing greenhouse gases.							
Main risks and opportunities	Physical	Risk: Decrease in the amount of crops harvested and logistics disruption due to large hurricanes, droughts and abnormal weather in countries from where we import crops. Risk: The amount of crops harvested may decrease and transaction prices may increase in countries from wher import crops due to rising temperatures. Opportunity: We may maintain a supply structure by diversifying the countries from where we import crops and capture demand for grain.							
Business envi under the sce Business impa assessment	nario	The decrease in the amount of crops harvested due to weather disasters and rising temperatures may lead to supply instability and increases in prices. However, we can maintain a supply structure by diversifying the countries from where we import crops and then provide further opportunities for low-carbon-related products.	Analysis according to the Gross trading profit indicator (%) the amount of the to weather and temperatures by instability and so. However, we apply structure by countries from crops and then poportunities for Maintain a supply structure by diversifying Analysis according to the Gross trading profit indicator (%) Current situation Disruption to logistics and a decrease in the amount of crops harvested due to weather disasters becrease in the amount of crops harvested due to wising temperatures Maintain a supply structure by diversifying						
 Adaption/m measures & Business opportunities 	policies	We will diversify the countries from where we import crops to prepare for the acute and chronic impacts from climate change. We will engage in new environmental-related business such as feed which leads to a curb on methane emissions.							
Financial info	rmation	 Profit in segment of applicable business (gross profit): 380.9 bn yen (Food Company / FYE 2024 Results) Total assets in segment of applicable business: 2,420.9 bn yen (Food Company / March 2024) 							

Impact on Existing Strategies and Business Transition Plans

During our scenario analysis, we ascertained high-impact negative financial risks associated with not implementing climate change measures such as shifting current business strategy or business regions. As a result, we have been steadily promoting specific business transition plans and financial plans (including divestment and asset replacement) in line with our Management Policy "The Brand-new Deal" based on the basic policy of enhancing our contribution to and engagement with the SDGs through business activities.

Transition Plans for Main Businesses Subject to Transition Risks

In 2021, together with our GHG emissions reduction targets, we announced our management plan to actively promote clean-tech business and other businesses that contribute to GHG emissions reduction as a way to enhancing contribution and engagement with the SDGs. This basic policy is carried over to the Management Policy "The Brand-new Deal" formulated in 2024. Through our own businesses, we aim to achieve a situation where the amount of our avoided emissions exceeds our GHG emissions by 2040.

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Clean-tech Business ESG Dat

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Businesses Identified as Examples of Contributing to and Strengthening Efforts toward the SDGs

Business	Summary
Environmentally Friendly Fibers	Contribution to a circular economy through expansion of sustainable materials.
Water and Waste Treatment	 Developing businesses centered on Europe and the Middle East through collaboration with leading partners. Began construction of the world's largest energy-from-waste (EfW) project in Dubai.
Renewable Energy	 Promoting power generation businesses, including wind, solar, and geothermal, mainly in North America, Europe, and Asia. Operating and providing maintenance services for solar power plants at approximately 1,400 locations in North America.
Recycling of Metal Scrap, etc.	Developing a wide range of recycling businesses of materials including metal scrap, by utilizing a nationwide network of recycling companies and providing waste management services.
Low-carbon Iron	Promoting the construction of a low-carbon iron supply chain that contributes to decarbonization of the steel industry.
CCUS (Carbon Capture, Utilization and Storage)	 Collaboration with domestic and overseas business partners to commercialize the utilization of mineral carbonation technologies by Australia-based MCi. Participate in a project commissioned by the New Energy and Industrial Technology Development Organization (NEDO), and also conduct R&D and demonstration projects for liquefied CO₂ transportation technology.
Energy Storage Systems • Renewable Energy	 Promoting next-generation power services and environmental value trading by utilizing in-house brand Al-equipped ESSs and distributed solar power generation networks. Developing next-generation batteries and promoting recycling-oriented businesses by reusing batteries for EVs. Promoting renewable energy power sources, such as solar, biomass, and wind power.
Sustainable Aviation Fuel•Renewable Diesel Fuel	• Selling sustainable aviation fuel (SAF) to airlines for the first time in Japan and promotion of renewable diesel.
Hydrogen and Ammonia	 Promoting the establishment of a green hydrogen value chain in collaboration with Denmark-based Everfuel A/S. Developing ammonia-fueled vessels and creating a proprietary operation model, developing a bunkering business, utilizing ammonia as an alternative fuel for power generation, and promoting manufacturing and marketing operations in Canada and elsewhere in order to build a value chain for clean ammonia.
Plastic Recycling	 Developing plastic recycling businesses with leading partners boasting recycling technologies. Product development using marine plastic waste as raw material.
Sustainable Coffee Beans and Vegetable Oil	 Stably supplying sustainable products and third-party certified products to eliminate child labor and environmental damage. Building raw material supply chains with established sustainability in production, distribution, and processing.
Production and Processing of Fruits and Vegetables•Waste Reduction	Reducing low-quality products and residues in the production, distribution, and processing of Dole products.
Sustainable Natural Rubber	 Participate as a founding member in the global platform for sustainable natural rubber (GPSNR) to promote its production and use. Developing a traceability system using blockchain, involving the entire value chain.
Secondhand Mobile Phone Distribution	• Entering the secondhand mobile distribution business by taking advantage of market trends such as excessive supply of new mobile phones and increased environmental impact due to mobile phone replacement.
CVS Business (FamilyMart)	 Improving operational efficiency and reducing food loss through supply chain reforms. Promoting FamilyMart Environmental Vision 2050, including efforts to reduce plastic use and GHG emissions.

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Transition Plans for Main Businesses Subject to Physical Risks

In agriculture and forestry businesses, we aim to expand sustainable operations by adopting cutting-edge technologies from a medium- to long-term perspective and promoting the following initiatives.

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

Financial Strategy

The Division Company Management Committee (DMC) conducts annual reviews of business risks and opportunities, including those related to climate change. Each DMC examines business transition plans, and then drafts annual financial plans. The annual financial plans for each company are presented for approval to the HMC, the executive body, and the Board of Directors, the supervisory body, before final approval by the Board of Directors. This final approval is subject to a comprehensive analysis and deliberations from an ESG perspective, including matters related to climate change. In order to facilitate a financial strategy based on our transition plan, we have developed a financing plan that limits the use of funds to projects that contribute to the SDGs.

1. SDGs Bond

In March 2021, ITOCHU issued SDGs Bond (Sustainability Bond totaling US\$500 million), which was allocated towards capital expenditures, manufacturing, R&D-related investments and procurement costs in climate-related subjects as well as R&D-related investments in procurement of certified food ingredients and costs of utilization of food residuals related to sustainable food systems like those indicated below:

- Efforts to reduce greenhouse gas emissions: Renewable Energy (generation and storage)
- Efforts to reduce greenhouse gas emissions in FamilyMart
- Sustainable Food System: Expanding procurement of certified food ingredients and utilization of food residuals

2. Green Loan

In September 2023, ITOCHU entered into the green loan agreement with Sumitomo Mitsui Trust Bank, Limited. The green loan will be used for our qualified projects (renewable energy power generation projects, energy from waste projects, and projects for the circular economy).

Sustainable Finance (P226)

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

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

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Risk Management

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

Identification and Evaluation of Climate Change Risks

ITOCHU considers those that may have a significant impact on the financial position and results of operations of our Group in the future as significant risks. We recognize risk management as an important management issue. Referencing the COSO-ERM framework, we outline our basic policy on risk management for ITOCHU and prepare the organizations and methods necessary for risk management.

Each Company and the Sustainability Management Division cooperate regularly to gather information to assess risk importance. This information includes trends in climate change policy and regulations, which mainly consists of existing and new regulations related to climate change in the countries in which we operate, climate change-related technology, and clean-tech business. We also gather information on global abnormal weather and average temperature increases. Importance is identified and assessed using specific indicators and from the perspective of ascertaining the substantive financial or strategic impact that climate risk may have on the Company. For example, for non-consolidated businesses, we identify an important risk as a risk that would cause a 10% change compared to previous fiscal year revenues, a 20% change in average net income for the most recent past five years, or a 30% change in net assets from the end of the previous year. For consolidated businesses, we would use a change of 10% from previous fiscal year revenues or a 3% change in total capital from the end of the previous year.

ITOCHU organizes the information we gather on climate change risks and opportunities into our Material Climate Change-related Risks and Opportunities (risk criteria), with analysis for both transition and physical risks. We use risk criteria to identify and assess climate change risks in the risk management process for each phase of business, including the start of a new business, existing businesses, handled products, supply chains, Group company business management, and business strategy reviews.

Climate change risks gathered during the risk assessment process are deliberated by the Sustainability Committee and other relevant committees to ensure we continuously review risk criteria and the risk identification process. During these deliberations, the relevant committees incorporate opinions received form the Sustainability Advisory Board, which promotes dialogue concerning sustainability between ITOCHU management and external stakeholders.

Integrating Climate Risk Management into the ITOCHU Group Risk Management System

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

Climate change risks are one of the major environmental and social risks subject to Group risk management. We incorporate this risk management into the assessment methods for each business phase shown in the table below, which can broadly cover our business activities as a general trading company including management of investment, trading products, logistics, Group companies, supply chain, business strategy, and portfolio, etc.

Climate-related Risk Management Procedures and Evaluation Methods for Each Business Phase

Business Phase	Evaluation Method
Business start	Environmental and social risk assessments including climate change risks for new investment project Shadow pricing for carbon tax costs, etc., and stress test (internal carbon pricing)
Business management	Environmental risk assessments for handled products (LCA evaluation for overall supply chain) Group company environmental status survey (2, 3 companies per year) Supply chain sustainability surveys (supplier) Internal environmental audits based on ISO14001 (ITOCHU Corporation, 3 applicable Group companies) Scope1/2/3 aggregation and year-on-year assessment Internal carbon pricing impact assessment (e.g., US\$205/t-CO2 in the case of power generation project (US))
Review business strategy	Consider business strategy, asset replacement

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

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Risk Assessment & Management Activities

The TCFD scenario analysis identified the following risk and opportunity factors, as well as assessment and management activities.

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

Our risk management, including climate change, related to Company operations (P213)

Climate Change Risk Management Organization

Business Start Phase

ITOCHU has established a multilayered decision-making process that seeks to realize swift decision-making by delegating discretionary power to each internal company, while pursuing investment returns and controlling investment risks. Depending on the size and terms of a project, a review is conducted at the internal company level or by the Investment Consultative Committee and the HMC (Headquarters Management Committee).

As a member of the HMC and the Investment Consultative Committee, the CAO, who chairs the Sustainability Committee, participates in the screening of projects that exceed the authority of the division company president. This system reflects the content of deliberations at the specific stage of climate change risk and at the assessment stage of climate change risk for company-wide risk management.

• Our business investment management (P217)

Business Management Phase

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

As part of our specific climate-related risk management procedures, we compile the results of Scope1/2 and Scope3 for each of 8 Division Companies every year. The results are compiled in a form that allows for an assessment over time, and are reported to the Sustainability Committee and the Board of Directors after being approved by each Division Company. This process enables the Board of Directors to oversee progress toward achieving GHG emissions reduction targets from a medium-to long-term perspective, and is also used to review new business strategies.

In order to achieve our GHG emissions reduction targets, we promote climate change initiatives through dialogue with suppliers, sales clients, contractors, and business partners in its value chain.

Review Business Strategy

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

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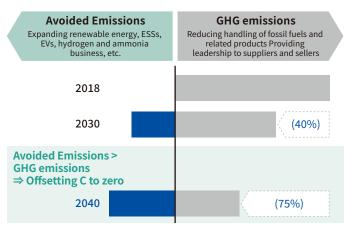
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Metrics and Targets and Action Plan

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

GHG Emissions Reduction Targets

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



[•] Trends in our GHG emissions (P109)

Scope1/2 Short-term Reduction Targets

ITOCHU has set a target of 30% reduction in power consumption at Japanese Bases of ITOCHU Corporation by FYE 2023 compared to the FYE 2011, and has been working to save electricity by upgrading facilities, such as by switching to LED lights. As a result, we achieved a 51.8% reduction in FYE 2023 compared to FYE 2011, far exceeding the initial target. In light of the fact that considerable progress has already been made in reducing Scope1/2 emissions, including electricity consumption, we have set a new short-term target of reducing Scope1/2 emissions at our Japanese Bases. We have registered such target with the GX League, a group of companies challenging the green transformation led by Japan's Ministry of Economy, Trade and Industry in collaboration with the Japanese government and academia. We also participate in the Carbon Credit Market of Tokyo Stock Exchange, which will be used in the GX League, and contribute to the decarbonization of our own and other companies.

(Unit: t-CO2e)

	FYE 2022 (Base Year)	FYE 2024-2026 Total (Target)	FYE 2026 (Target)
Scope1	77	223	74
Scope2	5,946	17,308	5,711
Scope1+2 Total	6,022	17,531	5,785

^{*} The scope of calculation is based on the "the Rules for Phase 1 in the GX-ETS" and does not match Scope1/2 for Japanese Bases of ITOCHU Corporation as a

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Clean-tech Business Metrics and Targets (Action Plans)

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

- In the power generation business, increase project development towards the goal of increasing our rate of renewable energy (equity interest basis) to over 20% by FYE 2031.
- Build a next-generation fuel value chain based on hydrogen and ammonia.
- Create distributed power supply platform using AI storage batteries boasting the No. 1 sales in Japan. (Aim for scope exceeding cumulative power storage of 2 GWh by FYE 2031.)

gas emissions and has received Certification of Carbon Credit from the Gold Standard.

UAE: The first Energy-from-Waste (EfW) project in Dubai, we are advancing the construction of the world's largest EfW
plants. These facilities are designed to process half of the Dubai's municipal solid waste annually (1.9 million tons).
 Saudi Arabia: We are actively engaged in integrated hazardous waste management services in Jubail Industrial City.

Our clean-tech business (P95)

economy.

Action Plan

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Compa	iny							
Address Climate Change (Contribute to a Decarbonized Society)	7 ENGENEERA 13 BURN STEEN	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.	Tyr Energy Development Renewables, LLC ("TED"), established in 2022, is currently developing 26 assets, approximately 4 GW of solar power plants. NAES Corporation, another wholly-owned subsidiary of ITOCHU and the world's largest independent provider of O&M services for power plants, extends its expertise to asset management and maintenance services in the renewable energy sector. Currently, NAES oversees approximately 1,400 solar power plants with a capacity of 2GW, as well as wind power plants with a capacity of 1.1GW. In June 2023, we launched a fund dedicated to investing in renewable energy generation assets across North America. The renewable energy ratio, calculated on an equity interest basis, stands at 17.1% as of March 2024.
Address Climate Change (Contribute to a Decarbonized Society) Evolve Businesses through Technological Innovation		• Climate Change Opportunities • Innovation	Taking countermeasures against climate change Next-generation business development	Ships/ Shipping field	We will contribute to decarbonization in the shipping and maritime sectors through the promotion of an "integrated project" encompassing the development, ownership and operation of ammonia-fueled ships, the development of fuel supply chains, and fuel procurement.	In addition to the joint development of ammonia-fueled vessels with th Japanese consortium and the ownership and operation of these vessels, ITOCHU will take the lead in the development of supply chain of an ammonia bunkering and fuel procurement, aiming for early materialization of the pilot project.	After 2027, promote the spread of ammonia-fueled vessels and the establishment of a supply chains to contribute to the decarbonization of the maritime industry.	 To contribute to decarbonization in the shipping sector, we are developing an "integrated project" aimed at: (i) developing ammonia-fueled vessels, (iii) owning and operating ammonia-fueled vessels, (iii) establishing fuel supply chains, and (iv) procuring/producing clean ammonia. As a pilot initiative, discussions are underway with stakeholders for the development of the first ammonia-fueled vessels, initially targeting large bulk carriers with a projected completion date of 2027. Concurrently, discussions have commenced for container ships and car carriers to adopt ammonia as their primary fuel. In addition, we are actively progressing the development of ammonia bunkering facilities in Singapore, followed by Algeciras in Spain and the Suez Canal in Egypt. In March 2024, we secured support from the Green Innovation Fund for the development of various technologies related to ammonia handling, in collaboration with Fuji Electronic. We have established an international framework for conducting a "Joint Study" on the risk assessment of ammonia fuel and safety standards, and have also formed a "Container Ship Joint Study." These frameworks were concluded as of March 2024 to transition into the commercialization phase.
Address Climate Change (Contribute to a Decarbonized Society) Evolve Businesses through Technological Innovation		• Climate Change Opportunities • Innovation	Taking countermeasures against climate change Next-generation business development	Sales of passenger cars and commercial vehicles	We will achieve the eco-friendly mobility society by strengthening businesses of electric vehicles (EVs), hybrid vehicles (HVs), vehicles with a reduced environmental impact, and those related.	Contribute to spread of eco-friendly vehicles by increasing business of eco-friendly and high-efficiency products, such as EVs, HVs, vehicles with a reduced environmental impact, and related parts.	Expand sales of eco-friendly products in response to the expanded lineup of EVs, HVs, vehicles with a reduced environmental impact, and similar vehicles from automakers as our business partners.	 As a partner in "EVision," Isuzu's total solution program for EVs, we have expanded our efforts to promote commercial EVs and have actively provided consultations to users encountering challenges related to EV introduction. In November 2022, we commenced demonstration and operations with a prototype developed and manufactured as part of the "Combination of developing battery-exchangeable EVs and utilizing renewable energy Sector coupling demonstration project," commissioned by the Ministry of the Environment. By the end of December 2023, we had achieved a cumulative delivery distance exceeding 20,000km.
Address Climate Change (Contribute to a Decarbonized Society)	6 GLAS SUITS FOR SUPERIOR CONSIDERING SUPERIOR CONS	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	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	Expand the investment portfolio in the water and environment field which contribute to social demands for the environment and the promotion of a circular	project in the City of Belgrade. The project anticipates a reduction of approximately 210,000 tons of greenhouse

environment.

effective use of water and waste.

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Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Metals & Minerals	Company							
Address Climate Change (Contribute to a Decarbonized Society) Evolve Businesses through Technological Innovation		Climate Change Opportunities Capital Introduction Innovation	Taking countermeasures against climate change	Resource recycling business Mining business Environmental business Materials-related business	We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials.	Take the lead in developing recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, etc. as resources and raw materials that contribute to the decarbonization in client industries (e.g. steel and power). Promote businesses to contribute to the stable supply of nickel, PGM and other materials necessary in the manufacture and supply of hydrogen, green materials and energy, and storage batteries. Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gas emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Promote initiatives to completely withdraw from thermal coal mine interests while continuing to realize stable resource supply as our social mission and responsibility through trading in regards to our coal business. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs (e.g., aluminum and copper).	Promote recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, etc. as resources and raw materials that contribute to the decarbonization 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 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).	 Together with JFE Steel, Emirates Steel Arkan, and others, we have promoted detailed feasibility studies for the establishment of a supply chain of ferrous raw material for green ironmaking with low carbon emission, which contribute to the decarbonization of the steel industry. 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). Specifically, we are steadily promoting initiatives in venous industries. This includes the reuse and recycling of store facilities and fixtures, the expansion and increase in sophistication of metal scrap and waste treatment through the use of a nationwide network of recycling companies, and strengthening of cooperation with the TRE HOLDINGS CORPORATION general recycling company we invested in FVE 2020. 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 have invested in Everfuel (Denmark), who conducts the design, EPC, and operation of green hydrogen production facilities, distribution assets, and operation of hydrogen stations by using water electrolysis equipment, as well as the sale of hydrogen. In collaboration with Everfuel, we are promoting the construction of a green hydrogen value chain for local production - consumption in Europe. We are promoting the Platreef project and others in the PGM (platinum group metals)/nickel business where demand is expected to grow significantly due to the worldwide spread of electric vehicles and fuel cell vehicles, and also expanding trade activities of such materials. We continue to conduct a commercialization survey of a by-product hydrogen project in northern Kyushu with partners for the social implementation of hydrogen.
Energy & Chemica	ls Compa	any						
Address Climate Change (Contribute to a Decarbonized Society)	13 CHAPT	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.	To realize a sustainable society through the stable supply of energy, we continue to discuss with competent partners ways to participate in new upstream projects and collaborate on decarbonization as raw materials for a transition fuel.
Address Climate Change (Contribute to a Decarbonized Society)	7 STORMET AND COMMITTEE AND CO	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 district heating and cooling to neighboring areas.	We are continuing discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.

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Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemica	ls Compa							
Address Climate Change (Contribute to a Decarbonized Society)	7 ECONOLIAN	Climate Change Opportunities	Efforts to optimally and continuously supply renewable energy	Energy Storage System Power & Environmental Solution	We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular.	We will continue to sell Energy Storage System equipped with optimal charging/discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	Number of storage batteries sold. Use of recycled and reused batteries.	Sold a cumulative total of approximately 60,000 units (588 MWh) of energy storage systems, as of the end of March, 2024. Continuing to promote recycling and traceability demonstrations with partners in Japan and overseas, with the aim of building a high-value-added supply chain through the implementation of recycling chains and traceability. Working on the structuring battery storage facilities (3 projects) and the sale of large storage batteries (4 projects). Have sold a total of 100MWh of grid storage batteries, including those currently under construction. In the process of establishing Japan's first fund dedicated to grid storage batteries in cooperation with the Tokyo Metropolitan Government.
Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply	7 consum (Consumer of the Consumer of the Con	• 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 Working on new energy initiatives	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 and to improve energy efficiency.	Work on hydrogen and ammonia which are expected to serve as next-generation energies and fuels that do not emit carbon dioxide when burned. Also work on renewable fuels (derived from waste oils) to contribute to the reduction of greenhouses gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	Hydrogen and Ammonia To realize a decarbonized society, we concluded a Memorandum of Cooperation (MOC) with Hive Hydrogen South Africa to collaborate in the field of green ammonia. Renewable Diesel (RD) and Sustainable Aviation Fuel (SAF) In 2022, ITOCHU was selected by the Civil Aviation Bureau (Ministry of Land, Infrastructure, Transport and Tourism) to carry out an "Imported Neat SAF Model Demonstration Project". ITOCHU established a domestic blending supply chain by importing neat SAF from Neste OVI in cooperation with a partner company. Following successful SAF supply arrangements for Haneda and Narita airports, ITOCHU has begun supplying SAF to Central Japan International Airport. ITOCHU and its partners were selected for the "Program Supporting the Commercialization of Biofuel Utilization", a Tokyo Metropolitan Government public procurement. The members of the association aim to increase biofuel use by using RD in land transport vehicles and airport work vehicles. New Energy TOCHU will acquire shares of Blue Laser Fusion Inc. (BLF), a fusion energy-related startup, through a third-party allotment, while simultaneously concluding a strategic and business alliance agreement with BLF for fusion energy and other related businesses in which laser technology developed by BLF will be used.
Address Climate Change (Contribute to a Decarbonized Society)	13 saux	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 CO2 storage technologies - an application of petroleum development technologies - and enhance access to CO2 capture chains (e.g., collection and transportation) to link them to CO2 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.	Together with ITOCHU Oil Exploration Co., Ltd., we joined the Geological Carbon Dioxide Storage Technology Research Association, which researches and develops technologies for underground sequestration of carbon dioxide. In FYE 2024, the Tohoku Region West Coast CCS initiative was publicly selected by the Japan Organization for Metals and Energy Security to study the feasibility of a Japanese Advanced CCS Project. We are also studying with our consortium partners the feasibility of a CCS value chain project using ship transportation.
Address Climate Change (Contribute to a Decarbonized Society)	7 EURAMAI AN THE CHARLES THE C	Climate Change Opportunities	Working on initiatives to optimally and continually supply renewable energy	Renewable energy independent power producers (IPPs) / renewable energy-related materials procurement / dispersed power source initiatives	We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power gird through the deployment of solar power dispersed power sources.	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power	Scale of our renewable energy assets Scale of our dispersed power sources	We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 850 on-site photovoltaic power plants(combined output is appx 200,000kW) across Japan through i Grid Solutions Co., Ltd. We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 1,200 off-site photovoltaic power plants(combined output is appx 100,000kW) across Japan through Clean Energy Connect, Inc.

Climate Change (Information Disclosure Based on TCFD Recommendation Prevention of Pollution and Resource Circulation Water Resources Conservation

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Climate Change (Information Disclosure Based on TCFD Recommendations)

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress		
Food Company										
Address Climate Change (Contribute to a Decarbonized Society)	7 distribution 13 distribution 13 distribution	GHG Emissions	Taking countermeasures against climate change	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	Dole will utilize green energy in our processed food business.	Situation of operation of biogas plant at Dole Philippines. Status of introduction of other clean energy sources, etc.	Result of utilization of processed pineapple residue: 155,558MT in FYE 2024. Result of GHG reductions from utilization of clean energy: 97,445t-CO ₂ e in FYE 2024. 2024.		
General Products & Realty	Company									
Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply	12 HOOGE COLUMN AND THE COLUMN AND THE PROJECT AND THE COLUMN AND	Forest	Using sustainable forest resources	PulpWoodchipsWood products & materials	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In FYE 2024, 100% of our Pulp, Woodchips and Wood Priducts & Materials transactions were handled as certified material or were intensively managed.		
Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply	12 GROWATE CROSSETS AS THE PROPERTY AS THE PRO	Capital Introduction Pollution Prevention and Resource Recycling	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. In FYE 2024, global slag transactions amounted to 1.75 million tons.		

Reflecting Climate Change Issues in the Remuneration System

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

position. In addition, Group ESG Officers and Group ESG Managers in each organization set individual annual goals for business creation and operational improvement related to contribution to the SDGs and ESG promotion, and their achievements are also evaluated as individual performance.

[•] Corporate Officer Remuneration System (P192)

Environmental Management

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Initiatives

Efforts to Withdraw from Interests in Thermal Coal

In the future coal related businesses will likely be subject to carbon tax. Also, countries will introduce energy diversification policies, which will lead to the promotion of renewable energy and energy saving technology. The changing and more competitive prices of renewable energy risks decreased profits from coal-related businesses, causing these assets to become impaired or fixed.

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

We continue to focus on expanding our business to contribute to the reduction of GHG emissions while responding to the societal demands for stable energy supply to domestic and overseas consumers.

Reducing the Environmental Burden of Logistics Operations

Basic Concept

ITOCHU aims to be carbon-neutral by 2050, and will promote the adoption of logistics methods and initiatives that have a low environmental burden with respect to outsourced logistics. By collecting basic data on logistics, we will investigate, analyze, and verify businesses with low transportation efficiency, and shift to initiatives with the lower environmental burden to the extent possible. We will also work on the development and diffusion of transportation modes powered by clean energy as a business, and contribute to the reduction of logistics-related GHG emissions.

Plan for Energy Saving in Logistics

As a specified consigner under the "Act on Rationalizing Energy Use", we annually submit a "medium- to long-term plan" to the government, which includes the following company-wide plan for the rationalizing energy use.

Qualitative Target

- We conduct status surveys focusing on mode of transportation with low efficiency that have room for improvement, and select appropriate mode of transportation and appropriate transportation routes, etc, for improving loading efficiency and promoting reduction of specific energy consumption (SEC).
- In order to achieve the above target, we strengthen cooperation with freight forwarders.

Quantitative Target

GHG emissions generated by outsourced logistics for which ITOCHU is the consignor are as follows. Through our efforts to reduce the environmental loads, we aim to reduce the average SEC by 1% or more per year over a five-year period, which is a non-binding target under Act on Rationalizing Energy Use.

1,000t-CO ₂	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	5-year average rate of change in SEC
Logistics-related GHG emissions (1,000t-CO ₂ e)	13	12	10	12	10	
SEC (crude oil equivalent kl/1,000t-km)	0.020	0.021	0.020	0.019	0.020	
year-on-year	97.6%	107.0%	93.0%	94.0%	107.2%	100.1%

Specific Initiatives

- Promoting efficient transportation route setting and improved loading methods in cooperation with logistics providers and suppliers to optimize logistics at the time of order receipt and delivery.
- Improvement of loading rate by devising product shape and packaging.
- Selecting appropriate types of vehicles according to transportation volume (use of large vehicles and mixed loading shipment whenever possible).
- Conversion of long-distance truck transportation to rail transportation.
- Planning and promoting of joint delivery business in local areas.
- Providing EV truck users with charging solutions and leasing services that take into account battery degradation forecasts.
- Promoting of ammonia fueled ships development project.

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

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

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



Clean-tech Business

Environmental Policy

Environmental Management

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Climate Change (Information Disclosure Based on TCFD Recommendations)

Initiatives for the Tokyo Metropolitan Government Program to Prevent Global Warming

ITOCHU submitted a plan to the Tokyo Metropolitan Government to reduce the CO_2 emissions in our Tokyo Headquarters by 25% from the reference value (average value from FYE 2003 to FYE 2005) over five years from FYE 2021 to FYE 2025 based on the Ordinance on Environmental Preservation. Our energy consumption CO_2 emission in FYE 2023 was 5,723t- CO_2 . This is an approximately 46% reduction compared to the reference value.

The document we have submitted to the Tokyo Metropolitan Government is as follows.

- Greenhouse Gas Emission Reduction Plan for FYE 2021 to FYE 2025 (Submitted in November 2023) (Japanese Only) (https://www.itochu.co.jp/en/csr/pdf/ondanka-202311.pdf)
- * In addition to the Tokyo Headquarters, the adjacent commercial facility of Itochu Garden is also subject to the Greenhouse Gas Emission Reduction Plans submitted to the Tokyo Metropolitan Government.



Reduction from the reference value Approx. 46%

Collaboration with Outside Initiatives

Activities Through Business and Industry Groups

We are participating in the Global Environment Subcommittee of the Committee on Environment and Safety — an environment and energy related committee of the Japan Business Federation (Keidanren). We are working to realize an environmental policy compatible with the economy (e.g., through promotion of voluntary action plans, and measures for global warming, waste and recycling and environmental risks). We are also participating as a committee member in the Environment Working Group under the Sustainability Promotion Committee of the Japan Foreign Trade Council (JFTC), a nation-wide association of Japanese trading firms. We are striving to build a low-carbon society, construct a recycling-orientated society, and to support environmental related laws and regulations. We continue to support the JFTC's FYE 2031 Reduction Targets for Domestic Business Activities and Long-term Vision for Climate Change Measures, which are consistent with our policies and goals.

When the industry and trade associations in which we participate decide on the new directions of climate change, etc., we will express our opinions in line with the ITOCHU Group Sustainability Policy in the decision-making processes. We participate in meetings of our industry associations to discuss their policies, and make proposals from the drafting stage, taking into account not only our own thinking but also the thinking of investors, customers, and the international community. In the event that the policies of such organizations become significantly weaker than or contradict from our policies, we will strive to align them with our policies. We will report any new policies of various industry associations to the head of our relevant industry-related departments or functional departments and obtain their approval. Furthermore, if those new policies may have gap between our company-wide policies, we report to the CAO, who chairs our Sustainability Committee, and the Sustainability Committee and other committees decide to review our company policies in line with new policies of industry associations.

FYE 2031 Reduction Targets for Domestic Business Activities (Trading Industry)

• In FYE 2031, we will strive to reduce unit CO₂ Emissions (CO₂ Emissions per floor area for the entire company) by 60% from FYE 2014 level. (Reestablished April 2024)

Long-term Vision for Climate Change Measures of the Japan Foreign Trade Council

To create a carbon-neutral society, the JFTC aims to effectively utilize its links with other industries and organizations, cooperate in implementing their long-term visions, and contribute to achieving the long-term goals for 2050 set out in the Paris Agreement. Based on this vision, JFTC member companies will position the investigation and implementation of measures to mitigate and adapt to climate change as key business issues and strive to generate new businesses and solutions.

We have flexibly evolved our businesses according to changing times and diverse needs. Shosha (trading firms), which operate worldwide and conduct business in cooperation with various players in a wide range of industries, are able to fully exercise their capabilities in contributing to solutions for the global challenge of climate change.

• Long-term Vision for Climate Change Measures (https://www.jftc.or.jp/about/pdf/climate_20200325.pdf?#page=2)

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Participation in TCFD Consortium

Participation in Initiatives (P40)

Participation in CDP (Climate Change)

· Participation in Initiatives (P40)

Participation in the GX League

• Participation in Initiatives (P41)

Participation in Japan Climate Initiative (JCI)

• Participation in Initiatives (P41)

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ESG Data (Environment)

Prevention of Pollution and Resource Circulation

Policy and Basic Concept

Prevention of Pollution

Within its business activities, ITOCHU will strive to prevent and reduce environmental pollution caused by chemical substances and oils, and marine plastic waste, reduce emissions of air pollutants, and reduce and properly process hazardous waste and wastewater. We will fulfil our responsibility of pollution prevention by complying with international declarations, agreements, and treaties, as well as with the laws and regulations of the countries and regions in which we operate. We shall also comply with any other agreements that we have consented to.

Resource Circulation

ITOCHU handles a wide range of products, from plastics to metals, rubber, cement, and foodstuffs. We have identified "Ensure Stable Procurement and Supply" and "Address Climate Change (Contribute to a Decarbonized Society)" as ones of our key sustainability material issues. We will contribute to the formation of a circulating society with our business investees and stakeholders in the value chain of the products we handle to reduce the procurement of raw materials that have a negative impact on the environment and natural capital, and to promote resource circulation. We aim to realize resource circulation through the 3Rs (Reduce, Reuse, Recycle) and substituting sustainable raw materials from the design stage of products and services, and promoting sorting, collection, and recycling business for used products. We will actively work to procure raw materials and products with third-party certification for sustainability, with due consideration of appropriate use of natural capital, traceability, and consideration for local communities. etc.

Targets and Action Plan

ITOCHU sets qualitative management targets and quantitative performance targets to promote better practices in pollution prevention and resource efficiency. The environmental targets and achievements in FYE 2024 are as follows.

Qualitative Targets

ltem		Boundary	Target	FYE 2024 Results and Evaluation
Prevention of Environmental Pollution and Compliance with Laws and Regulations	Risk Assessment for Investment and Financing Projects	ITOCHU Corporation	Perform pre-investment/financing assessments based on the ESG Checklist, which includes environmental assessment criteria.	Properly implemented
	Raising Management Levels through Auditing	ITOCHU Group	Conduct internal audits on environmental management systems to ensure compliance, improved environmental efficiency, and better overall management.	Properly implemented
	On-Site investigations of Group Companies	ITOCHU Group	Select appropriate Group companies and conduct on-site environmental management investigations for them.	Properly implemented
Promotion of Awareness Activities Raising Awareness of Laws and Regulations		ITOCHU Group	Increase internal awareness on the Waste Management and Public Cleansing Act and the Soil Contamination Countermeasures Act, as well as other relevant regulatory developments by providing learning opportunities such as seminars and courses. We will also monitor and review participation/uptake rates of these trainings in relevant segments of the company.	Properly implemented
Resource Conservation,	Office Waste Reduction	ITOCHU Corporation	Reduce waste and promote recycling in office activities in accordance with our EMS.	Properly implemented
Promotion of Resource Circulation, and Monitoring of performance	Paper Consumption Reduction Target	ITOCHU Corporation	Reduce paper consumption by raising awareness of our targets internally.	Properly implemented

Quantitative Targets

	Item	Boundary	Target Period	Target	Progress in FYE 2024 Against Targets	Assessment
Prevention of Pollution	Serious Environmental Accident	ITOCHU Corporation*	Every Fiscal Year	0 Serious Environmental Accidents	0	Achieved
	NOx SOx Emission	TAKIRON TECH CO., LTD.	Every Fiscal Year	Suppress to a level 20% below the legal standard	Achieved	Achieved
	Concentration	ITOCHU Ceratech Corporation	Every Fiscal Year	Suppress to a level 20% below the legal standard	Achieved	Achieved
Resource Circulation• Waste	Volume of Waste Discarded	Tokyo Headquarters	March 2025	6% Reduction Compared to FYE 2019	35% Reduction Compared to FYE 2019	Achieved
Discarded	Recycling Rate	·	March 2025	90%	92%	Achieved
Resource Conservation			March 2025	3% Reduction Compared to FYE 2019	59% Reduction Compared to FYE 2019	Achieved

^{*} ITOCHU Corporation, Overseas offices, Group companies subject to compliance



Environmental Management

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Prevention of Pollution and Resource Circulation

Action Plan

	Risks					Opportunities		
Negative impacts on the natural environment including those related to resource circulation. Deterioration of relations with local communities and subsequent loss of social license to operate.						 Increased resource demand due to population growth and enhanced living standards in emerging economies. Creation of customer trust and new business opportunities through stable and sustainable supply chain practices. 		
Materiality SDGs	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress	
Textile Company				·	· I		The second secon	
Ensure Stable Procurement and Supply	Prevention of Pollution and Circulating Society	Reducing our environmental burden by circulating society	Textile products in general	We will contribute to realize a circular society through our sustainable textile products and recycling of them.	Promote sustainable products and projects leading to the recycling of resources.	Promote the sustainable products such as "RENU", a recycled polyester derived from textile, and set up schemes to recycle textile products.	 The environmental impact of handling recycled polyester through the RENU project is as follows (estimated for FYE 2024). Waste volume to be made into "RENU": equivalent to 6.3 million T-shirts, CO₂ reduction: 1,931 tons, Water usage reduction: 6,500 kiloliters. Approximately 3,000 collection points for "Wear to Fashion", the clothing recycling servic (as of March 2024). Launched the "ARChemia Project" as a joint project between textiles and chemicals, and started it to transform used clothing into chemical products with high environmental added value. 	
Machinery Company								
Address Climate Change (Contribute to a Decarbonized Society) Energy & Chemicals C	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 the investment portfolio in the water and environment field which contribute to social demands for the environment and the promotion of a circular economy.	Environmental Field UK: Our operations encompass four municipal solid waste incineration and power generation facilities (waste-to-energy plants), processing 1.3 million tons of waste annually. This accounts for 10% of the UK's waste incineration market and provides electricity for 160,000 British households. Serbia: We have initiated an integrated waste management business, including an Energy-from-Waste (EfW) project in the City of Belgrade. The project anticipates a reduction of approximately 210,000 tons of greenhouse gas emissions and has received Certification of Carbon Credit from the Gold Standard. UAE: The first Energy-from-Waste (EfW) project in Dubai, we are advancing the construction of the world's largest EfW plants. These facilities are designed to process half of the Dubai's municipal solid waste annually (1.9 million tons). Saudi Arabia: We are actively engaged in integrated hazardous waste management services in Jubail Industrial City.	
							• Including Coca-Cola who joined a new member of the BLUE Plastics project, we conducted a	
Ensure Stable Procurement and Supply	Plastic	Efforts leading to solutions to social problems	Plastic-related environmental response	We will contribute to solving social problems (e.g., marine plastics and waste plastics) that urgently require measures with a plastic-related environmental response.	Supply environmental materials and establish a recycling/reuse program in collaboration with brand owners.	Build a recycling-oriented-model by enhancing our handling of environmental materials and establishing a recycling/reuse program.	demonstration trial of a service for tracing the progress of recycling used plastic bottles on a digital platform for the realization of a resource-circulating society using a smartphone app. We will expand the demonstration trials at three FamilyMart stores in Tokyo. • We have launched the recycling business for flooring material together with the launch of DESSO, an eco-friendly flooring material produced by European construction material manufacturer Tarkett S.A in the Japanese market through Lilycolor CO., LTD., an interior design and decorating wholesaler. • We succeeded in developing and establishing a mass production system for recycled nylon fishing nets combining Aquafil's developing ECONYL® ingredient.	
Food Company	Pollution	I	ı	Through the reduction of food	The company will brand and			
Ensure Stable Procurement and Supply	Prevention and Resource Recycling	Supply and use of environmentally friendly resources and materials		loss, we will contribute to the promote the effective use of the resources and reduce the environmental impacts.	commercialize the out-of-spec Dole bananas discarded in Japan and Philippines as Mottainai bananas and distribute them in the market again.	Reduction of waste at the production site (Philippines) Reuse of discarded bananas (Japan)	Reuse of discarded bananas (Philippines): 19,953MT in FYE 2024. Reuse of discarded bananas (Japan): 910MT in FYE 2024.	
Ensure Stable Procurement and Supply	Pollution Prevention and Resource Recycling	Reduction of food loss, promotion of recycling	Overall food-related businesses	We contribute to the realization of a circular economy by promoting food loss reduction throughout the entire supply chain in the food distribution sector.	Promoted measures to reduce food loss in the domestic wholesale business. The company has implemented improvement measures based on the policies of "no food loss," "sell out products," and "donate food products".	In the domestic wholesale business, in addition to strengthening inventory management through the use of IT technology, the company contributes to the reduction of food loss by utilizing its domestic sales network and donating to food banks.	Newly added from FYE 2025.	
ICT & Financial Busine	CT & Financial Business Company							
Ensure Stable Procurement and Supply	Pollution Prevention and Resource Recycling	Provide products/ services that support the realization of a sustainable lifestyle.	Reuse / Recycling Business	Contribute to the development of a sustainable society by making most of limited resources through the distribution of used mobile phones and tablets in the Japanese market.	Expand supply channels in order to realize a sustainable and stable procurement of resources. Reinforce promotional activities in order to raise the awareness of secondhand mobile phones/tablets.	Expand product variation and supply channels. Expand distribution outlets.	 The number of models handled increased from 671 (FYE 2023) to 856 (FYE 2024). (27.6% increase over the previous year) Procurement sources increased from 6 companies (Japan, Hong Kong, and US) in FYE 2023 to 12 companies (Japan, Hong Kong, and US) in FYE 2024. Distribution channels remained strong due to sales through major e-commerce companies. 	

Environmental Management

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Prevention of Pollution and Resource Circulation

Structures and Systems

Governance

Our governance structure and systems to manage environmental and social risks, including pollution prevention and resource recycling, are as follows.

Governance (P48)

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

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

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

Assessment of Pollution Prevention and Resource Circulation at ITOCHU Group

We have been conducting annual on-site investigations for Group companies having relatively high environmental impacts since 2001 to strengthen our environmental risk management. Throughout the assessment, we engage with the senior management team to assess the company's status of exhaust and wastewater, chemical handling, and waste disposal.

Assessment of Efforts on Pollution Prevention and Resource Circulation in the Value Chain

Assessment of Sustainability Risk in Products We Handle

When handling a new product, ITOCHU conducts sustainability impact assessment on all our products to evaluate their environmental and social risks, compliance with environment-related laws and regulations, and stakeholder relations, using LCA analysis methods from the procurement of raw materials to the manufacturing, use, and disposal stages of the product. In cases significant risks of environmental pollution or resource depletion risks are found in the value chain, we formulate various regulations and procedure manuals for the applicable product being subject to priority management, and specific education programs.

Sustainability Surveys for Suppliers

To realize a sustainable procurement and understand the actual conditions of our suppliers, each company and applicable Group company selects important suppliers based on certain guidelines (e.g., high risk countries, products handled and monetary value handled). The sales representatives of those companies and representatives from overseas subsidiaries and operating companies then visit those suppliers to conduct interviews. They also conduct sustainability surveys in a questionnaire format to check our important suppliers' status of exhaust, wastewater, and waste treatment, and resource recycling efforts including energy and raw material conservation. Continuous improvement is made by requesting suppliers to make corrective actions when necessary.

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Prevention of Pollution and Resource Circulation

Management of Chemical Substances

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

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

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

Compliance with Laws and Regulations in the Divisions Handling Chemical Substances

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

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



Handbook on Chemical-related Regulations (cover page image)

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

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

By taking these initiatives, in FYE 2024, there were no major violations caused (e.g., license suspensions).



Management Structure for Emergency Response and Accident Response

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

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

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

Environmental Management

Climate Change
(Information Disclosure Based on TCFD Recommendation)

Prevention of Pollution and Resource Circulation Water Resources Conservation

Natural Capital and Biodiversity
(Information Disclosure Based on the TNFD Recommendations

Clean-tech Business

Prevention of Pollution and Resource Circulation

Initiatives

Introduction of Individual Initiatives

1. Reduce

Initiatives to Introduce Environmentally-friendly Packaging in FamilyMart Stores

FamilyMart Co., Ltd., a subsidiary of ITOCHU, has set goals of increasing the ratio of environmentally-friendly containers and packaging* to 60% by 2030 and 100% by 2050, as part of its efforts to curb plastic use in FamilyMart Environmental Vision 2050.

By changing the specifications of containers and packaging, FamilyMart is working to reduce the amount of petroleum-based plastics used in the raw materials of containers and packaging and to promote the use of environmentally-friendly materials. We will continue to work toward achieving our 2030 and 2050 targets with the understanding and cooperation of our suppliers and consumers.

Major Initiatives in Environmentally-friendly Packaging

Details of Initiatives	Reduction in Use of Plastics				
All salad containers are made of environmentally-friendly materials such as biomass plastic.	Reduction of about 900t per year				
Containers of private brand natural water are gradually replaced with recycled PET plastic bottles made from 100% recycled PET resin.	Estimated reduction of about 260t per year				
 For hand-rolled rice balls, all product packaging films have been replaced with biomass polypropylene (bio-PP) blend materials. The sandwich packaging has been thinned and the shape of header has been changed from square to trapezoidal. 	Reduction of about 19t per year				
Some containers of pasta products contain bio-PP, which has obtained ISCC certification.					
Reducing the weight and changing the materials of chilled bento and sushi containers are expected to result in reduction.	Estimated reduction of about 421t per year				
Thinning the pasta container which is not using bio-PP container and using bio-PP in some of the materials.	Estimated reduction of about 93t per year				

Effort to Reduce Plastics at Convenience Stores

In accordance with the Act on Promotion of Resource Circulation for Plastics that went into effect in April 2022 in Japan, FamilyMart has set a goal of reducing the amount of petroleum-based plastics use by FYE 2031 by 50% from FYE 2020 level, and is working to reduce the amount of plastic spoons, straws, and other items distributed to customers who purchase boxed lunches, desserts, beverages, and other items.

Results of Major Initiatives to Reduce the Use of Certain Plastic Products

Start Year	Details of Initiatives	Reduction in Use of Plastics
2021~	 Design of the handle of the plastic spoon was changed. Design of the handle of the plastic fork was changed. 	Reduction of about 12% per year Estimated reduction of about 65t per year
2022~	 FamilyMart launched the "Convenience Wear Blue Green" project to sell products made with environmentally-friendly materials, such as washable and reusable cutlery sets, open-and-wash straws, and spoons and forks made with biodegradable biopolymers. 	-
	Discontinuation of providing plastics forks as a general rule. (If requested, chopsticks are offered as an alternative or forks can continue to be provided)	• Estimated reduction of about 250t per year
2024~	• Partial implementation of charging for spoons, forks, and straws in some stores.	• Estimated reduction of about 4t per year

Develop Environmentally-friendly Garbage Bags "nocoo"

Sanipak Company of Japan Ltd., a subsidiary of ITOCHU, has developed "nocoo" environmentally-friendly garbage bags that reduce CO2 emissions. The use of natural lime stone as a raw material for nocoo reduces plastic use by approximately 20% and reduces CO2 emissions during the manufacture and combustion of garbage bags by approximately 20% compared to 100% polyethylene garbage bags. In FYE 2024, sales of nocoo in the 47 prefectures of Japan totaled 5,622 tons, contributing to a reduction in plastic use of 1,293 tons and a reduction in CO2 emissions (when incinerated) of 3,531 tons.

With nocoo, we will continue to address environmental issues that are familiar to everyone, such as reducing CO₂ emissions through regular garbage disposal.



"nocoo" Environmentally-Friendly Garbage Bags

^{*} Containers and packaging made from materials including plant-based biomass plastics and recycled PET

nocoo website (Japanese only) (https://www.sanipak.jp/series/nocoo.html)

Environmental Management

Climate Change
(Information Disclosure Based on TCFD Recommendation

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

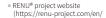
Clean-tech Business

Prevention of Pollution and Resource Circulation

2. Reuse/Recycle

RENU® Project Aims to Realize Circular Economy

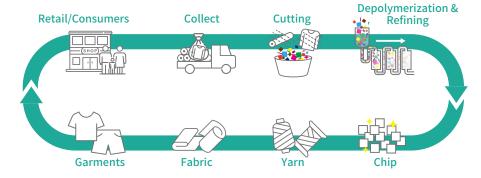
In the spring of 2019, we launched a project called the RENU® project ("RENU"), which aims to address the issue of excessive waste in the fashion industry and realize circular economy. As its first product, we are developing recycled polyester made from textiles such as waste leftover fabric and used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





"RENU", Recycled Polyester Made from Textiles Waste

RENU Aims for a Closed Loop Economy



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

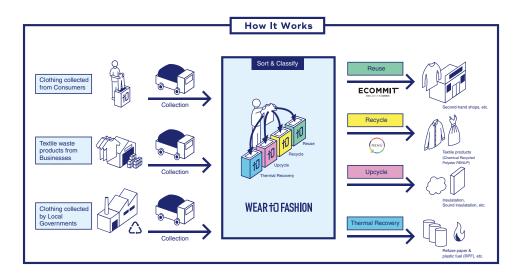
	FYE 2021	FYE 2022	FYE 2023*	FYE 2024*
Feedstock equivalent to T-shirt	3.5 million pieces of T-shirts	6.0 million pieces of T-shirts	6.3 million pieces of T-shirts	6.5 million pieces of T-shirt
Reduced CO ₂	521 tons	893 tons	1,931 tons	2,010 tons
Reduced Water	875 kiloliters	1,500 kiloliters	6,500 kiloliters	6,760 kiloliters

^{*} Adopted LCA (FYE 2022 version)

Expansion of the Textile Collection Service for a Circular Economy

ITOCHU and ECOMMIT Co., Ltd., which develops resource circulation businesses through reusing and recycling, have signed an agreement to expand the textile collection service "Wear to Fashion" in the Japanese market. Starting spring 2022, the service will gradually be offered to all companies and local governments in Japan. As of March 2024, we are collecting textiles from about 3,000 locations. We plan to collect approximately 6,000 tons of textiles in FYE 2025.

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



Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendation Prevention of Pollution and Resource Circulation Water Resources Conservation

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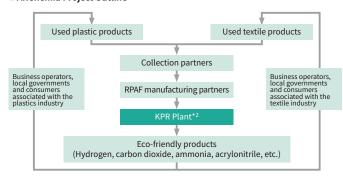
ESG Data (Environment)

Prevention of Pollution and Resource Circulation

ARChemia Project, a Recycling Project for Used Plastics and Textiles

In March 2023, ITOCHU signed a memorandum of understanding with Resonac Corporation regarding a joint study aimed at promoting a used plastic and textile recycling business. Based on this memorandum, we launched the ARChemia Project and began a collaboration to supply Resonac with recycled solid raw materials containing a mix of used plastics and textiles known as RPAF*1 and turn it into chemical products such as low-carbon ammonia with high environmental added value. We aim to increase the supply of RPAF to 10,000 tons in FYE 2028. Through the ARChemia Project, a joint project between chemicals and textiles, we will solve the social issue of waste and contribute to the development of circulating society.

■ ARChemia Project Outline



The project aims to form a resource environmental platform based around the KPR Plant.

- *1 RPAF: Refuse derived Plastics paper and Apparel densified Feedstock A solid raw material for gasificationbased chemical recycling adjusted for calorie generation, made mainly from used plastics, used paper and used textiles.
- *2 KPR Plant: Kawasaki Plastic Recycling Plant of Resonac

The Recovery of Nylon Waste to ECONYL® Nylon Products

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

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



Fishing Nets Used as Raw Material for ECONYL

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



Recycled Zippers and Recycled Buttons

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

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

Development of Environmentally-friendly Flooring and Launch of Flooring Material Recycling Business

ITOCHU has launched the recycling business for flooring material together with the launch of DESSO, an eco-friendly flooring material produced by European construction material manufacturer Tarkett S.A., in the Japanese market in cooperation with Lilycolor CO., LTD., an interior design and decorating wholesaler.

Its new DESSO is an environmentally-friendly product based on recycling that enables the fiber surface part of the flooring material to be separated from the base material of the floor, making it possible to recycle the components.

This project aims not only to sell DESSO but also to contribute to the expansion of flooring material recycling through this collection and recycling scheme.



Office Image Utilizing "DESSO", Eco-friendly Flooring Material

Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendation Prevention of Pollution and Resource Circulation Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Prevention of Pollution and Resource Circulation

The License Business of Polyester Chemical Recycling Technology

ITOCHU, Teijin Limited, and JGC Holdings Corporation have established a joint venture company, RePEaT Co., Ltd., to license technology for the chemical recycling of polyester products in January, 2023.

In response to urgent needs to counter global warming, the fiber and textile industry is working on measures, including the establishment of ecosystems for resource recycling, to address issues such as CO₂ emissions from manufacturing processes and the mass disposal of used clothing. Currently, disposed textile products are used as a heat source (thermal recovery) or as raw materials for the production of other products (material recycling). Chemical recycling, however, is a revolutionary method of chemical decomposition for textile recycling that turns used textile products into new textile raw materials.

RePEaT will license recycling technology by taking advantage of Teijin's proprietary chemical recycling technology, the expertise of JGC derived from its global engineering business, and ITOCHU's extensive network of textile industry players. Customers in Japan and other countries are expected to launch the cost-effective chemical-recycling business for the production of polyester materials.

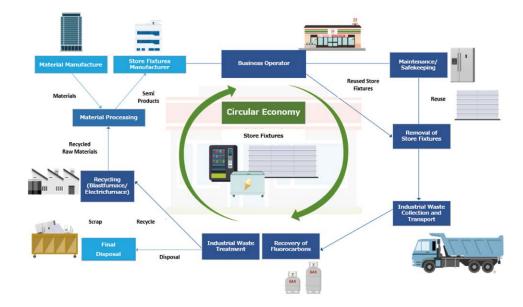
In addition, RePEaT will provide consulting services to help customers establish ecosystems that collect used polyester fiber products for reuse as raw materials, thereby contributing to a more sustainable world through recycling.

Providing One-Stop Waste Management Services

Franchise companies with nationwide operations have traditionally disposed of waste on a small and decentralized scale on a store or area of franchise system basis, resulting in issues such as inefficiencies in labor and costs for each business and the risk of legal violations.

ITOCHU Metals Corporation (IMC) has established a recycling network centered on the ITOCHU Tetsugenkai, which consists of more than 100 excellent recycling companies nationwide, and provides a centralized management service, including IMC's own electronic manifest system, until waste is disposed of and recycled. This system helps to significantly reduce the risk of legal violations and disposal costs for waste generators, as well as improving recycling rates.

IMC currently provides a variety of services to support the initiatives of companies in various industries, including convenience stores, store fixture manufacturers, and beverage manufacturers, by offering a cross-industry recycling platform. In addition, IMC realizes the 3Rs by reusing waste materials that can be reused from the waste materials IMC is entrusted to manage at its maintenance sites, thereby contributing greatly to the formation of a circulating society.



Climate Change
(Information Disclosure Based on TCFD Recommendatio

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

ESG Data (Environment

Prevention of Pollution and Resource Circulation

Leading UK for Collecting and Recycling Casing Tyres

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

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



PRO-gran Crumb Rubber Made by Casing Tyres

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

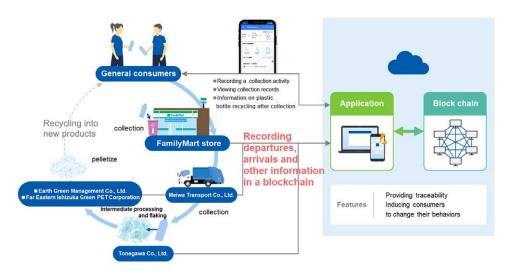
ITOCHU has entered into an agreement for cooperative development of material recycling technology for multi-layer film packaging with artience Co., Ltd. (former Toyo Ink SC Holdings Co., Ltd.)

In 2019, artience developed a technology to separate the ink, adhesive, etc. that make up the multi-layer film or packaging in cooperation with the world's largest environmental solutions company. A demonstration pilot plant started operation at the end of 2022, and, moving forward with LCA (Life Cycle Assessment) appraisals, cost simulations, and other verifications. artience plans to start a post-industrial recycling business in 2023, and aim to start the business under commercially conditions as soon as possible. In addition to acquiring exclusive marketing rights in Japan and first refusal rights in Asia and Europe related to major product materials related to this technology, we will widely provide environmental solutions to food and consumer products company, retailers, brand owners, and more through requests to build structures for material recycling using this technology and to design recyclable, environmentally-friendly packaging.

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

Verification of the Value of Traceability in the Recycling of Plastic Bottles

ITOCHU Corporation, ITOCHU Plastics Inc., FamilyMart Co., Ltd. and Asahi Kasei Corporation are conducting a demonstration trial (hereinafter "the Trial") on recycling of plastic beverage bottles with the use of a prototyped traceability system at real FamilyMart store under the BLUE Plastics project in September 2022. BLUE in the project's name is an acronym for Blockchain Loop to Unlock the value of the circular economy. In June 2023, Coca-Cola Bottlers Japan Co., Ltd. joined the project and the Trial was expanded and re-implemented.



Environmental Management

Climate Change
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Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Prevention of Pollution and Resource Circulation

The results of the Trial in September 2022 indicated that the use of a smartphone app increased the volume of PET bottles collected at the relevant stores by more than double the normal amount, and also greatly improved the quality (bottle cleaning, label removal, etc.). As Coca-Cola Bottlers Japan participates in the Trial, it is possible to trace the whole process of recycling from the collection of used bottles to the making of new bottles, compared to the previous Trial which only traced up to the recycling companies. Also, the recycling app has been updated to allow consumers to feel a sense of participation in the recycling results, in order to further enhance the quality and quantity of the deposited plastic bottles.



Through a series of activities including the Trial, we will verify the value of traceability ensured by the digital platform and push further ahead plastic resources recirculation.

3. Renewable

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

Blast furnace slag is a by-product of the steelmaking process. As its property is similar to a cement, a blast furnace slag can substitute a cement. The benefits of using a blast furnace slag are, firstly, that it helps us save natural resources (e.g., limestone – the raw material of cement) and, secondly, that it enables us to cut CO₂ emission coming from cement manufacturing process. About 840kg of CO₂ is reduced when a ton of cement is produced with using blast furnace slag.

We have been selling blast furnace slags from Japan and other countries to all over the world for over 20 years and volume-wise, we are the



Structure Made with Blast Furnace Slag

No.1 independent blast furnace slag trader. As there is more call for carbon neutrality globally, a blast furnace slag will be needed even further. Our mission is to develop and keep a stable supply chain of blast furnace slag to end users and be a part of the global decarbonization efforts.

Collaboration to Introduce Renewable Biomass Polypropylene in the Japanese Market

Japan has formulated a basic strategy to introduce approximately two million tons of biomass-based plastic products by 2030 as a countermeasure against ocean plastic waste and climate change.

ITOCHU has reached an agreement with Borealis AG (Borealis) and Borealis and Borouge Pte Ltd. to introduce biomass polypropylene (bio-PP) derived from renewable resources and develop its business in the Japanese market. Borealis, one of the world's leading manufacturers of plastic resins, began commercial production of bio-PP in March 2020 and has been expanding sales to Europe and the rest of the world. We target to commercially launch food containers and packaging materials made of bio-PP. FamilyMart initially in Japan began replacing some of its pasta containers made with bio-PP. We are also working to develop products in a diverse range of fields, including sanitary products, household goods, cosmetics containers, office supplies, home appliances, and automobile parts.

ITOCHU has obtained ISCC PLUS certification for the domestic sales of Borealis bio-PP manufactured by the mass balance method. This certification proves sustainable raw material procurement in a way that can be traced through the supply chain, and the portion of biomass raw material contributes to GHG emissions reduction.

Climate Change
(Information Disclosure Based on TCFD Recommendation)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

ESG Data (Environment)

Prevention of Pollution and Resource Circulation

Collaboration with Outside Initiatives

Compliance with the Containers and Packaging Recycling Law

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

■ The Recycling Fee We Pay Every Year

(Unit: Yen)

	F	iscal Year	Year FYE 2018		FYE 2019		FYE 2020		FYE 2021		FYE 2022							
		ycling Fee / ribution Fee	Recycling	Contribution	Total Amount	Recycling	Contribution	Total Amount	Recycling	Contribution	Total Amount	Recycling	Contribution	Total Amount	Recycling	Contribution	Total Amount	Weight (t)
5		Colorless	704,782	9,344	714,126	750,030	0	750,030	813,659	0	813,659	925,650	0	925,650	1,145,967	0	1,145,967	236.752
	Glass Bottles	Brown	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	0
		Other Colors	_	_	_	_	_	_	_	_	_	_	_	_	_	_	-	0
	PET Bott	les	_	_	_	_	_	_	_	_	_	_	_	_	630	0	630	0.084
e	Paper Co Packagir	ontainers and ng	29,327	102	29,429	9,045	27	9,072	15,288	4	15,292	10,168	0	10,168	15,453	0	15,453	1.385
ng	Plastic C Packagir	ontainers and ng	1,057,941	0	1,057,941	1,197,091	0	1,197,091	1,463,900	4,537	1,468,437	2,432,519	0	2,432,519	2,739,244	0	2,739,244	52.383
	Total		1,792,050	9,446	1,801,496	1,956,166	27	1,956,193	2,292,847	4,541	2,297,388	3,368,337	0	3,368,337	3,901,294	0	3,901,294	290.604

Food Recycling

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

■ Food Recycling Rate

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Amount of food waste generated (Unit: t)	992.8	1,125.8	955.9	939.4	1,944.3
Quantity recycled	Amount of recycling (Unit: t)	744.4	775.5	762.0	854.6	1,747.6
	Amount of disposal (Unit: t)	248.4	350.3	193.9	84.8	196.7
Target (recycling rate target by individual food related operator)	Reference rate	78.8%	79.8%	80.8%	80.8%	80.8%
Percentage recycled	Recycle rate*1	75.1%	68.9%	81.9%	91.0%	89.9%

^{*1} Recycle rate is calculated as in below formula defined by the Ministry of Agriculture, Forestry and Fisheries.

(Amount of suppressed waste (vs FYE 2008) + Amount of recycling + Amount of heat recovery × 0.95 + Amount of weight reduction) / (Amount of suppressed waste (vs FYE 2008) + Amount of waste food generated)

* FYE 2025 recycling rate target: 80.8%

Initiative Participation (Activities Through Business and Industry Groups)

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

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

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

Evaluation by Society

Clean-tech Business

Water Resources Conservation

Policy and Basic Concept

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

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

Targets and Action Plan

ITOCHU sets numerical targets for the reduction of water consumption.

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

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

Qualitative Targets

Item	Boundary	Target	FYE 2024 Results and Evaluation
Risk Assessment for Investment and Financing Projects	ITOCHU Corporation	Conduct a preliminary risk assessment using the ESG Checklist for Investments, which incorporates a dedicated section to water risks.	Properly implemented
On-Site Investigation for Group Companies	ITOCHU Corporation	Select Group companies involved in businesses where water use is a material risk and conduct on-site investigation on the status of water management.	Held conference with Group companies in areas where water resources are particularly important.
Compliance with Laws and Regulations	ITOCHU Group	Continued awareness and response to domestic and foreign laws and regulations related to water resources (water withdrawal / discharge)	There were no serious legal violations related to water withdrawal and discharge.
Implementation of Water Management Plans	ITOCHU Group	Establish a water management plan to control the amount of water withdrawal, wastewater discharge, the amount of water recycled, and the water quality and temperature at the time of drainage, as well as to make effective use of water resources and reduce environmental impact.	Of the 608 operating companies of the ITOCHU Group, 104 companies, or 17%, have formulated water management plans.
Sustainability Surveys	Value Chains	Conduct sustainability surveys in a questionnaire format to check our important suppliers' status of water withdrawal, water conservation, and drainage initiatives. Do further investigation for suppliers responding with concerns.	Based on results of the questionnaire, we conducted further investigation for 5 cases. Requests for corrective actions due to concerns were 0 case.

Targets in Water Stressed Regions (P80)

	Item		Target	FYE 2024 Results and Evaluation
Initiatives in Water Stressed	Risk Assessment for Investment and Financing Projects	ITOCHU Corporation	Conduct a preliminary risk assessment using the ESG Checklist for Investments, which incorporates a dedicated section to water risks. Conduct preliminary risk assessments on water resources for projects and investments in water stressed regions where water resources are critical to operations, such as beverages, agriculture and mining.	Properly implemented
Regions	On Site Investigation for Group Companies	ITOCHU Group	Select Group companies operating in water stressed regions and conduct on-site investigation on the status of water management.	Held conference with Group companies in areas where water resources are particularly important.

Quantitative Targets

Catagor		Boundary Annual Target		FYE 2024 Results	Target		
Categor	Category		Annual rarget	FYE 2024 Results	Period	Contents	
ITOCHU Corporation	Water Withdrawal (Clean Water)	Tokyo Headquarters	Total Volume Reduction Target 1%/ Year	14.8% Reduction Compared to FYE 2019	March 2025	6% Reduction Compared to FYE 2019	
Water Stressed Regions*	Water Withdrawal (Clean Water)	Water Stressed Regions	Reduction Target 1.5%/Year	16.2% Increase Compared to FYE 2020	March 2025	9% Reduction Compared to FYE 2020	

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

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	,							
Address Climate Change (Contribute to a Decarbonized Society)	12 RESPONDED CONCERNITION	 Water Resources Pollution Prevention and Resource Recycling 	sanitation	Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	promote the appropriate use and treatment of water and the effective utilization of resources,		Water Field ■ We are promoting seawater desalination business in Australia and Oman.

Climate Change
(Information Disclosure Based on TCED Recommendation)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business



Water Resources Conservation

Structures and Systems

Governance

Our governance structure and systems for managing environmental and social risks related to water resources conservation are as follows.

Governance (P48)

Evaluation of Water Resource Conservation in New Business Investment Projects

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

Assessment of Water Resource Conservation at ITOCHU Group

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

Monitoring Changes in Water Withdrawal and Wastewater Discharge over Time

ITOCHU collects water withdrawal and wastewater discharge data from all of our consolidated subsidiaries (approximately 600) in its annual collection of environmental data and monitors changes over time. We have established a system for Group companies to report causes of differences from the previous fiscal year to encourage appropriate water use.

Understanding Water Risks at Manufacturing Bases

ITOCHU uses the WRI Aqueduct tool developed by the World Resources Institute (WRI) to identify areas with high water stress levels at manufacturing bases affiliated with our Group. With this, we have quantified the water stress levels at all our manufacturing bases in Japan and overseas and have identified areas with a high level of water stress. We take necessary measures based on changes in water availability, water usage, and the risk of stricter regulations, etc.

Distribution of Water Risk at Our Group's Sites as of March 2024

Overall Water Risk	Number of Sites
Low risk (<10%)	78
Low to medium risk (10-20%)	127
Medium to high risk (20-40%)	90
High risk (40-80%)	8
Extremely high risk (>80%)	7
Total	310

On-site Investigations at Our Group Companies

We have been conducting annual on-site investigations for Group companies having relatively high environmental impacts since 2001 to strengthen our environmental risk management. Throughout the assessment, we engage with the senior management team to assess the company's water efficiency performance (water withdrawal and discharge) at facilities such as factories and warehouses as well as the company's compliance with environmental laws and regulations.

Assessment of Water Risks in the Value Chain

Assessment of Sustainability Risk in Products We Handle

When handling a new product, ITOCHU conducts sustainability impact assessment on all our products to evaluate their environmental and social risks, compliance with environment-related laws and regulations, and stakeholder relations, using LCA analysis methods from the procurement of raw materials to the manufacturing, use, and disposal stages of the product. In cases significant water-related risks are found in the value chain, we formulate various regulations and procedure manuals for the applicable product being subject to priority management, and specific education programs.

Sustainability Surveys for Suppliers

To realize a sustainable procurement and understand the actual conditions of our suppliers, each company and applicable Group company selects important suppliers based on certain guidelines (e.g., high risk countries, products handled and monetary value handled). The sales representatives of those companies and representatives from overseas subsidiaries and operating companies then visit those suppliers to conduct interviews. They also conduct sustainability surveys in a questionnaire format to check our important suppliers' status of water withdrawal, water conservation, and drainage initiatives. Continuous improvement is made by requesting suppliers to make corrective actions when necessary.

Environmental Management

Climate Change

Prevention of Pollution and **Resource Circulation**

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Water Resources Conservation

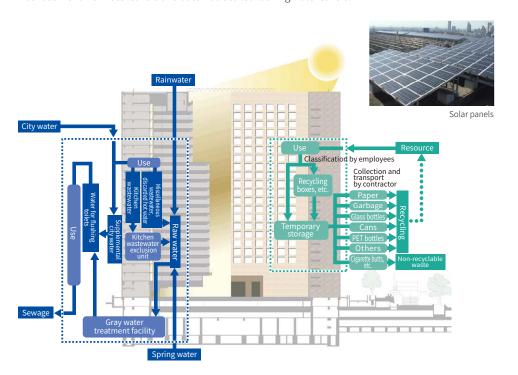
Initiatives for Effective Use of Water Resources

Business Activity

Water Management Plan and Effective Use of Water Resources at the **Tokyo Headquarters Building**

In order to make effective use of water resources, the Tokyo Headquarters building adopted a water management plan in the design stage of the building, and since its completion in 1980, the building has installed and maintained a reclaimed water manufacturing facility that uses kitchen waste water, rainwater, spring water, and wash basin as well as miscellaneous waste water from kitchenettes and other sources as raw water for flushing toilets.

We strives to make effective use of water resources by implementing water-saving measures to control the amount of clean water used. For example, since the amount of water available varies every year depending on the amount of rainfall, tap water usage tends to increase when rainfall is low. For this reason, continuous improvements are being made to conserve tap water by installing new washbasin, washbasin shower water savers and automatic toilet flushing water savers.



Effective Use of Water Resources by ITOCHU Group

ITOCHU recognizes that conservation of water resources is a global issue along with climate change and other issues. As one of the important issues of the Group's environmental policy, we make efforts to reduce water consumption through efficient water use and recycling, as well as take necessary measure to appropriately treat effluents in our domestic and overseas businesses. For example, ITOCHU's Group company PRIMA MEAT PACKERS, LTD. and its group companies has listed "Reduction of factory water consumption (well water and supplied water)" as one of the priority issues for its ISO14001 certified sites and is carrying out reduction activities and progress management in order to reduce food production water intensity (water consumption (m³) / ton of food produced). Actual values are 15.3 m³/ton in FYE 2021, 14.8 m³/ton in FYE 2022, and 14.8 m³/ton in FYE 2023.

- ESG Data Book 2021 (https://www.primaham.co.jp/ir/library/attaches/pdf/prima_esgdatabook2021_b.pdf)
- Key environmental objectives and performance (FYE 2022) (https://www.primaham.co.jp/sustainability/assets/images/pdf/omonakankyoumokuhyoutojisseki.pdf)
- Key environmental objectives and performance (FYE 2023) (https://www.primaham.co.jp/sustainability/assets/images/pdf/kankyomokuhyo_data2023.pdf)

Water Related Business

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

List of Water-related Businesses

Business	Content of Initiatives			
Seawater desalination	We have invested in the seawater desalination project in Victoria, Australia. This is the project that has been providing the reliable water supply for Melbourne since 2012, and this plant is capable to meet approximately 30% of the water demand of Melbourne, Victoria.			
business	We have invested as the largest shareholder in the seawater desalination project in Barka, Northern Oman, with a daily production volume at 281,000 $\rm m^3$ in collaboration with the Oman Power and Water Procurement Company (OPWP), a state-owned company of the Sultanate of Oman.			
Seawater desalination plant, and osmosis membrane manufacturing and sales	We started delivering multiple seawater desalination plants to Saudi Arabia in the 1970s. We established a joint venture company called the Arabian Japanese Membrane Company, LLC with ACWA Holding of Saudi Arabia and Toyobo in August 2010. This company manufactures and sells reverse osmosis membrane elements for seawater desalination.			

Environmental Management

Climate Change

Prevention of Pollution and

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business



Water Resources Conservation

Examples of Initiatives

■ Stable Supply of Drinking Water Connecting to Life Largest Seawater Desalination Project in Oman

The water demand in Oman is expected to grow at approximate annual rate of 6% in coming years. The shortage of drinking water has been recognized as an issue to be resolved in the context of population increase as well as urbanization. The Barka Desalination Company in which we have a stake of as its largest shareholder entered into a seawater desalination agreement for a daily production volume of 281,000 m³ in Barka in the northern part of Oman for the stable supply of water in that country in March 2016. This project is a Public-Private



Aerial View of Oman Seawater Desalination Plant

Partnership with the Oman government to provide domestic water to the Barka region, which is a severely water-stressed region. We have constructed reverse osmosis membrane (RO membrane) seawater desalination plant and surrounding facilities. These will be operated for 20 years. The plant started commercial operation in June 2018. This is the largest seawater desalination project in Oman with total project cost of approximately 300 million dollars. Besides, we realized listing on the Muscat Stock Exchange in February 2022.

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

Environmental Costs Related to Water

Among the environmental conservation costs (FYE 2024) disclosed in the environmental accounting (P113), associated with water are as follows:

Cost for water pollution prevention, wastewater treatment cost, grey water production cost, monitoring measurement cost and management cost	10,275 thousand yen
Research and development expenses for water risk aversion (donation to Division of Climate System Research, Atmosphere and Ocean Research Institute, the University of Tokyo)	500 thousand yen

Collaboration with Outside Initiatives

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

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

The Environment Working Group of the Japan Foreign Trade Council

We are participating in the Environment Working Group of the Japan Foreign Trade Council. We are striving to build a decarbonized society, construct a circulating society, and to support environmental related laws and regulations with other trading companies.

Participation in the CDP (Water Security)

Participation in Initiatives (P40)

Climate Change (Information Disclosure Based on TCFD Recommendation Prevention of Pollution and Resource Circulation Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations Clean-tech Business ESG

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Policy and Basic Approach on Natural Capital and Biodiversity

ITOCHU invests in businesses and trades globally from raw materials and other areas of the upstream processes to the downstream processes. We depend heavily on renewable and non-renewable natural capital which benefits people such as plants, animals, the air, water, land and minerals. Our businesses may also have a negative impact on that natural capital.

We see addressing global environmental issues, including natural capital and biodiversity, as a top

management priority. Accordingly, we have established the following Biodiversity Policy to promote conservation of biodiversity as indicated in the ITOCHU Group Environmental Policy to realize the ITOCHU mission of "Sampo-yoshi" (good for the seller, good for the buyer and good for society). Based on the Biodiversity Policy, we will continue to contribute to the realization of a sustainable society. We are also engaged in initiatives in business-related areas as part of our social contribution activities in communities.

Biodiversity Policy

1. Biodiversity-friendly Environmental Management

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

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

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

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

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

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

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

4. Enhancement of Partnerships and Conservation of Local Ecosystems

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

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

5. Enhancement of Information Sharing and Dissemination

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

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

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

Fumihiko Kobayashi

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

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations Clean-tech Business

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Governance

Governance for Nature-related Issues

ITOCHU acknowledges addressing sustainability issues, including natural capital and biodiversity, as one of our key management issues. Therefore, our Board of Directors deliberates and makes decisions on important matters such as policies to address nature-related risks and opportunities, and annual budgets and business plans which take into account risks and opportunities.

We have given the Sustainability Committee the overall management responsibility for planning and implementing various measures to address sustainability-related matters including natural capital and biodiversity. Our Chief Administrative Officer (CAO) is a Director with responsibility for nature-related issues. Together with this, the CAO is a member of the Headquarters Management Committee (HMC) at the executive level. The CAO also serves as the Chair of the Sustainability Committee. The CAO reports the matters deliberated and decided on by the Sustainability Committee together with the situation of the main activities to promote sustainability to the Board of Directors about twice a year. The Board of Directors considers the matters deliberated and decided on by the Sustainability Committee according to those reports. Through these procedures, the Board of Directors appropriately oversees the promotion of business and investment strategies to address environmental and social risks and opportunities. This includes reviewing those strategies and making asset replacement decisions. Moreover, the managers in each company and Headquarters' administrative division who also serve as ESG officers also participate as core members in the Sustainability Committee at the executive level. The Sustainability Committee receives reports about natural capital and biodiversity-related matters from the Sustainability Management Division and those in charge of promoting ESG in each company and Headquarters' administrative division. The committee then uses those reports to manage and monitor progress on various measures and initiatives.

The Chair of the Sustainability Committee and the managers in each company (ESG Officers) hold a Sustainability Advisory Board once a year to enter into dialogue with external specialists. The Sustainability Advisory Board allows its members to grasp the expectations and demands society has in us. The members then promote its business with the consideration to those sustainability issues discussed in the Advisory Board.

Our Sustainability-related Governance Organization (P15)

Nature-related Human Rights and Stakeholder Engagement

ITOCHU Group has established The ITOCHU Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. This policy specifically expresses the ITOCHU Group's concept of respect for human rights. We have used this policy to declare we will conduct human rights due diligence and enter into dialogue and discussions with potentially affected Groups and stakeholders.

We have also formulated "Respect for the Rights of Indigenous People" as an individual policy. This policy makes it clear we will respect and consider the rights of indigenous people as stipulated in the laws of the countries and regions where the ITOCHU Group engages in business activities and international agreements such as the "United Nations Declaration on the Rights of Indigenous Peoples" and the International Labour Organization (ILO) Convention 169. When considering a new business investment project, we strictly check in advance the impact that business will have on the rights of indigenous people. We also periodically conduct human rights due diligence even after starting that business. We conducted human rights due diligence from FYE 2020 to FYE 2024 in our food-related business (Food Company) textile-related business (Textile Company), and forest goods and materials-related business (General Products & Realty Company) with their high dependency on natural capital, and our metals-related business (Metals & Minerals Company) with its high impact on natural capital. We have also set the impact on local communities and residents as a human rights risk indicator to be investigated.

• Human Rights (P141)

Risk & Impact Management

ITOCHU monitors the risks to our business from changes in natural capital and biodiversity in each country and business site. We manage the nature-related risks we have identified as major risks (environmental and social risks) in our ITOCHU Group risk analysis. We consider and evaluate the nature-related risks we have identified during the investment decision process. We utilize risk identification, evaluation, information management and monitoring systems in each department responsible for managing these risks on a consolidated basis.

Identification and Evaluation of Nature-related Risks

ITOCHU acknowledges risk management as a key management issue. Therefore, we have established a basic risk management policy for the ITOCHU Group and develop the necessary risk management systems and techniques based on the concept of the COSO-ERM framework. As stated in the ITOCHU Group Environmental Policy, we collect information on laws and regulations related to environmental conservation and then comply with them. We have also introduced an environmental management system (EMS) based on ISO14001. We recognize the impact our business activities may have on the environment and society. We also work to grasp the status in our Group companies.

For example, we grasp and evaluate water risks at manufacturing sites using the WRI Aqueduct tool developed by the World Resources Institute (WRI). We also periodically identify and evaluate other nature-related risks in line with the frameworks established by the international organizations we mention later.

• ITOCHU Group Risk Management (P213)

Environmental Management

Climate Change
(Information Disclosure Based on TCED Recommendation

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Integrating Nature-related Risk Management into the ITOCHU Group Risk Management System

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

Nature-related risks are one of the major risks (environmental and social risks) subject to Group risk management. We incorporate this risk management into the evaluation methods for each business phase shown in the table below, which can broadly cover our business activities including management of investment, trading products, logistics, Group companies, supply chain, business strategy, portfolio, etc.

Nature-related Risk Management Procedures and Evaluation Methods for Each Business Phase

Business Phase	Evaluation Method
Business start	• Environmental and social risk assessments including nature-related risks for new investment projects
Business management	Environmental risk assessments for handled products (LCA evaluation for the overall supply chain) Group company environmental status surveys (2, 3 companies per year) Supply chain sustainability surveys (supplier) Internal environmental audits based on ISO14001 (ITOCHU Corporation and 3 applicable Group companies)
Review business strategy	Consider business strategy, portfolio restructuring

Nature-related Risk Management Systems

Business Start Phase (Evaluation of the Impact on Biodiversity for New Business Investment Projects)

We use the ESG Checklist for Investments to evaluate in advance the impact our business investment projects will have on the environment and society. This evaluation includes, for example, grasping the impact a project will have on the ecosystem and whether it will have an impact on the natural environment and biodiversity such as by depleting resources. If we find there will be an impact, we conduct a risk assessment. If necessary, we take measures such as requesting additional due diligence from an external specialist agency to confirm there will be no problems. Only then do we invest in the projects.

Business Management Phase (Assessment of the Impact on Biodiversity in the Value Chain)

I Sustainability Risk Assessment on Handled Products

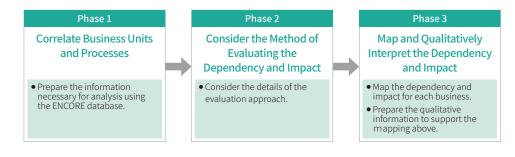
ITOCHU conducts a sustainability risk assessment for each new product we will handle. We use LCA analytical methods to evaluate the impact the product will have on the environment and society, compliance with environmental laws and regulations, relationships with stakeholders, and more. This evaluation covers the stages of the product from the procurement of its raw materials to its manufacturing, use and disposal. If there is a significant nature-related risk in the value chain, we subject that product to priority management. We then formulate and implement various regulations, procedure manuals, education on the specific work operational factors, and other measures.

■ Sustainability Survey for Suppliers

Each of our companies and applicable Group companies selects important suppliers based on certain guidelines, including high-risk countries, handled products and handled amounts, to grasp the status in our suppliers. Those in charge of sales at each company and those in charge at overseas subsidiaries and Group companies visit those suppliers and interview them. Those in charge also conduct sustainability surveys with questionnaires on important suppliers. We check the situation of initiatives for natural capital including biodiversity. We make continuous improvements by asking suppliers to address issues as necessary.

ITOCHU Portfolio Analysis

ITOCHU participates in the TNFD Forum organized by the Task Force on Nature-related Financial Disclosures (TNFD). In FYE 2023, with reference to the TNFD beta framework, we conducted a primary survey in our Group's business on trial basis independently.



Climate Change

Prevention of Pollution and

Water Resources Conservation

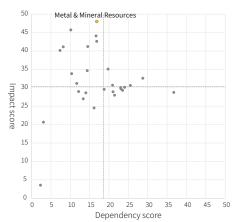
Natural Capital and Biodiversity

Clean-tech Business

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

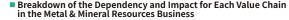
Specifically, we classified the activity processes carried out in the value chain, including upstream and downstream of our business, according to the processes specified by the natural capital impact assessment tool (ENCORE) developed by the United Nations Environment Program and other organizations. Then, we aggregated businesses with similar processes and created 28 groups. For each of those 28 groups, we calculated the score for each dependency and impact while taking into account the degree of our involvement and other factors in the businesses in our value chain. We evaluated the dependency of each business on natural capital in six stages and totaled the dependency score. We also evaluated the impact in the same way in five stages and totaled the impact score. For instance, we can break down the evaluation of metal & mineral resource businesses into the following elements. The average of the evaluation scores for each of these business processes is shown as the results of this analysis.

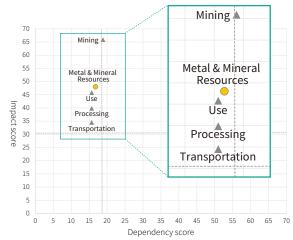
Dependency and Impact Mapping



* The dashed lines show the average dependency and impact scores of all

We organized these results with the impact on the vertical axis and the dependency on the horizontal axis. This gives us a map of the dependency and the impact as shown in the figure on the right.





Initiatives

Initiatives in Business with a High Impact

ITOCHU conducted a secondary evaluation of our business with a high impact using the LEAP approach*1 on trial basis to confirm validity of the evaluation for impact on natural capital using ENCORE. The LEAP approach comprehensively evaluates the natural capital-related issues advocated by the TNFD.

Overview of the LEAP Approach

 Organized by ITOCHU based on the Guidance on the identification and assessment of nature-related issues: The LEAP approach (https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_the_identification_and_assessment_of_nature-related-issues_The_TNFD_LEAP_approach_v1.pdf)



Locate

 Determine the scope of analysis. Next, identify the activity areas of your businesses and value chains. Identity sensitive locations with high priority from biodiversity and water risk perspectives.



Evaluate

- Identify the dependency and impact on natural capital in the sensitive locations with high priority.
- Evaluate the ecosystem services, impact drivers and related natural capital to evaluate the size and scale of important dependencies and impacts.



Assess

- Assess the short-, medium- and long-term risks based on the dependency and impact situation.
- Confirm the current risk management situation and then consider the additional necessary measures against risks.



Prepare

- Input the evaluation related to the important nature-related risks and opportunities to managers. Consider strategies, resource allocation and target setting.
- Disclose in accordance with the TNFD recommendations.

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business ESG Data

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

We then analyzed the dependency and impact on natural capital of mining process with an especially high impact score in our metal & mineral resource business which we determined has the highest impact on natural capital in our trial primary evaluation for ITOCHU portfolio using ENCORE.

First, we identified ecologically sensitive locations in the Locate analysis. We identified these sites using the five definitions for sensitive locations in the TNFD LEAP approach guidance and the indicators in the databases which organize the criteria for those definitions*2. We also identified relevant biome and ecosystem information using the IUCN Global Ecosystem Typology and the Global Map of Ecoregions for some of our business sites after taking into consideration the importance of this business and we performed the Evaluate analysis for the dependency and impact on natural capital. We refined the dependency and impact measurement results in this analysis by investigating the TNFD sector guidance for metals and mining and local environmental assessment reports. As a result, it was confirmed that the mining process of the project has a significant degree of impact on natural capital, as suggested in the above trial primary survey.

As validity of the survey using ENCORE has been confirmed, we will further consider evaluating the project and taking actions related to natural capital based on the knowledge gained through this trial analysis.

- *1 The LEAP approach is a method developed by the TNFD to clarify nature-related issues in applicable businesses. This method consists of four steps: Locate, Evaluate, Assess and Prepare.
- *2 Databases used: WWF Biodiversity Risk Filter, WWF Water Risk Filter, STAR, Biodiversity Intactness Index, Ecoregion Intactness Index, Critical Natural Asset layers and IBAT.

Consideration for Biodiversity in Mine Closure

We engage in initiatives in mine closures as part of our activities to manage and reduce nature-related risks in mining in our metal & mineral resource business which we analyzed this time.

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

Initiatives for Businesses with a High Dependency

ITOCHU's businesses with a high dependency on natural capital are the procurement, manufacturing, processing and distribution of forest commodities (food, timber, natural rubber, palm oil, etc.). We have established procurement policies for each product to improve the sustainability of these businesses. We strive to procure products certified by international third-parties which allow us to identify the procurement area through traceability.

Procurement Policies by Product Type (P169)

We categorize and organize initiatives in businesses with a high dependency on natural capital into four: avoid, reduce, restore/regenerate and transform. We perform this categorization using the framework of the Mitigation Hierarchy* in the AR3T Action Framework published by the Science Based Targets Network (SBTN) in the Science-Based Targets (SBTs) for Nature.

Overview of the Mitigation Hierarchy

• Organized by ITOCHU based on the Science Based Targets Network website (https://sciencebasedtargetsnetwork.org/companies/take-action/act/) and TNFD Recommendations (https://tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661)

Avoid	Prevent negative impacts from happening in the first place; eliminate negative impacts entirely Example: Adopt sustainable alternative raw materials and packaging materials
Reduce	Minimise negative impacts that cannot be fully eliminated; Example: Reduce waste and pollutant emissions
Restore	Initiate or accelerate the recovery of an ecosystem with respect to its health, integrity and sustainability, with a focus on permanent changes in state; Example: Improve the soil or plant trees in land modified during business activities
Regenerate	Take actions designed within existing land/ocean/freshwater uses to increase the biophysical function and/or ecological productivity of an ecosystem or its components, often with a focus on a few specific ecosystem services. Example: Protect endangered species
Transform	Transformative action, which covers the ways organisations can contribute to needed systemic change inside and outside their value chains. Example: Develop sales and manufacturing models and participate in initiatives

^{*} This is a tool to reduce the negative impacts from business on natural capital. It indicates the approach to predict and avoid or minimize risks to biodiversity (loss of wildlife habitats etc.) and impacts on local communities (release of pollutants which may impact health). It also shows the approach to recover as far as possible from any needity impacts which do occur.

As a result of the above analysis, we have found that we are actively taking actions relating to "avoid" and "reduce" which should be given top priority under the SBTs for Nature to reduce nature-related risks. We will continue to further promote AR3T actions in the future to realize nature positivity.

^{*} EHS Guidelines of the International Finance Corporation (IFC)

Environmental Management

Climate Change
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Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations Clean-tech Business

ESG Data (Environment

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

■ Analysis on Our Initiatives in Line with the AR3T Action Framework

Major Category	Commodity		Specific Initiatives		
	Timber (P170)	Avoid	Achieving a handling ratio of certified or highly controlled materials of 100%		
		Transform	• Engaging with NPOs		
Forest	Natural rubber (P172)	Transform	Participating in the Global Platform for Sustainable Natural Rubber (GPSNR) as a founding member and cooperating in formulating and operating platform standards		
resources	_ , , , , , , , , , , , , , , , , , , ,	Avoid	Achieving 100% traceability at the mill level		
	Palm oil (P173)	Transform	Joined the Roundtable on Sustainable Palm Oil (RSPO) and promoting initiatives		
	Biomass fuel (P174)	Avoid	Procuring legally accepted woody biomass fuel according to the Programme for the Endorsement of Forest Certification (PEFC), the Forest Stewardship Council (FSC) and other third-party certification		
	Cacao beans and	Avoid	Enhancing traceability of cocoa beans Enhance the handling of sustainable certified coffee beans		
	coffee beans (P175)	Transform	Providing technical support to small farmers such as by give them agricultural technology to improve productivity		
	Dairy products (P176)	Reduce	Reducing ecological degradation by raising dairy cows while changing their grazing land regularly in New Zealand		
Food	Meat (P177)	Avoid	Built a system to enable 100% trace back to the production stage for all meat suppliers		
	Marine products	Avoid	Acquired distributor certification from the Marine Stewardship Council (MSC) and Chain of Custody Certificate (CoC)		
	(P178)	Transform	Encouraging fishermen about skipjack and yellowfin for which MSC certification is limited		
	Fruits and vegetables*	Reduce	• Using clean energy in our Dole business		
Textile raw	Cotton (P179)	Avoid	Acquired Global Organic Textile Standard (GOTS) certification and achieving 100% traceability for our procurement of organic cotton in India		
materials	Environmentally- friendly materials (P179)	Reduce	Launched the RENU® project with the aim of realizing a circular economy and started to develop recycled polyester		
Apparel	Outdoor apparel (P91)	Restore/ Regenerate	Planning and selling charity goods and then using some of the proceeds in the funds to purchase land for tropical rainforest restoration and the protection of Borneo elephants.		

^{*} https://www.itochu.co.jp/en/news/press/2018/181213.html

Initiatives in Business-related Areas

ITOCHU is working with stakeholders to protect endangered wildlife.

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

Since 2014, Uken village in the southwestern part of Amami Oshima Island has been involved in tree-planting activities using seedlings of Kandelia obovata*1 grown by local elementary school students as an initiative to proudly protect and nurture the rich and irreplaceable nature of their hometown, which is home to diverse species by the children. ITOCHU agrees with the purpose of the project and has been supporting the tree-planting activities since 2021, with a view to contributing nature positive*2 and generating blue carbon credits. In 2023, we concluded an industry-academia-government collaboration agreement with Uken Village, Sophia University, and Japan Airlines Co., Ltd. regarding environmental conservation and regional development in Uken Village, and ITOCHU is contributing through cooperation in tree planting and environmental education.

^{*2} The concept of halting and reversing biodiversity loss in order to put nature on a recovery track.



Started Mangrove Restoration Activities



Elementary School Students Planting the Seedlings They Have Grown



Employees and Others Planting Trees on a Tour Organized Through Industry-Academia-Government Collaboration

^{*1} Kandelia obovata is a species of plant that comprises the mangrove forests found in Kagoshima and Okinawa prefectures.

Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendation Prevention of Pollution and Resource Circulation Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

ESG Data (Environment

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Mangrove Ex-Situ Conservation Project

In addition to the in-situ conservation of Kandelia obovata in Uken Village, Amami Oshima, ITOCHU has started ex-situ conservation in collaboration with the Tsukuba Botanical Garden of the National Museum of Nature and Science. In 2022, we donated the seedlings from viviparous seeds to all the children of the elementary school near our Tokyo head office, Minato Ward's Aoyama Elementary School.



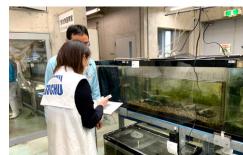


Ex-Situ Conservation in the Botanical Garden Cultivation Nursery

Exhibition at the Aquatic Plant Greenhouse of the Botanical Garden

Collaborative Conservation Project for Rare Freshwater Fish with Shiga Prefecture and Shiga Prefectural Lake Biwa Museum

ITOCHU has been undertaking a collaborative project with Shiga Prefecture and the Shiga Prefectural Lake Biwa Museum since 2022 to conserve the endangered Ayumodoki fish, with the aim of preserving the environment in the area where ITOCHU was founded. Lake Biwa is one of only approximately 20 ancient lakes in the world, and home to more than 1,700 species of flora and fauna, including over 60 endemic species. It is also an important migratory site for waterfowl and is a registered wetland under the Ramsar Convention on Wetlands.



Analysis in the Freshwater Fish Breeding Room in the Lake Biwa

The Lake Biwa Museum breeds generations of endangered rare freshwater fish such as

Ayumodoki. Approximately 35 species of Japanese freshwater fish are being bred and preserved in captivity at the Conservation and Breeding Center and breeding facilities in the Aquatic Exhibition; some populations are potentially extinct in their natural habitat. Continuing to preserve these species will serve as ex-situ conservation of rare freshwater fish in Japan, and it is an important initiative in anticipation of their future return to the wild.

Support for a Biodiversity Conservation Program in the Amazon

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

• Support of Amazon Ecosystem Conservation Program (https://www.itochu.co.jp/en/csr/social/amazon/index.html)



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



The Logo of Manatee Homecoming Project



Completed Field Station



The Amazonian Manatee is a Vulnerable Species

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Project for Protecting Green Turtles, an Endangered Species

With the aim of conserving biodiversity, ITOCHU supports conservation activities for the green turtle, which is listed as an endangered species in the Ministry of the Environment Red Data Book, through the certified NPO Everlasting Nature (ELNA). ELNA was established in 1999 with the aim of conserving the marine life in Asia and the surrounding marine environment, and is an organization that has received certification as an NPO from Kanagawa Prefecture. Thanks to ELNA's 24–hour conservation activities, the number of nesting sites of green turtles on the Ogasawara Islands is gradually increasing with repeated increases and decreases.

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

ELNA activity report (Japanese Only) (https://www.elna.or.jp/rep-support-itochu2023/)



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



Employees Participate in Conservation Activities



Donated a Unit House for Volunteers to Stay

Tropical Forest Regeneration and Ecosystem Conservation Activities on Borneo

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

Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem (https://www.itochu.co.jp/en/csr/social/150_anniversary/borneo/index.html)



Afforestation with Tour Participants



Endangered Species of the Orangutan

Environmental Management

Climate Change

Prevention of Pollution and

Water Resources Conservation

Natural Capital and Biodiversity

Clean-tech Business

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Hunting World's Borneo Support Activity

Hunting World, a luxury brand deployed by ITOCHU, has been using a logo with the motif of a young elephant without its tusks since the foundation of the brand in 1965. While serving as a symbol of freedom and revival, it also represents the challenge of looking toward the future in terms of the protection of endangered species. It contains the founder's love and respect for nature. Hunting World has been supporting a biodiversity conservation activity being promoted by an NPO called the Borneo Conservation Trust (BCT) since 2008 to support the realization of coexistence with nature as called for by the founder. The brand plans and sells charity goods and then provides 1% of those proceeds to the BCT. This helps with the funds to purchase land for "Green Corridor Project*1" and the costs to protect Borneo elephants that have gone astray in plantations. The brand independently acquired the land in the "Green Corridor Project" zone with its assistance funds up to that point in the fall of 2011 to create the Hunting World Kyosei no Mori No.1 (Symbiotic Forest No.1 of Hunting World), Furthermore, the brand has continued support activities and has now acquired the Hunting World Kyosei no Mori No.4 (Symbiotic Forest No.4 of Hunting World). In 2019, the brand started supporting "Grateful Repayment Project*2" promoted by BCT Japan, which supports BCT. These donations have also helped with the funds to establish the Borneo Elephant Sanctuary, a facility for protecting and temporarily rearing injured Borneo elephants and to pay for food to keep Borneo elephants protected alive.

- *1 Green Corridor Project: This is an activity to conserve biodiversity. The land between forest protection zones and forest reserves are purchased back. Divided forests are then connected to create a movement route for animals
- *2 Grateful Repayment Project: This is an activity to protect and temporarily raise Borneo elephants that have lost their places of life.





Protecting Endangered Species of the Borneo Elephant

The facility of Borneo Elephant Sanctuary

Metrics & Targets

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

Targets in Business Activities

Theme	Target	FYE 2024 Results	SDGs
Biodiversity Conservation Reduce the impact of ITOCHU's products and projects on biodiversity conservation across our supply chain	By 2025, conduct a follow-up ESG risk assessment for all investment projects subject to high biodiversity risk (e.g., hydropower, mines, ships), where biodiversity should be a material risk item assessed, and implement a plan for improvement if necessary.	Revised the ESG Checklist and created a scheme to understand the status of biodiversity risk in new business investment. Participated in the TNFD Forum and started investigating tools for analyzing risks and opportunities related to natural capital.	
Sustainable Use of Natural Resources Implement initiatives to improve the sustainable use of natural resources in order to stably produce and supply commodities related to forestry, fishing, and agriculture in the future	Timber, Timber Products, Raw Materials for Papermaking, and Paper Products: Aim to achieve 100% coverage of our products that are either certified or confirmed to be under progressive management standards. Palm oil: Aim to switch all palm oil procured by ITOCHU to sustainable palm oil*19 2030. In particular, we aim to align our procurement to the NDPE principle*2. Fisheries raw materials handled by ITOCHU: Increase the MSC*3 /CoC*4 certified products to 15,000 tons per year within 5 years.	The handling ratio of certified or highly controlled materials is 100% for pulp & wood, and 100% for chips. Palm oil has 100% traceability to mill level in FYE 2024. The ratio of sustainable coffee beans in our coffee bean procurement in FYE 2024 was 37%. The volume of MSC/CoC in fisheries raw materials in FYE 2024 was 10,000 tons.	15 the street

- *1 Sustainable palm oil: palm oil supplied from supply chains compliant to RSPO and RSPO-equivalent standards. *2 NDPE (No Deforestation, No Peat, No Exploitation): zero deforestation, zero peatland development, zero exploitations
- *3 MSC (The Marine Stewardship Council): an international NPO established in 1997 to work on spreading sustainable fishing. It is headquartered in London,
- *4 CoC (Chain of Custody Certificate): A certification for processors and distributors to ensure the traceability of MSC certified marine products and other products in the management of processing and distribution processes specified by MSC.
- Procurement Policies by Product Type (P169)

Clean-tech Business

Environmental Policy

Environmental Management

Prevention of Pollution and

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Natural Capital and Biodiversity

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Targets in Business-related Areas

	Targets	FYE 2024 Action Plans	FYE 2024 Results	FYE 2025 Action Plans	SDGs
Implementation contribution proj environmental co	and follow-up on social grams aimed at onservation	 Promoting the endangered species Ayumodoki (Parabotia curtus) in collaboration with Shiga Prefecture and the Shiga Prefectural Lake Biwa Museum. Continue promotion of the mangrove planting project in collaboration with Uken Village of Amami Oshima Island. Continue promotion of the project for protecting green turtles, an Endangered Species. 	 In collaboration with Shiga Prefecture and the Shiga Prefectural Lake Biwa Museum, implemented a project to conserve the endangered species Ayumodoki (Parabotia curtus). Because we were able to obtain a large number of mature individuals capable of breeding, next year, we plan to introduce females from adjacent areas in the same water system and attempt breeding. We concluded an industry-academia-government collaboration agreement with Uken Village, Sophia University, and Japan Airlines Co., Ltd. regarding environmental conservation and regional development in Uken Village. As part of the collaboration, we organized an eco study tour and planted trees on Edateku Island in Uken Village. Since FYE 2017, we have continued to support a survey monitoring the number of green turtle spawns and a post-hatching survey conducted by the Ogasawara Marine Center of Everlasting Nature of Asia certified NPO that is working on marine conservation in the Asian region. The survey results suggest that the number of green turtles in Ogasawara has been stable in recent years. 	1. Continue promotion of the endangered species Ayumodoki (Parabotia curtus) in collaboration with Shiga Prefecture and the Shiga Prefectural Lake Biwa Museum. 2. Continue promotion of the mangrove planting project in collaboration with Uken Village of Amami Oshima Island. 3. Continue promotion of the project for protecting green turtles, an Endangered Species.	14 #mars

Performance Data

Performance Data in Business Activities

- Performance Data Regarding Forest Certification and Legal Compliance, Sustainable Procurement Performance Data of Raw Materials for Papermaking (P171)
- Performance Data on Natural Rubber (P173)
- Performance Data Regarding Sustainable Palm Oil Procurement (P174)
- Performance Data on Sustainable Coffee Bean Procurement (P176)
- Performance Data on Traceability of Meat (P177)
- Performance Data Related to Certification of Marine Products (P178)
- Performance Data on Organic Cotton Procurement (P179)

Performance Data on Business-related Areas

Endangered Ayumodoki Fish Conservation Project

Research Data for Breeding by Artificial Insemination of Ayumodoki Fish at the Lake Biwa Museum

Subject	Activity	Unit		2022	2023	Targets after 5 years
		Full length (mm)	Target	80	80	
		(Average)	Achievement	-	89	Targata hi 2004. Francisco af
	Breeding for	Degree of obesity*1	Target	_	1.8	Targets by 2024: Emergence of fertile mature individuals (10
	individual maturity	(Average)	Achievement	1.83	1.79	individuals) and establishment of breeding methods for maturity* ²
A		Mature population	Target	-	10	
Ayumodoki			Achievement	0	58	
		Cumulative number	Target	100	200	
	Breeding by	of breeding fry	Achievement	0	0	150-200 breeding fry
	artificial insemination	Average length after 6	Target	30	30	maintained at all times
		months (mm)	Achievement	0	0	

^{*1} Value obtained by dividing body weight by body length cubed and multiplying by 100. A measure of maturity.
*2 For the time being, the goal is to produce 10 breeding mature individuals and to establish breeding methods for maturity.

Climate Change (Information Disclosure Based on TCFD Recommendatio Prevention of Pollution and Resource Circulation Water Resources Conservation

Natural Capital and Biodiversity
(Information Disclosure Based on the TNFD Recommendations)

ean-tech Business

ESG Data (Environment)

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Conservation Project for Endangered Green Turtles

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

Subject	Activity	Unit		2019	2020	2021	2022	2023	2023 Compared to the Previous Year	2023 Compared to 2000
			Chichijima Islands	30	30	30	30	22	_	_
	Number of Surveyed Coasts	Coast	Hahajima Islands	10	10	10	10	7	_	_
Survey Scale			Mukojima Islands	10	10	10	_	8	_	_
	Total Number of Surveys Conducted	Times		168	172	202	182	167	92%	_
	Total Survey Personnel	Person		732	692	934	957	798	83%	_
	Number of Surveyed Green Turtle Nests	Nest	Chichijima Islands	1,500	1,700	1,200	1,700	1,400	82%	311%
Survey Scale Results			Hahajima Islands	600	400	330	300	280	93%	_
			Mukojima Islands	40	28	33	_	30	_	_
Results	Number of Surveyed Post-hatching Nests (Conducted only on Chichijima Island)	Coast Hahajima Islands 30 30 30 30 30 32	68%	_						
	Baby Turtles Returning to the Sea (Conjecture)	Head		43,700	55,000	44,000	56,000	48,000	86%	_
	Escape Rate (Number of Escaped Turtles / Number of Eggs)	%		32	36	29	34	35	103%	_
	The Increasing Trend of Green Turtles in Ogasawara (Conjecture)	_	Stable with no significa	ant increase or decrease	since 2017.					
Reviews	Future population projections	Chichijima Islands 30 30 30 30 30 22								

^{*} Figures are approximate due to unpublished data. Table based on ELNA activity report (Japanese Only). (https://www.elna.or.jp/rep-support-itochu2023/)

■ Amazonian Manatee Reintroduction Performance Indicators

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

Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendation Prevention of Pollution and Resource Circulation Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Collaboration with Outside Initiatives

Initiative Participation (Activities Through Business and Industry Groups)

We participate in the Japan Business Federation (Keidanren). We support nature conservation projects in developing areas mainly in the Asia-Pacific region and in Japan through the Keidanren Committee on Nature Conservation that was established in 1992 when the United Nations Conference on Environment and Development (Earth Summit) was held in Rio de Janeiro in Brazil. The Keidanren Committee on Nature Conservation has been working to build an environment in which the business community strives to conserve nature. This has included exchanges with NGOs, the holding of seminars and symposia, and the announcement of the Declaration of Nature Conservation by Keidanren, the Declaration of Biodiversity by Keidanren and the action guidelines for them (revised in October 2018). In addition, we have declared our approval of the Keidanren Initiative for Biodiversity Conservation announced on June 11, 2020. We are also participating in the TNFD Forum, which was established in September 2021, to accelerate discussions in the Taskforce on nature-related Financial Disclosures (TNFD).



Cooperation with External Organizations

It is especially important for the entire value chain to work together to realize sustainable business activities for businesses with a high dependency on natural capital such as forest commodities (food, timber, natural rubber, palm oil, etc.).

ITOCHU joined in the Roundtable on Sustainable Palm Oil (RSPO) in 2006. We have set a target of handling only RSPO certified palm oil or palm oil equivalent to that by 2030. We are working on the procurement and supply of sustainable palm oil through cooperation and collaboration with other member companies. We are also participating in the Sustainable Palm Oil Transparency Toolkit (SPOTT). This is a project by the Zoological Society of London (ZSL) that assesses major palm oil related companies in terms of more than 50 indicators based on data released to the public. We disclose information to stakeholders relating to the palm oil industry through two-way communication.

In addition, we also joined as a founding member in the Global Platform for Sustainable Natural Rubber (GPSNR). We have agreed to the 12 principles stipulated by this platform about natural rubber and comply with the applicable policy components.

We have also joined the Organization for the Promotion of Responsible Tuna Fisheries (OPRT) established for the sustainable use of tuna resources in 2012 in our skipjack and yellowfin business. We are promoting initiatives that comply with OPRT's voluntary management regulations.

Through cooperation with external organizations as described above, we aim to achieve the goals set forth in the "Metrics & Targets (P91)" section.

- Roundtable on Sustainable Palm Oil (RSPO)
- Initiative Participation (P41)
- Global Platform for Sustainable Natural Rubber (GPSNR)
- Commitment to the Global Platform for Sustainable Natural Rubber (GPSNR) (https://www.itochu.co.jp/en/csr/pdf/natural_rubber_policy.pdf)
- Organization for the Promotion of Responsible Tuna Fisheries (OPRT)
- Sustainable Procurement: Policies and Initiatives by Product Type (P178)
- International Seafood Sustainability Foundation (ISSF)
- Sustainable Procurement: Policies and Initiatives by Product Type (P178)

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business



Basic Policy and Strategy

ITOCHU has established enhancing contribution and engagement with the SDGs including climate change as one of our basic policies in our Brand-new Deal 2023 medium-term management plan. This basic policy is carried over to the Management Policy "The Brand-new Deal" formulated in 2024. We aim to achieve "Offset Zero", where the amount of avoided emissions generated by our cleantech business exceeds our GHG emissions by 2040. This target is 10 years ahead of the Japanese government's target. We will achieve this by being the first in the industry to realize a decarbonized society.

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

Targets (Transition Plans)

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

■ Individual Targets for Each Business Segment

Business Segment	Individual Targets
Renewable Energy	 Increase the ratio of renewable energy capacity within our power generation portfolio to over 20% by FYE 2031. Invested in renewable energy generation of approximately 1,800 MW such as in Cotton Plains (wind and solar power), Prairie Switch, Texas in the U.S. (wind power) and in Sarulla in Indonesia (geothermal power). We are currently newly developing renewable energy business of approximately 3,800 MW to achieve a renewable energy ratio of over 20%.
Fuel Ammonia	 Establish a value chain of fuel ammonia through integrated development including development, ownership and operation of ammonia-fueled ships, development of fuel supply bases, and procurement of fuel ammonia. For the ambition to reach net zero GHG emissions from international shipping by or around 2050, contribute to the decarbonization of international shipping by promoting the spread of ammonia-fueled ships and their social implementation.
Energy Storage Systems (ESS)	• Aim for a cumulative energy storage of over 2 GWh by FYE 2031.
Water Infrastructure	• Expand our achievements in Europe and Australia to other regions. Continue to build up excellent assets.
Waste Management Project	• Expand our achievements in Europe to the Middle East and other regions in Asia. Continue to build up excellent assets.





Initiatives

Top Management Involvement: Decarbonization and Carbon Neutral Task Force

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

Introduction to Individual Businesses

- 1. Renewable Energy (P96-P98)
- 2. Fuel Ammonia (P98-P99)
- 3. Hydrogen Related Business (P100-P101)
- 4. Energy Storage Systems (ESS) (P101-P102)
- 5. Water Infrastructure (P103)
- 6. Waste Management Project (P103)
- 7. Low-carbon Iron Supply Chain (P104)
- 8. CCUS Carbon Fixation (P104)
- 9. Green Buildings (P105)
- 10. Collaboration with Outside Initiatives (P105)

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

Environmental Management

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

Natural Capital and Biodiversity
(Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

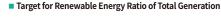
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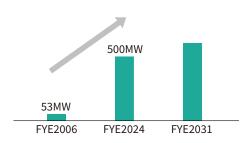
Clean-tech Business

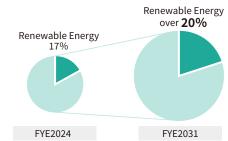
1. Renewable Energy

ITOCHU globally enhances carbon neutral related businesses such as renewable power, hydrogen and ammonia. We aim to make profit growth not only by focusing on investments, but also by providing multi-angled functions such as engineering, operation and maintenance, etc.

■ Renewable Energy Generation (Equity Interest Basis)







■ Breakdown of ITOCHU's Total Generation and Breakdown Target for FYE 2031

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2024	FYE 2031 (Target)
	Generation Capacity on Equity Interest Basis (MW)	Ratio (%)	Ratio (%)				
Wind	185	179	122	164	196		
Solar/PV Power	83	80	112	132	164		20%超
Geothermal	83	83	83	83	83	17%	
Biomass	20	33	57	57	57		
Renewable Energy (Total)	369	375	373	436	500		
Natural Gas	1,621	1,258	1,258	1,258	1,466		
Oil-fired Power	315	315	315	315	315	83%	80%未満
Coal-fired Power	640	640	640	640	640	0390	0070不/响
Thermal Power (Total)	2,576	2,213	2,213	2,213	2,421		
Grand Total	2,945	2,588	2,586	2,648	2,921	100%	100%

For a list of our renewable energy-related businesses please visit here (P106).

We have announced a policy not to develop any new coal-fired power generation business*.

Renewable Energy Highlights

Wind Power

ITOCHU has continued invested in wind power generation (onshore and offshore) from the late 1990s. Currently, ITOCHU has interests in five power plants in Japan the United States, and Germany.

I Butendiek Offshore Wind Farm in the North Sea of Germany

In response to the renewable market growth in Europe, we jointly own an offshore wind generation project (288 MW) located on the German North Sea coast with the CITIC Group with whom we establish a strategic alliance. The wind farm supplies power to approximately 370,000 standard German households, contributing to the transition to a decarbonized society.



The Butendiek Offshore Wind Farm

Aomori Mutsu Ogawara Onshore Wind Farm

ITOCHU is under construction of an onshore wind farm (maximum output capacity: 64.5 MW) in a suitable site with favorable wind conditions in Rokkasho-mura, Kamikita-gun in Aomori Prefecture as a joint project with Hitachi Zosen Corporation and our associated company, Tokyo Century Corporation. We are aiming to start operation in April 2026. We expect this wind farm to generate approximately 166 million kWh of power a year. That is equivalent to the annual power consumption of approximately 46,000 ordinary Japan households.

Utility Scale Solar Projects

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



Oita-Hiyoshibaru Solar Power Plant

^{*} Offset zero: When the amount of greenhouse gas emissions we contribute to reducing exceeds our greenhouse gas emissions (https://www.itochu.co.jp/en/csr/news/2019/190214.html)

Environmental Management

Climate Change

Prevention of Pollution and

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Clean-tech Business

Distributed Solar Power Supply Business

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

Furthermore, we have entered into a capital and business alliance with Clean Energy Connect Co., Ltd. (CEC) for initiatives to contribute to clean energy by effectively utilizing land in Japan. We have been jointly promoting this business since 2021. CEC is involved in the off-site solar power business. The company develops and owns multiple small and medium-sized solar power plants by utilizing idle land in Japan. It then bundles together green power to supply electricity and environmental value over the long-term to customers such as office buildings in the center of cities. Through CEC, ITOCHU will introduce photovoltaic power plants with additional approx. 5,000 locations in Japan with a cumulative total output of 500 MW by FYE 2026, aiming to be one of the largest corporate PPA operators in Japan.



On-site Distributed Power Supply Operated by i GRID SOLUTIONS



Off-site Distributed Power Supply Operated by Clean Energy Connect

Solar Panel Recycling Business

ITOCHU undertook a capital increase through a third-party allotment from ROSI SAS. – a company engaged in the reuse and develops and owns advanced solar panel recycling technologies, and ITOCHU has entered into these alliances with the aim of promoting and expanding the solar panel recycling business.

In recent years, there is widespread global concern that mass disposal of solar panels that have reached the end of the product lives will occur in the near future. Establishing an appropriate recycling chain for these waste solar panels represents a major challenge for the future, in order to introduce sustainable renewable energy solutions for creating a decarbonized society.

We will contribute to the establishment of a recycling chain for solar panels by combining photovoltaic power generationrelated business know-how and networks developed by us so far with ROSI's advanced and highly economical recycling technologies.

Geothermal Power

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

Biomass Power

The Ichihara Biomass Power Plant (power generation output: 49.9 MW) in which ITOCHU is participating started commercial operation in December 2020. We expect this power plant to generate approximately 350 million kWh of power a year. That is equivalent to the annual power consumption of approximately 120,000 ordinary Japan households. In addition, we decided to build biomass power plants (power generation output of each: 50 MW) in Hyuga in Miyazaki Prefecture in April 2021 and in Tahara in Aichi Prefecture in November 2021, which are scheduled to start operation in FYE 2025 and 2026, respectively.



Exterior of Ichihara Biomass Power Plant

ESG Data (Environment)

Environmental Policy

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

Clean-tech Business

Biomass Fuel and Renewable Fuel Related Business

■ Sustainable Aviation Fuel (SAF)

ITOCHU is working to increase the ratio of renewable energy through the supply of biomass fuels to power generation companies in Japan. We are also working to expand procurement and supply of renewable fuels for the decarbonization of the mobility market, including airplanes and automobiles.

For example, in response to the accelerated decarbonization of the airline industry, we were the first company in Japan to begin selling Sustainable Aviation Fuel (SAF) to airline companies. We are also the first Japanese trading company to obtain ISCC CORSIA certification, which was developed to reduce greenhouse gas (GHG) emissions in the airline industry. This is a certification that proves we are able to supply SAF which meets the carbon offset requirements of CORSIA. We deliver the renewable fuels made from non-fossil-derived raw materials. contributing to a significant reduction in GHG emissions compared to conventional petroleumderived fuels.



Image of an Aircraft Flying Using SAF Copyright: All Nippon Airways co., Ltd. all rights reserved



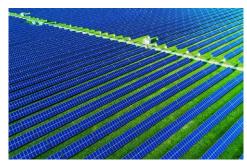
Refueling SAF

Operation and Maintenance for Renewable Power in North America

ITOCHU provides operation and maintenance service as well as asset management for solar and wind generation in the US principally through our subsidiary NAES Corporation. It serves approximately as many as 1,400 sites throughout the US utilizing its remote monitoring system.

Renewable Power Developments in North America

Tyr Energy Development Renewables, LLC, dedicated in greenfield renewable energy development in the United States, was established in 2022 and is currently developing renewable energy projects of approximately 3,800 MW. TED has full suite function of greenfield development including land acquisition, permitting, interconnection process, PPA origination, engineering and finance. The U.S. renewable energy market is expected to grow significantly over the next 20 years. To capture the growth, we continue to enhance the development activities.



Utility Scale Solar Projects developed in USA.

2. Fuel Ammonia

With international momentum towards the transition to a decarbonized society, the International Maritime Organization (IMO) has set a greenhouse gas (GHG) emissions reduction strategy of 40% efficiency improvement from 2008 levels by 2030, 50% total volume reduction from 2008 levels by 2050. In 2023, the strategy was revised to the ambition to reach net zero of GHG emissions (zero emissions) by or around 2050. In order to achieve these goals, early development and social implementation of zeroemission ships are expected, and ammonia is attracting attention in various fields as a candidate alternative fuel. In addition, a stable supply of ammonia fuel for marine use and the development of supply bases are indispensable elements for the concrete development of ships that use ammonia as their main fuel.

Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Clean-tech Business

Development of Ammonia Fuel Ship

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

In October 2021, we applied for "the Green Innovation Fund Project / Development Project for Next-Generation Ships / Development of an Ammonia Fueled Ship Project" publicly offered by the New Energy and Industrial Technology Development Organization (NEDO), together with four other companies, including Kawasaki Kisen Kaisha, Ltd., NS United Kaiun Kaisha, Ltd., Nihon Shipyard Co., Ltd. and Mitsui E&S Machinery Co., Ltd. (Currently, Mitsui E&S Co., Ltd.), and successfully selected. In November 2022, ITOCHU and the said four companies obtained Approval in Principle for the basic design of an ammoniafueled ship (200,000 deadweight ton type bulk carrier). This project aims to take the lead in the development of propulsion systems and hulls, as well as the ownership and operation of ammonia-fueled ships, as early as possible before 2028.

Development of Supply Chain of Ammonia Bunkering

ITOCHU Corporation and ITOCHU ENEX Co. Ltd. have agreed the joint development of an ammonia fuel supply (bunkering) base in Singapore, the world's largest supplier of marine fuel, among six companies including TotalEnergies Marine Fuels Pte. Ltd, Pavilion Energy Singapore Pte. Ltd, Vopak Terminals Singapore Pte. Ltd. and Mitsui O.S.K. Lines Ltd. In April 2022, ITOCHU together with the companies signed a memorandum of understanding with the Maritime and Port Authority of Singapore to promote the development of an ammonia fuel supply (bunkering) base in Singapore. For the joint development of an ammonia bunkering, we have signed in 2023 an MOU with Peninsula Petroleum in Spain and also an MOU with Orascom Construction PLC in the Suez Canal. We will be further accelerating the development of a safe fuel supply system and the development of ammonia bunkering vessels.

Since June 2021, ITOCHU has continued to examine and verify common issues related to the use of ammonia as marine fuel through the "Joint Study" a framework established with 34 companies and organizations to promote the use of ammonia as marine fuel. In April 2022, we launched the "Joint Study Framework for Ammonia Bunkering Safety" with 16 companies and organizations as a framework to share issues and knowledge on safety and guidelines for ammonia bunkering among related parties, and are expanding the activities. As a successive phase of these activities, we have executed an MOU for the Joint Study of Ammonia Bunkering Safety for an Ammonia-fueled Container Carrier among 8 companies and organizations in September 2023.

Each of the above joint developments and frameworks is positioned as part of an "Integrated Project" of ITOCHU and partner companies that includes not only the development of ammonia fuel ships and the establishment of an ammonia fuel supply base in Singapore, but also the ownership and operation of these ships, the procurement of ammonia fuel for marine use, and the establishment of a global supply chain. We will work with domestic and overseas companies and relevant ministries and agencies to contribute to the reduction of GHG emissions from international shipping.

Project to Manufacture and Sell Clean Ammonia in Canada, Aiming to Realize a **Decarbonized Society**

ITOCHU Corporation and Gentari Hydrogen Sdn. Bhd., Petroliam Nasional Berhad group, a Malaysian national oil company, have been conducting detailed studies of a project to manufacture and sell clean ammonia in Alberta. Canada.

ITOCHU Corporation will pursue the creation of a decarbonized society by establishing manufacturing sites and a supply chain for clean ammonia, which is expected to reduce greenhouse gas emissions from conventional fossil fuel derived ammonia.



Aerial View of Potential Project Site in Alberta, Canada

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

ESG Data (Environment)

Clean-tech Business

3. Hydrogen Related Business

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

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

Strategic Collaboration to Build a Hydrogen Value Chain

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

Starting with the Hydrogen Refueling Station (HRS) in Motomiya-city, Fukushima Prefecture, which is scheduled to start operation in the first half of 2024 as Japan's first HRS, we will continue to find out more HRS opportunities with similar concept that are expected to be rolled out along with highway and to attract usage of larger scale fuel cell commercial vehicles.

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



Motomiya Hydrogen Station (Image)

Business Model Development of a Local Hydrogen Production for Local Consumption

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

Featuring both the hydrogen byproduct of Nippon Coke and the hydrogen engine of CMB, this project aims to create and expand both supply of and demand for hydrogen, with the goal of realizing actually operating hydrogen supply chains based on "the local production for local consumption model". Furthermore, by actively deploying this business model in other regions as well, ITOCHU will realize the social implementation of hydrogen on a global scale at the possible earliest time, for enhancing our contribution to and engagement with the SDGs.



Straddle Carrier with Hydrogen Engine





Offshore Wind Support Vessel with Hydrogen Engine



Hydrogen-powered Cruise Ship Operated in Japan

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

ESG Data (Environment

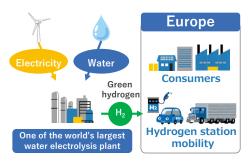
Clean-tech Business

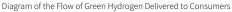
Hydrogen Business Partnership with Nel and investment in Everfuel

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

Following an introduction from Nel, in December 2023, ITOCHU and a subsidiary of Osaka Gas Co., Ltd. have entered into a joint agreement to acquire shares of Everfuel A/S, which promotes the establishment of a green hydrogen value chain. The company is engaged in the EPC and operation of green hydrogen production facilities, transportation equipment, and hydrogen stations using water electrolysis equipment. The company is also promoting the construction of a green hydrogen value chain for local production and consumption by selling hydrogen to the industrial and mobility sectors through the use of its own hydrogen stations. The world's largest hydrogen production and distribution plant (20 MW electrolyzer scale) is scheduled to start commercial operation in 2024 as the company's first hydrogen production project.

ITOCHU aims to horizontally expand the local hydrogen production and consumption business to Europe and other regions and to enter into the business of producing hydrogen-derived products by utilizing the knowledge and expertise gained through this project, while contributing to the realization of a decarbonized society.







Inside the Plant

4. Energy Storage Systems (ESS)

ITOCHU aims to promote decarbonization and reduce environmental footprint by selling energy storage systems (ESS) that enhance and optimize the sustainable supply of renewable energy. As a demonstration of our commitment, we have set a clear sales target for ESS of 20 billion JPY per year and a cumulative energy storage exceeding 2GWh by FYE 2031.

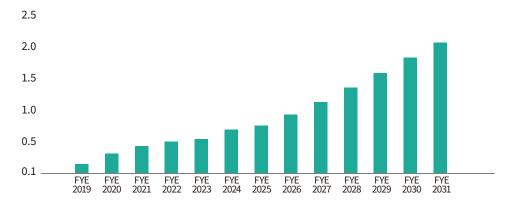
Moving forward, ITOCHU will strengthen our global battery procurement including reusable batteries and dealer network, in order to accelerate the development of energy storage systems for households and industries, and the development of systems for utility scale energy storage that connect renewable energy businesses and consumers for contribution to the decarbonization of each business. We will look to develop AI-equipped energy storage systems and to then launch them onto the market, and will develop businesses that provide solutions tailored to local markets (especially, we assume, the USA and Australian markets which are expected to grow in the future) with capital and business alliance partners overseas. Moreover, we will accelerate efforts to recycle waste batteries generated by electric vehicles (EVs) or energy storage systems and efforts relating to the traceability of those. This will allow us to develop our recycling-orientated business and to contribute to a further improvement in corporate value.

Sales and Cumulative Energy Capacity of Our ESS products

In cooperation with NF Blossom Technologies, Inc.*, ITOCHU developed Smart Star ESS series, which have been sold for approximately 60,000 units as of March 2024.

We have also begun to build up a track record of installations of Bluestorage, an energy storage system for C&I and grid use, centered on the utility scale energy storage project being promoted by the Japanese government and the Tokyo Metropolitan Government to realize a decarbonized society.

■ Cumulative Capacity of ESS Units Sold (GWh)



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

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Clean-tech Business

Other Initiatives

The Sale of Next-generation Residential ESS Products Using AI Technology

ITOCHU Corporation has entered into a capital and business alliance with Moixa Energy Holdings Ltd. in the United Kingdom, which develops "GridShare," software for optimal charge/discharge control of power storage systems.

By incorporating GridShare into the Smart Star series, in addition to the original features that demonstrate its strengths during power outages, AI analyzes and learns weather forecasts, user power demand and power generation forecasts, etc., and performs optimal charge and discharge control of the storage system. This enables efficient operation of solar power generation and power storage systems.

In addition, "Smart Star 3", which went on sale in May 2021, is equipped with the world's first environmental value point conversion and EV charging function through a home power storage system. Official website of Smart Star Series: Click here (Japanese only) (https://www.smartstar.jp/)







External View of the Smart Star 3

Demand Response Using GridShare

Through Gridshare Japan Co., Ltd., a wholly owned subsidiary of ITOCHU Corporation, users who provide optimal remote-control services are bundled together and demand response is implemented to implement control according to the power supply and demand situation. In FYE 2023, a maximum of approximately 17,000 units and approximately 51 MW/167 MWh of participants were solicited. Even if each power storage system is small, it is integrated and controlled as if it were a single large power storage system and functioned as a virtual power plant (VPP). This initiative is expected to spread renewable energy, respond to the tight supply and demand of electricity, and contribute to the earnings of retail electricity companies, and we will continue to promote it in the future.

Equity Participation in TRENDE Inc. and Future Collaboration

With the mission of "lighting up the future," TRENDE Co., Ltd. develops residential solar power retail services (Hotto Denki, Hidamari Denki, Jibun Denryoku) with zero initial cost, and promotes the efficiency of renewable energy. We are working on technological development and social implementation of P2P power trading*¹ that contributes to its practical use and spread.

ITOCHU Corporation and TRENDE aim to expand environmental value transactions utilizing the non-fossil value*2 of renewable energy and realize P2P electricity transactions between customers.

- *1 P2P power trading: Abbreviation for Peer to Peer. Refers to direct transactions of electricity between electricity consumers and power generation facility purpers
- *2 Non-fossil value: Environmental value given to power sources that do not use fossil fuels for power generation. A trading market was established in May 2018 to promote the introduction of renewable energy.

Establishment of a Fund Exclusively for Utility Scale Energy Storage for the First Time in Japan Promoting Energy Generation and Storage

As activity in the development of renewable energy increases, it is increasingly necessary to develop functions for the adjustment of supply to meet demand for renewable energy as their output fluctuates greatly. Utility scale energy storage, which can provide power grids with the ability to adjust energy supply to meet demand, is essential for the future carbon-free society. The Tokyo Metropolitan Government has decided to create a government-industry fund to accelerate the ubiquitization of utility scale energy storage which contributes to the stabilization of power grids.

ITOCHU was selected, jointly with Gore Street Capital Limited, as the co-manager of the fund for promoting energy creation and storage being created by the Tokyo Metropolitan Government. This fund is the first in Japan that is intended exclusively for utility scale energy storage, following the establishment of similar funds in Europe and the United States.

We will actively promote the grid storage battery business, which is driving the decarbonization of Japan, from a financial perspective by leveraging our accumulated knowledge of the stationary storage system business.

Strategic Business Alliance with Akaysha Energy Pty in the Utility Scale Energy Storage Development

ITOCHU and Akaysha Energy Pty (Akaysha) have entered into a strategic alliance agreement to strengthen our competitiveness in the development of high-performance and efficient grid storage battery systems. Akaysha is a business development platform owned by a fund managed by BlackRock Group, and promotes the development, ownership and operation of grid storage solutions globally. Through this collaboration, we will combine our innovative solutions to contribute to the further introduction and stable supply of renewable energy and play a role in the realization of a sustainable society.



An Image of Akaysha's Project under Development in Australia.

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) **Clean-tech Business**

ESG Data (Environment

Clean-tech Business

5. Water Infrastructure

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

Seawater Desalination

We have invested in a seawater desalination project in Victoria, Australia. This is the project that has been providing the reliable water supply for Melbourne since 2012, and this plant is capable to meet approximately 30% of the water need of Melbourne, Victoria. We have invested as the largest shareholder in a seawater desalination project with the Oman Power and Water Procurement Company (OPWP), a government entity of the Sultanate of Oman. OPWP is promoting this project at Barka, in the northern area of the country.

Other Initiatives

- I The Development and Sales of Seawater Desalinization Plants and Reverse Osmosis Membranes Stable Supply of Life-sustaining Water
- Largest Seawater Desalination Project in
 Oman –

In March 2016, Barka Desalination Company, which we have invested aforesaid, agreed a contract to build and operate a new seawater desalination plant with a capacity of 281,000 m³ per day at Barka, located in the northern area of the Sultanate of Oman, with the aim of ensuring a stable supply of water in the country. This project is a public-private partnership project with the Oman government to provide water for everyday life to the Barka region that suffers from severe water stress. The facilities involved use reverse osmosis membrane (RO membrane) to desalinate the water and are projected to operate for 20 years. It is the largest seawater desalination project in Oman with a total project cost of approximately 300 million US dollars. The plant has started commercial operation in June 2018. Besides, we realized listing on the Muscat Stock Exchange in February 2022.



Aerial View of Oman Seawater Desalinization Plant

6. Waste Management Project

All over the world, 2.0 billion tons of municipal solid waste (equivalent to 5,400 times of Tokyo Dome) are discharged annually. At least one-third of this waste is not treated with a proper way. As a result, decomposing gases emitted from waste cause fires, and the toxic substances that flow from waste mix with lakes, rivers, and groundwater, having a negative impact on the health of people and ecosystems in the surrounding areas. Due to rapid urbanization and population growth, especially in emerging countries, the world's waste volume is expected to reach 3.4 billion tons per year over the next 30 years.

ITOCHU is involved as a developer, investor, and operator in 4 energy-from-waste projects for municipal governments in the United Kingdom, which treat 1.3 million tons of waste annually, accounting for around 10% of the UK's waste incineration market, and generate enough electricity to power 160,000 British households. In the Republic of Serbia, we are working with the government of Serbia and City of Belgrade to develop a Waste Management project with an Energy-from-Waste Facility. The project will address one of the biggest environmental and social problems in Serbia - closing and remediating the existing landfill at the Vinca dumpsite, and treat municipal solid waste in City of Belgrade, and generate electricity. Financed by International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) and Oesterreichische Entwicklungsbank (Austria's Development Bank "OeEB"), the construction of an Energy-from-Waste facility is under construction. This project will treat 340,000 tons of waste annually and generate enough electricity to power 30,000 households. In addition to these projects, ITOCHU have started an Energy-from-Waste project in the Emirate of Dubai, the United Arab Emirates in 2020. This project will be one of the largest energy-from-waste projects in the world, which will treat 1.9 million tons of waste annually, accounting for about 45% of the municipal solid waste in UAE, and generate electricity. This project will contribute to reaching the goals set by Dubai Municipality in minimizing the volume of municipal waste in landfills and developing alternative energy sources as well as contribute to sustainable and ecologically friendly waste management.



 $\label{thm:project} \mbox{Aerial View of Serbia/Belgrade Waste Management Public-Private Partnership Project}$

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) **Clean-tech Business**

ESG Data (Environment)

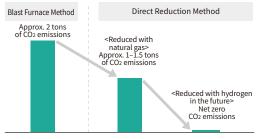
Clean-tech Business

7. Low-carbon Iron Supply Chain

Creating a Low CO₂ Emission Supply Chain for Ferrous Raw Material

Reducing CO₂ emissions during the steelmaking process has become an urgent issue in the steel industry. Compared to the conventional blast furnace route, the direct reduction route, which uses natural gas and high-grade iron ore for the reduction process, significantly lowers CO₂ emissions in the ironmaking process. To secure a stable supply of high-grade iron ore, which is an indispensable raw material for the direct reduction route, ITOCHU has acquired partial interests in the AMMC iron ore mining operation in Canada. We are conducting a feasibility study on establishing a low CO₂ emission supply chain for ferrous raw material jointly with JFE Steel Corporation, who is our long-term business partner and Emirates Steel Arkan, who is one of the largest publicly traded steel and building materials manufacturers in the region. In this venture, we plan to utilize high grade iron ore produced by CSN Mineração S.A., a superior iron ore producer in which ITOCHU & JFE have invested. On the whole, blast furnace route emits approximately 2 tons of CO₂ per ton of steel, whereas the direct reduction route effectively reduces this to about 1 to 1.5 tons of CO₂ emissions* with access to abundant natural gas. Looking ahead, we aim to achieve zero CO₂ emissions in the steelmaking process by implementing hydrogen reduction.

 * JFE Environmental Vision 2050, page 9



Comparison of CO₂ Emissions When Producing 1 Ton of Crude Steel



Image of Low-carbon Direct Reduced Iron

8. CCUS • Carbon Fixation

ITOCHU invested in the Australia-based company, MCi Carbon Pty Ltd (MCi), and has been collaborating with MCi in promoting its technology which produces calcium carbonate by combining by-products of the steelmaking process(slag), coal ash and/or waste concrete with CO₂, to permanently lock awayCO2 in a solid form and utilize as building materials. MCi was, in June 2021, awarded 14.6 million Australian dollars grants from the Australian government's Carbon Capture Use and Storage (CCUS) Fund, and then in November 2021 MCi won the first prize in the COP26 Clean Energy Start-up Pitch Battle in Glasgow, among 2,700 competing companies around the world. MCi is a company that aims to remove a billion tons of CO₂ annually in the future, as its company mission. In July 2022, ITOCHU, TAISEI CORPORATION, and MCi concluded a memorandum of understanding and are proceeding with verification of the use of this calcium carbonate as raw materials for concrete. With a view to manufacturing products in Japan, we are also discussing calcium carbonate production with domestic companies that discharge raw materials.



MCi's Pilot Plant in Newcastle, Australia

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

Clean-tech Business

9. Green Buildings

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

Our Group's real estate investment trust (REIT) participates in the GRESB, a sustainability assessment framework for real estate investors. We are actively acquiring green building certification* for our real estate portfolio from the perspective of reducing their environmental impacts. Advance Residence Investment Corporation, a listed residential real estate REIT has 26 real estate assets with CASBEE real estate valuation certifications and 2 real assets with Building-Housing Energy-efficiency Labeling System (BELS) certification which accounts to 32.2% in surface area, and 9.5% in number of units among its entire portfolio. At Advance Logistics Investment Corporation, a listed REIT focused on logistics assets, we own 8 assets with DBJ Green Building certifications, 2 assets with BELS certification and 9 real assets with BELS certification, which accounts to 95.0% in surface area, and 84.6% in number of units among its entire portfolio. At Advance Private Investment Corporation, an unlisted open-ended REIT, we own 1 real estate asset with CASBEE real estate valuation certification, which accounts to 11.4% in surface area, and 10.0% in number of units among its entire portfolios.

10. Collaboration with Outside Initiatives

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

Carbon Recycling Fund Institute

The Carbon Recycling Fund Institute was established in August 2019. The fund believes it is necessary to make further initiatives to achieve the target of carbon neutrality by 2050 by using CO_2 as a carbon source. It is a general incorporated association aiming to solve the problem of global warming and to improve energy access around the world at the same time. It will do this by supporting the creation of carbon recycling innovation through research assistance and publicity activities relating to carbon recycling. ITOCHU is also participating as a member.

Tokyo Zero-emission Innovation Bay

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

Japan CCS Co., Ltd.

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

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

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

Japan Sustainable Fashion Alliance

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

^{*} The percentage of green building certification is information as at end of January 2024.

Environmental Management

Climate Change (Information Disclosure Based on TCFD Recommendations)

Prevention of Pollution and Resource Circulation

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) **Clean-tech Business**



Clean-tech Business

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

Details of Effort	Name of Business Operator / Investment Project	Country	Generating Capacity / Size	Greenhouse Gas Reduction Figures
	Aspenall Wind Power Generation Project	USA	43 MW	Approx. 100,000 tons / year
Wind Dawer Consession Dusiness	Cotton Plains Wind and Solar Power Generation Business	USA	217MW	Approx. 480,000 tons / year
Wind Power Generation Business	Prairie Switch Wind Power Generation Project	USA	160MW	Estimated 380,000 tons / year
	Mutsu Ogawara Wind Power Generation Project (Under Construction)	Japan	64.5MW	Estimated 150,000 tons / year
Offshore Wind Power Generation Business	Butendiek Offshore Wind Power Generation Project	Germany	288MW Scale of power generation: Equivalent power consumption of 370,000 households	Approx. 770,000 tons / year
	ST&W Waste Management Project / South Tyne & Wear Energy Recovery Holdings Limited	England	Incineration treatment of 260,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 31,000 households	Estimated 62,000 tons / year
	Cornwall Waste Management Project / Cornwall Energy Recovery Holdings Limited	England	Incineration treatment of 240,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 21,000 households	Estimated 60,000 tons / year
	Merseyside Waste Management Project / Merseyside Energy Recovery Holdings Limited	England	Incineration treatment of 460,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 63,000 households	Estimated 130,000 tons / year
Waste Management Projects	West London Waste Management Project / West London Energy Recovery Holdings Limited	England	Incineration treatment of 350,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 50,000 households	Estimated 83,000 tons / year
	Serbia Waste Management Project / Beo Cista Energija	Serbia	Incineration treatment of 340,000 tons / year of general waste and utilization of landfill gas Scale of power and heat generation: Equivalent power consumption of 30,000 households and heat consumption 60,000 households in the winter	Estimated 210,000 tons / year
	Dubai Waste Management Project / Warsan Waste Management Company P.S.C. (Under Construction)	UAE	Incineration treatment of 1,900,000 tons / year Generating Capacity: 200 MW (planned)	Estimated 2,170,000 tons / year
Geothermal Power Generation	Sarulla Operations Ltd	Indonesia	330MW	Approx. 2,200,000 tons/year
	Oita Hiyoshibaru photovoltaic power plant large-scale solar power plant	Japan	45MW	Estimated 46,000 tons/year
	Shin-Okayama photovoltaic power plant large-scale solar power plant	Japan	37MW	Estimated 38,000 tons/year
Photovoltaic Power Generation	Saijo Komatsu photovoltaic power plant large-scale solar power plant	Japan	26MW	Estimated 27,000 tons/year
Photovoltaic Power Generation	Saga-Ouchi photovoltaic power plant large-scale solar power plant	Japan	21MW	Estimated 21,000 tons/year
	i-Grid Solutions, Inc.	Japan	178MW	Estimated 182,000 tons/year
	Clean Energy Connect	Japan	97MW	Estimated 99,000 tons/year
	Ichihara Biomass Power Plant	Japan	49.9MW	353,000tons/year
Biomass Power Generation	Hyuga Biomass Power Plant (Under Construction)	Japan	50MW	353,000tons/year
	Tahara Biomass Power Plant (Under Construction)	Japan	50MW	353,000tons/year

Results of Green Revenue (Organizational Performance Including Cleantech Business Revenue)

	FYE 2024 Net profit attributable to ITOCHU	FYE 2025 Forecast Net profit attributable to ITOCHU
Power & Environmental Solutions Division*1	24.9 billion JPY	13.5 billion JPY
North American Electric-power-related Business*2	16.7 billion JPY	15.3 billion JPY

^{*1} Division under the Energy & Chemicals Company that specializes in domestic renewable energy power generation and storage battery business.
*2 The figures are the sum of results/forecast of the Group companies engaged in the North American electric power business and related service business.

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations) Clean-tech Business

ESG Data (Environment)

Independent Assurance

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

- ★: Scope1/Scope2 and its total attributable to Japanese Bases of ITOCHU Corporation, Scope3 (Upstream Transportation & Distribution) related to domestic contracted transportation of ITOCHU Corporation as the shipper; the waste, waste non-recycled, waste recycled, recycling rate and treated water production volume for the Tokyo Headquarters.
- ◆: Total electricity consumption, Scope1/Scope2, and its total attributable to ITOCHU Group; NOx, SOx, VOC emissions of Japanese Bases of ITOCHU Group; and hazardous waste of Japanese Bases of ITOCHU Group.

 Corporation and Japanese Bases of ITOCHU Group.
- ■: The volume of water withdrawal & wastewater discharge attributable to Japanese Bases of ITOCHU Corporation.

Independent Assurance Report (P232)

Scope of Aggregation

○:in scope of aggregation

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

^{*1} The Tokyo Headquarters, the Osaka Headquarters, 5 Branches (Hokkaido, Tohoku, Chubu, Chugoku & Shikoku, Kyushu).
The number of offices including domestic branches: FYE 2020: 7, FYE 2021: 6, FYE 2022: 8, FYE 2023: 6, FYE 2024: 6 (Data coverage in FYE 2024: 100%).

The number of offices including domestic branches: FYE 2020: 7, FYE 2021: 6, FYE 2022: 8, FYE 2023: 6, FYE 2024: 6 (Data coverage in FYE 2024: 100%).

Up to FYE 2021, other branches had been included. Ippeki Villa Area is not included in the scope of the data FYE 2023 due to business transfer during the fiscal period.

*2 The number of companies covered: FYE 2020: 238, FYE 2021: 232, FYE 2022: 233, FYE 2023: 225, FYE 2024: 241 (Data coverage in FYE 2024: 100%)*5.

*3 The number of overseas offices covered: FYE 2020: 29, FYE 2021: 49, FYE 2022: 46, FYE 2023: 43, FYE 2024: 43 (Data coverage in FYE 2024: 100%).

*4 The number of companies covered: FYE 2021: 286, FYE 2021: 274, FYE 2022: 254, FYE 2023: 257, FYE 2024: 261 (Data coverage in FYE 2024: 100%) *5.

^{*5} The number of companies covered includes all the consolidated subsidiaries, including those held for investment management purposes. However, companies expected to be sold within the next five years held for investment management purposes are not included in GHG Emission, Water Withdrawal and Wastewater Discharge, and Hazardous Waste. Moreover, non-manufacturing site offices with 10 or fewer employees are not included due to their quantitative insignificance.

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

ESG Data (Environment)

Climate Change Performance Data

Energy Consumption

Energy Consumption

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Purchased and Consumed Non- Renewable Fuel (Unit: MWh)	691	640	580	331	156
	Purchased Non-renewable Power (Unit: MWh)	28,747	27,320	27,107	26,332	24,313
Japanese Bases of ITOCHU Corporation	Other Purchased Non-renewable Energy (e.g., Steam, Heat and Cooling Water) (Unit: MWh)	7,385	7,401	6,869	7,046	7,993
	Generated Renewable Energy (Solar Power Generation*) (Unit: MWh)	54	60	63	61	66
	Total of Energy Consumption Cost (Unit: million JPY)	537	571	573	652	612

^{*} Solar Power Generation

Energy Consumption Attributable to Business Facilities

(Unit: GJ)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Tokyo Headquarters	126,135	121,290	118,419	118,627	114,083

^{*} The figures for the Tokyo Headquarters had been calculated based on the Tokyo Metropolitan Ordinance on Environmental Preservation until FYE 2023, and from FYE 2024 with the emission factors specified in the revised Law Concerning the Promotion of the Measures to Cope with Global Warming effective April 1, 2024 (the "Revised Law")

Electricity Consumption

(Unit: MWh)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Japanese Bases of ITOCHU Corporation*	10,759	10,231	10,214	9,269	9,386
Group Companies in Japan	1,204,830	1,248,258	1,202,311	975,320	1,014,274
Overseas Offices	2,098	3,515	3,469	3,126	3,096
Overseas Group Companies	447,462	437,030	422,880	538,683	645,863
Grand Total of ITOCHU Group	1,665,148	1,699,034	1,638,874	1,526,398	♦ 1,672,619

^{*} The Tokyo Headquarters is sourcing its real CO₂-free electricity together with a Non-Fossil Fuel Certificate since January 2020. The Non-Fossil Fuel Certificate includes the tracking information of Maebashi Biomass Power Plant (Maebashi, Gunma Prefecture) and is used at the Tokyo Head Office building in combination with purchased electricity.

Heat and Steam Consumption

(Unit: GJ)

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
ITOCHU Group	Industrial Steam	541,932	488,429	520,936	851* ¹	797
	Non-industrial Steam	14,452	15,462	14,532	14,593	15,636
	Hot Water	4,860	5,710	6,285	4,745	4,373
	Cold Water	75,227	67,618	62,874	22,353*2	25,420

^{*1} In FYE 2023, a Group company became non-consolidated subsidiaries and is not included in the calculation, which causes significant decrease from FYE 2022.

Fuel Consumption

			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
1	Kerosene (Unit: kL)		2,609	3,387	3,086	2,151	1,944
	Light Oil (Unit: kL)		41,790	48,460	46,262	48,762	42,671
	Gasoline (Unit: kL)		12,759	12,688	11,547	11,619	11,751
	Heavy Oil A (Unit: kL)		20,432	18,969	58,137	19,292	19,324
	Heavy Oil B a	and C (Unit: kL)	25,942	25,546	13,595	20,784	13,959
			315,148	325,431	292,371	192,663	180,851
	Petroleum gas	Liquefied Petroleum Gas (LPG) (Unit: t)	11,966	11,294	13,575	14,661	13,350
ITOCHU Group		Liquefied Petroleum Gas (LPG) (Unit: thousand m³)	472	469	1,200	578	1,409
		Liquefied Petroleum Gas (LPG) (Unit: kL)	186	1,209	660	564	1,283
		Petroleum Hydrocarbon Gas (Unit: thousand m³)	340	3	3	3	3
	Combustible Natural Gas	Liquefied Natural Gas (LNG) (Unit: t)	5,698	4,524	11,654	2,534	4,540
		Other Combustible Natural Gas (Unit: thousand m³)	14,115	12,761	7,101	27,749	28,035
	City Gas, etc.	City Gas (Unit: thousand m³)	26,692	46,793	37,107	33,931	28,688
		Other Gas (Unit: thousand m³)	242	404	0	0	0

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

^{*2} Decreased in FYE 2023 due to sales of some business sites of a Group company.

Environmental Policy

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity Clean-tech Business (Information Disclosure Based on the TNFD Recommendations)

ESG Data (Environment)

ESG Data (Environment)

Energy Intensity

Energy Consumption from ITOCHU's Domestic Sites (Intensity)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Per Employee (Total of Japanese Bases of ITOCHU Corporation) (Unit: GJ/employee)	16.070	15.536	15.245	14.418	14.931
Per One Square Meter of All Floor Space (Total of Japanese Bases of ITOCHU Corporation) (Unit: GJ/m²)	0.684	0.576	0.564	0.539	0.559

^{*} The denominators of intensity figures per one square meter of all floor space are as follows: FYE 2020: 101,545 m², FYE 2021: 114,920 m², FYE 2022: 113,434 m2, FYE 2023: 111,945 m², FYE 2024: 111,893 m²

GHG Emissions

Scope1/Scope2

(Unit: thousand t-CO2e)

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Scope1	0	0	0	0	★ 0
Japanese Bases of ITOCHU Corporation	Scope2	7	6	6	6	★2
·	Scope1+2	7	7	6	6	★ 2
ITOCHU Group	Scope1	1,203	1,522	1,485	1,166	♦ 1,062
	Scope2	836	800	716	600	♦ 627
	Scope1+2	2,038	2,322	2,201	1,766	1 ,690

^{*} The calculation of GHG uses the GHG Protocol developed by WRI (the World Resources Institute) and WBCSD (the World Business Council for Sustainable Development), and is aggregated according to the operational control approach

GHG Emissions from Business Facilities (Scope 1+2)

(Unit: thousand t-CO2e)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Tokyo Headquarters	6	6	6	6	2
Japanese Bases of ITOCHU Corporation	7	7	6	6	★2
Group Companies in Japan	1,526	1,611	1,507	1,133	1,111
Overseas Offices	2	3	3	3	3
Overseas Group Companies	504	701	684	625	573
Grand Total of ITOCHU Group	2,038	2,322	2,201	1,766	1 ,690

- * Energy-related CO2 emissions included in the ITOCHU Group's Scope 1 emissions for FYE 2024 are calculated by applying the emission factors specified in the Revised Law Concerning the Promotion of the Measures to Cope with Global Warming effective April 1, 2024. However, emissions from city gas are calculated by applying the emission factors that were effective prior to the enforcement of the Revised Law, including emissions in FYE 2024 (City gas: 2.23 t-CO2/thousand m3N).
- * CO2 emissions from electric power generation of Japanese Bases of ITOCHU Corporation and Group Companies in Japan are calculated by applying basic emission factors by electric utility for data up to FVE 2021 and adjusted emission factors by electric utility for data from FVE 2022 and onward. The data for FVE 2024 is based on the adjusted emission factors for each electric utility published by the Ministry of the Environment on December 22, 2023.
- * CO2 emissions from electricity of Overseas Offices and Overseas Group Companies are calculated based on CO2 conversion coefficient according to the latest data of the International Energy Agency (IEA 2023) for overseas offices and overseas Group companies. We used 2021 data of IEA 2023 for calculation of the figures of FYE 2024.
- *CO2 emissions from heat (Non-industrial Steam, Hot Water, and Cold Water) are calculated using emission factors that were effective prior to the enforcement of the Revised Law, including emissions FYE 2024 (Non-industrial Steam, Hot Water, and Cold Water: 0.057 t-CO2/GJ).
- *The figures for the Tokyo Headquarters had been calculated based on the Tokyo Metropolitan Ordinance on Environmental Preservation until the FYE 2023, and from FYE 2024 with the emission factors specified in the Revised Law.
- * CO2 emissions in FYE 2024 that are not included in any of the Scope 1,2, and 3 emissions are 232 thousand t-CO2e, which are CO2 emissions from the combustion of biomass fuels such as wood and vegetable residues.

Scope1 Total Emissions Breakdown by GHG Type

(Unit: thousand t-CO2e)

			FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Sco	pe1 Total Emi	ssions	1,203	1,522	1,485	1,166	1,062
Ene	Energy Consumption CO ₂		1,158	1,234	1,214	907	845
	al GHG Emissinsumption	ons other than CO ₂ from Energy	44	288	270	259	218
		Non-energy Consumption CO ₂	0	0	0	16	14
		Methane (CH ₄)	1	118	136	122	106
		Dinitrogen Monoxide (N2O)	18	119	108	103	82
	Breakdown	Hydrofluorocarbon (HFCs)	24	51	26	18	16
		Perfluorocarbon (PFCs)	0	0	0	0	0
		Sulfur Hexafluoride (SF ⁶)	0	0	0	0	0
		Nitrogen Trifluoride (NF³)	0	0	0	0	0

^{*} The global warming potential (GWP: Global Warming Potential) for the calculation of GHG emissions other than CO2 from energy consumption is based on GWP100 of the IPCC 4th Assessment Report (AR4) for FYE 2020-2023, GWP100 of the IPCC 5th Assessment Report (AR5) for FYE 2024.

^{*} GHG emissions other than CO2 from energy consumption from Group companies that emit 3,000 or more t-CO2e per year are aggregated and disclosed.

* We started including "CH4 and N2O emissions associated with pig breeding and excrement management" and "HFC emissions due to leaks from refrigerating

[&]quot;We started including "CH4 and N2O emissions associated with pig breeding and excrement management" and "HFL emissions due to leaks from retrigerating equipment, etc." from FYE 2019, and started further including "CH4 emissions associated with was textware treatment", "CH4 emissions associated with compositing and landfilling waste" and "N2O emissions associated with the use of fertilizer on farms" from FYE 2021.

^{*} GHG emissions derived from fluorocarbons are as follows:

[•] Group Companies in Japan: Calculated according to the calculation method stipulated by Act on Rational Use and Appropriate Management of Fluorocarbons. However, HCFC is not included in the aggregation.

Overseas Group Companies: Calculated based on the charging amount of fluorocarbons used as refrigerants.

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity Clear (Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

ESG Data (Environment)

Scope3 (Unit: thousand t-CO2e)

(compared to the compared to t					
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Capital Goods*1	800	660	621	598	506
Fuel & Energy Related Activities*2	328	310	389	342	378
Upstream Transportation & Distribution*3	13	12	10	12	★ 10
Waste Generated in Operations*4	235	369	350	298	232
Business Travel*5	56	21	25	44	133
Employee Commuting*6	25	25	23	18	27
Franchises*7	1,152	1,089	1,048	1,025	947

Emission intensity is selected from the Inventory Database for Calculation of an Organization's GHG Emissions through the Supply Chain issued by the Ministry of Environment of Japan (the latest version), the Inventory Database for Environmental Analysis (IDEA) Ver.3.3 developed by National Institute of Advanced Industrial Science and Technology (AIST), etc.

- *1 Calculated by multiplying the amount of fixed assets acquired (consolidated basis) in the relevant fiscal year by the emission intensity per capital goods
- *2 Calculated using various emission intensities for fuel, heat, and purchased electricity collected during Scope 1 and Scope 2 calculations. Emissions from the generation of wholesale and retail electricity are also included in this category.
- *3 Emissions related to domestic contracted transportation of ITOCALU Corporation as the shipper are calculated based on the Greenhouse Gas Emissions Calculation and Reporting Manual issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
- *4 Calculated based on various waste and wastewater emissions intensity for the entire ITOCHU Group.
- *5 Calculated based on the consolidated accounting data of the ITOCHU Group. The emissions intensity is used for each type of business trip. In FYE 2024, the GHG reduction effect of 50 t-CO₂ was included applying "Certificate of CO₂ Reduction Effect by SAF" which we purchased through "SAF Flight Initiative" offered by All Nippon Airways CO₂, Ltd.
- *6 The consolidated commuting expenses are estimated based on ITOCHU's commuting expenses and the number of employees, and then the figure is calculated using the emission intensity of railway commuting.
- *7 The difference between Scope 1 and Scope 2 of franchisees of related consolidated subsidiaries of the ITOCHU Group and Scope 1 and Scope 2 of those subsidiaries is recorded.

GHG Emissions (Scope1+2) Intensity

■ GHG (Scope1+2) Emissions from ITOCHU's Domestic Sites and ITOCHU Group (Intensity)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Per Employee (Total of Japanese Bases of ITOCHU Corporation) (Unit: t-CO2e/employee)	1.596	1.552	1.540	1.439	0.468
Per One Square Meter of All Floor Space (Total of Japanese Bases of ITOCHU Corporation) (Unit: t-CO ₂ e/m ²)	0.068	0.058	0.057	0.054	0.018
Per MWh of Electricity Consumption (Grand Total of ITOCHU Group) (Unit: t-CO2e/MWh)	0.502	0.471	0.437	0.393	0.375

^{*} The denominators of intensity figures per one square meter of all floor space are as follows: FYE 2020: 101,545 m2, FYE 2021: 114,920 m2, FYE 2022: 113,434 m², FYE 2023: 111,945 m², FYE 2024: 111,893 m²

■ CO₂ Emissions by Beverage Manufacturing Companies (Intensity)

Business Profile	Company Name (Boundary)	Unit	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Beverage Manufacturing	Clear Water Tsunan Co., Ltd. (Soft drink manufacturing and sales business)	t-CO ₂ e / production capacity in kL	0.081	0.088	0.080	0.062	0.071

Avoided Emissions

Avoided emissions is a quantification of the amount of greenhouse gas reductions in the value chain that could be reduced or curbed if existing products and services (baseline) were replaced with our products and services. International discussions are continuing on the calculation rules for avoided emissions in order to establish a system that is more in line with the actual situation. We will continue to review our own calculation and disclosure methods in light of these discussions.

Valuation Target	FYE March 2024	Baseline	Calculation Method
Renewable Energy Power Generation	11,792 thousand t-CO ₂ e	Coal-fired Power Generation in Each Country	Methodology for calculating annual avoided emissions: Generation capacity x 8,760h x estimated facility utilization rate x emission factor x equity share. Comparison is made only for the avoided emissions in the operational phase of each project. The figures for power plants in which we invest and operate are calculated on a stock basis (single year), while the figures for power plants in which we develop and sell concessions are calculated on a flow basis (lifetime). For power plants that we only operate, and we develop and sell concessions, we multiply the above formula by 70% as our contribution rate. Emission factors are referred to International Energy Agency (IEA) Emission Factors.
Energy Storage	457 thousand t-CO ₂ e	Coal-fired Power Generation in Each Country	Methodology for calculating annual avoided emissions: Our sold storage capacity x discharge depth x 365d x emission factor. Assumed that storage batteries are fully charged with renewable energy and discharge it like a virtual power plant (VPP) to replace existing power plants. Calculated on a flow basis (lifetime), assuming a 70% discharge depth and 20 years of operation for the storage batteries we sold. A certain degradation rate is also taken into account. Emission factors are referred to International Energy Agency (IEA) Emission Factors.
Renewable Fuel	17 thousand t-CO ₂ e	Fossil Fuel	Methodology for calculating annual avoided emissions: Sales volume x life cycle reduction rate x emission factor. Life cycle reduction rate is a measure of how much GHGs can be reduced over the entire life cycle of a product compared to a conventional product. Assumed to be 80% to 90% for each product. Emission factors are referred to those given in the Energy Efficiency and Global Warming Countermeasures Reporting System of the Ministry of Environment of Japan.

Environmental Policy

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

ESG Data (Environment)

Pollution Prevention and Resource Circulation Performance Data

Pollution Prevention

NOx, SOx, VOC (Unit: t)

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
I	NOx (Nitrogen Oxides)*2	1,378	1,569	1,437	1,108	♦ 982
Japanese Bases of ITOCHU Group*1	SOx (Sulfur Oxides)*2	514	416	416	370	♦ 298
Огоир	VOC (Volatile Organic Compounds)*3	424	445	400	219	♦ 312
0	NOx (Nitrogen Oxides)*2	1,293	1,458	1,656	131	65
Overseas Bases of ITOCHU Group	SOx (Sulfur Oxides)*2	648	333	545	284	235
Стоир	VOC (Volatile Organic Compounds)*3	168	182	192	222	215
	NOx (Nitrogen Oxides)*2	2,671	3,027	3,093	1,239	1,047
Grand Total of ITOCHU Group	SOx (Sulfur Oxides)*2	1,162	749	961	653	534
	VOC (Volatile Organic Compounds)*3	592	627	592	441	527

^{*1} The data are calculated for the business bases located in Japan.

Resource Circulation

Waste Generated and Waste Recycling Rate

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Waste Generated (Unit: t)	767	465	469	428	★ 441
Tokyo Headquarters	Waste Non-recycled	44	31	30	39	★ 34
Tokyo neauquarters	Waste Recycled	723	434	439	389	★ 407
	Recycling Rate (Unit: %)	94.3	93.4	93.7	90.9	★ 92.3
Osaka Headquarters, Branches and Other Business Facilities in Japan	Waste Generated (Unit: t)	1,354	1,226	2,265	3,160	1,722
Group Companies in Japan	Waste Generated (Unit: t)	149,949	248,465	141,355	110,911	108,968
Overseas Offices	Waste Generated (Unit: t)	9	41	238	449	412
Overseas Group Companies	Waste Generated (Unit: t)	461,018	504,085	504,296	525,187	498,016
	Waste Generated (Unit: t)	613,097	754,283	648,623	640,135	609,558
Grand Total of ITOCHU	Waste Non-recycled	450,376	584,567	194,374	132,496	141,219
Group	Waste Recycled	162,721	169,716	454,249	507,639	468,339
	Recycling rate (Unit: %)	27	23	70	79	77

^{*} The waste generated of the Tokyo Headquarters includes the amount sold as valuables

Hazardous Waste Generated

(Unit: t)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Japanese Bases of ITOCHU Corporation • Japanese Bases of ITOCHU Group*1 *2	329	750	251	226	♦ 267
Overseas Offices • Overseas Bases of ITOCHU Group	1,111	1,111	1,063	4,374	3,462
Grand Total of ITOCHU Group	1,440	1,861	1,314	4,600	3,730

^{*1} The data are calculated for the business bases located in Japan.

Paper Consumption

(Unit: thousand sheets (A4 equivalent))

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Japanese Bases of ITOCHU Corporation	Copy Paper Consumption	26,913	19,167	14,916	14,383	12,720

NOx and SOx emissions are calculated for soot and smoke generating facilities under the Air Pollution Control Act.
 VOX and SOx emissions are calculated for soot and smoke generating facilities under the Air Pollution Control Act by the Ministry of the Environment. The main compounds that fall under the VOC 100 types indicated in the notification of the Air Pollution Control Act by the Ministry of the Environment. The main compounds to be counted include ethyl acetate, propyl acetate and isopropyl alcohol. See Attachment 1 of "Enforcement of the Act to Partially Amend the Air Pollution Control Act." (Notice of the Ministry of the Environment, No. 050617001, Kankan Daihatsu, dated June 17, 2005).

^{*2} The amount of specially controlled industrial waste specified in the "Waste Disposal and Public Cleansing Law" is totaled.

Environmental Policy

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

ESG Data (Environment)

Water Resources Performance Data

Water Withdrawal and Wastewater Discharge

Volume of Water Withdrawal & Wastewater Discharge

(Unit: thousand m3)

						_
		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	City water usage	42	29	30	37	40
Tokyo Headquarters	Treated water production volume*1	34	25	27	32	★ 41
	Wastewater Discharge	60	41	41	50	54
Osaka Headquarters, Branches and Other	Water withdrawal	73	61	84	4	7
Business Facilities in Japan	Wastewater Discharge	170	133	169	6	7
Japanese Bases of	Water withdrawal*2 *3	115	90	115	41	■ 62
ITOCHU Corporation	Wastewater discharge*2 *4	230	173	210	56	■ 60
Group Companies in	Water withdrawal	21,947	24,540	25,228	14,833	15,315
Japan	Wastewater Discharge	9,594	14,269	14,926	9,835	9,871
Overseas Offices	Water withdrawal	5	16	31	39	36
Overseas Offices	Wastewater Discharge	5	15	31	39	35
Overseas Group	Water withdrawal	72,064	48,494	32,747	30,208	35,251
Companies	Wastewater Discharge	16,394	21,723	16,319	14,347	13,275
Grand Total of	Water withdrawal	94,132	73,140	58,120	45,121	50,663
ITOCHU Group	Wastewater Discharge	26,224	36,181	31,486	24,277	23,241

Water Withdrawal Amount by Withdrawal Source

(Unit: thousand m3)

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Supplied Water Usage, Industrial Water	10,764	12,119	11,655	11,669	12,618
	Groundwater Withdrawal	46,764	20,516	16,702	15,349	18,652
ITOCHU Group	Water Taken from Rivers, Lakes, Rainwater	26,323	31,402	19,729	18,079	19,340
·	Water Taken from Seawater	10,269	9,068	10,015	0	0
	Others (External wastewater, Produced Water, etc.)	11	34	19	25	54
	Grand Total	94,132	73,140	58,120	45,121	50,663

Discharge Amount by Discharge Destination

(Unit: thousand m3)

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	Water Discharged to Treatment Facility (e.g., Sewage)	3,900	7,181	9,893	7,052	7,416
	Water Discharged to Groundwater	5,731	11,639	6,464	3,912	4,069
ITOCHU Group	Water Discharged to Rivers, Lakes	10,464	10,251	12,581	10,730	9,009
	Water Discharged to Sea	6,130	6,679	1,905	1,857	2,355
	Others	_	431	642	725	392
	Grand Total	26,224	36,181	31,486	24,277	23,241

^{*1} The treated water production volume partly contains "City water usage".
*2 FYE 2023, water withdrawal and wastewater volume decreased significantly from the previous fiscal year because the business of the Ippeki villa area was transferred during the fiscal year and is not included in the calculation.
*3 The amount of rainwater used for treated water production has been counted in water withdrawal at the Tokyo Headquarters from FYE 2024.
*4 The amount of wastewater discharge from Japanese Bases of ITOCHU Corporation until FYE 2022 includes wastewater from sewage treatment plants that receive and treat sewagement from third partless of the amount of wastewater discharge from bird partless of the amount of wastewater from the production of the production of

receive and treat sewage from third parties, so the amount of wastewater greatly exceeds the amount of water withdrawal.

^{*} Water sprayed for irrigation is not included in wastewater discharge.

^{*} Estimation method when water withdrawal and wastewater discharge are not known;

for Water withdrawal: using a certain basic unit.

for Wastewater discharge: assuming the same amount as water withdrawal or using a certain basic unit.

Environmental Management

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

Water Resources Conservation

Natural Capital and Biodiversity Clean-t (Information Disclosure Based on the TNFD Recommendations)

Clean-tech Business

ESG Data (Environment)

Water Withdrawal in Water Stressed Regions

The amount of water withdrawal at sites with high risk and extremely high risk (>40%) identified using the WRI Aqueduct tool developed by WRI (World Resources Institute (P80)) is as follows. Assuming the total amount of water withdrawal in FYE 2022 as 100%, the amount of water withdrawal at sites with high risk is 4%, and that at sites with extremely high risk is 2%.

		FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
High Risk Number of Sites		6	7	4	5	8
(40-80%)	Water Withdrawal (thousand m³)	2,201	2,786	2,449	2,478	139
Extremely High Risk (>80%)	Number of Sites	2	3	3	5	7
Risk (>80%)	Water Withdrawal (thousand m³)	623	1,096	1,362	1,167	3,920

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

Catego	ory	Boundary	Unit	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Beverage Manufac		Clear Water Tsunan Co., Ltd. (Soft drink manufacturing and sales business)	Consumption m ³	1.95	1.85	1.82	1.83	1.81

Biochemical Oxygen Demand (BOD) Chemical Oxygen Demand (COD)

		Unit	FYE 2021	FYE 2022	FYE 2023	FYE 2024
ITOCHU Group discharge	BOD load	t	39,099	28,622	52,612	31,511
amount into Water	COD load	t	213,808	135,710	231,914	123,785

Chemical Oxygen Demand (COD)

	Category	Boundary	Unit	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Ch	nemical	C.I. TAKIRON Corporation (factory)	mg/L	2.78	2.20	2.80	1.50	1.67

Environmental Accounting

Environmental Conservation Costs

(Unit: thousands of yen)

	Classification	Items	FYE 2024
	Costs inside Business Areas	Costs related to pollution prevention, global environmental conservation, and resource recycling	111,911
	Upstream & Downstream Costs	Additional costs for reducing environmental impact, green procurement costs, and containers and	16,238
	(Green Procurement Costs)	packaging recycling.	6,727
Management Activity Costs		Costs for the development and operation of environmental management systems and environmental education for employees	299,394
Japanese Bases of ITOCHU	Research and Development Costs	R & D costs for products contributing to environmental conservation	500
Corporation	Social Activity Costs	Costs for environmental improvement measures such as nature conservation, greening, beautification, and landscape preservation, as well as donations and support to organizations engaged in environmental conservation	8,795
Costs to Address Environmental Damage		Costs for nature restoration, compensation for damages related to environmental conservation, etc.	27,382
	Grand Total of Japanese Bases of ITOCHU Corporation		464,220

^{*} Summarized based on the Environmental Accounting Guidelines - 2005 Edition from the Ministry of the Environment

Environmental Conservation & Economic Effects

		FYE	2024
		Environmental Conservation Effects	Economic Effects (Unit: thousands of yen)
Japanese Bases of ITOCHU Corporation	Paper Usage	1,663 thousand sheets	-925
ITOCHU Corporation	Electricity Usage	-116 MWh	18,572
Tokyo Head Office	Waste Generated	-13 t	-595
токуо неац описе	Water Usage	-6,655 m ³	-4,806

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

Understanding the Situation of our Environmental Obligations

We do not limit ourselves to just supporting statutory requirements in regards to the environmental risks in the tangible fixed assets (e.g., land and buildings) of ITOCHU alone and our Group companies — in particular, asbestos, PCB and soil contamination; we also look to understand the situation through surveys voluntarily and then aim to respond in a way that is helpful to prompt management policy decisions and judgments. As of March 2024, we estimate the cost of waste disposal at JPY 27 million, which is a reasonably estimable amount (shadow cost) for future environmental liabilities.

op Commitment Sustainability at the ITOCHU Group Environment Society Governance Sustainable Finance Evaluation by Society Independent Assurance Report 🛕 🔇 114



Society

Labor Practices Human Resources Development

Occupational Safety and Health Management

Respect and Consideration for Human Rights

Responsibilities to Customers

Sustainability in the Value Chain

Social Contribution Activities

ESG Data (Society)

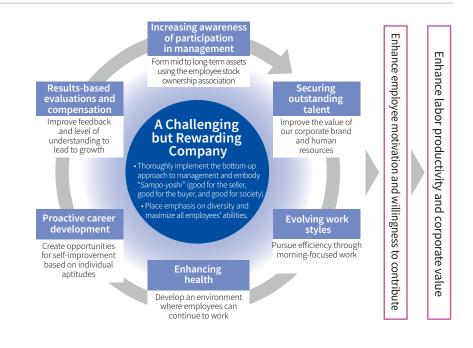
Labor Practices: Employment and Benefits

Policy and Basic Concept

In running a global business in a wide range of domains, consolidated group companies join together to operate as the ITOCHU Group. The Group has more than 110,000 consolidated employees as of the end of FYE 2024. ITOCHU Corporation is implementing various initiatives that aim to create a working environment where our diverse body of employees can reach their full potential. Some of our notable initiatives include: enhancing our early morning-focused work system to promote workstyle reforms, the establishment of various systems to support employees with caring duties, and the promotion of social activities among employees at our recreational facilities.

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

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



Targets and Action Plan

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.					d business opportunities, increase i	n health-related expenses, and			Opportunities ecuring of excellent human resources, enhanced capability of responding to will result from providing a motivating workplace environment.
Division Company	SDGs		****		Porformance Indicators				
Head quarters	8 ECCENT FREEK AND ECCENTRIC CONTRICT C	Labor Practices	Improving operating efficiency and preventing long working hours through work style reform	Human resources affairs	We will aim to improve labor productivity and employee engagement by promoting varied work styles.	Conduct regular monitoring of emsituations. Conduct employee engagement s Promote the percentage of taking acquiring paid leave.	urvey.	Compliance to labor laws. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. Paid leave acquisition rate at 70% or higher.	Conducted monitoring of employee's working hours and working environment so as to prevent unpaid overtime work. The positive answer rate to the "employee engagement" in employment survey; 71% in FYE 2022, 76% in FYE 2019, 78% in FYE 2015. Percentage of taking employee acquiring paid leave; 64.7% in FYE 2024.

Human Resources Development Labor Practices

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Labor Practices: Employment and Benefits

Structures and Systems

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

Risk Assessment for Labor Practices in Business Investments and Financing Projects

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

For further details, please refer to the ESG Risk Assessment for New Business Investment Projects (P 168).

Ensuring Compliance to Labor Standards

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

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

Employee Engagement

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

We conduct a large-scale engagement survey and disclose the result once every three to four years. In the survey conducted in December 2021, the positive answer rates for Employee Engagement and Employee Enablement were among the highest for all Japanese companies. These results represent an ongoing trend since the previous survey (conducted in FYE 2019). This indicates that many employees are proud of working for ITOCHU Corporation and engage in work with strong motivation to contribute to the company and with the aim of achieving better-than-expected results on a voluntary basis. In fiscal years when we do not conduct large-scale engagement surveys, we conduct simplified surveys with carefully selected questions to swiftly and accurately assess progress on these measures, report the identified issues, etc. to the Executive Officers Meeting and the HMC, and decide on new measures and improvements. In this way, we assess issues every year and conduct PDCA cycles to promote human resource strategies and make improvements. We are also adopting new measures to support the advancement of female employees through Femtech etc. and independent career development support to respond to the issues identified through this survey. We are verifying the effectiveness of these measures and building a structure to promptly take countermeasures.

■ Engagement Survey Score

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

^{*} The score is affirmative response (%)

Promotion of Work-Style Reforms

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

Human Resources Development

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Social Contribution Activities

G Data (Society)

Labor Practices: Employment and Benefits

Evolving Our Morning-Focused Work System / Managing Work Time

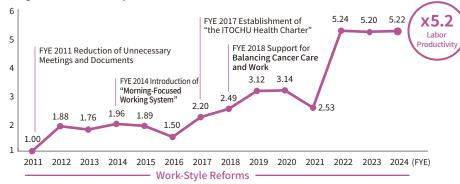
The morning-focused work system we adopted in October 2013 has promoted workstyles that reflect the ITOCHU philosophy by encouraging a mindset among employees: leaving work early in the evening and coming to work early in the morning leads to more efficient work. This also had a significant impact on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

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

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

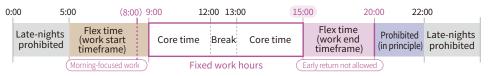
ITOCHU believes its initiatives as a pioneer in work-style reform will both empower individual employees to change their approach to work, and promote balanced operational reforms. In this way, the Company is striving to achieve a work environment that enhances operational effectiveness, helps maintain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

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



Outline of Initiatives

■ Morning-Focused Work System Diagram



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





Morning light meals distribution.

Special Corner

Balancing Work with Childcare and Nursing Care

ITOCHU Corporation goes above and beyond the requirements of the law to arrange programs that help employees, regardless of gender, to balance work with childcare and nursing care. This allows the employees to continue making full use of their skills during their careers at the company, while resting assured they can handle stages of life where they must take care of children or elderly family members at home. In FYE 2017 we introduced a telecommuting program which employees who meet certain conditions can take advantage of. Eligible employees include those with time constraints due to childcare or nursing care obligations, as well as those who face difficulty making the commute to work due to pregnancy, illness or other such reasons. We expanded the program to make all employees eligible to take advantage of it from May 2022.

The number of male employees wishing to take childcare leave has been increasing, with the "allowance for balancing childcare and work"* introduced in FYE 2023 being a key driver. In response, after discussing in Women's Advancement Committee, ITOCHU has made it "mandatory" for male employees to take 5 days of childcare leave (paid leave) within 1 year after childbirth, starting from FYE 2025. In addition to improving the "job satisfaction" of male employees, we believe that encouraging male employees to participate in childcare will foster a corporate culture that respects diversity and will lead to further support for female employees.

In addition, we continue to hold nursing care seminars every year in light of the fact the importance of preparing for nursing care has also become a social problem. At the same time, we introduced a service to provide nursing care information online in FYE 2018. We then introduced a one-stop nursing care assistance service to meet the needs of those seeking advice in April 2019.

^{*} A certain amount of allowance to subsidize for the extra cost (childcare cost, etc) in case an employee takes more than 4 weeks of childcare leave and returns to work before the child turns 1-year old.

Human Resources Development

Occupational Safety and Health Management

Respect and Consideration for Human Rights Responsibilities to Customers

Sustainability in the Value Chain

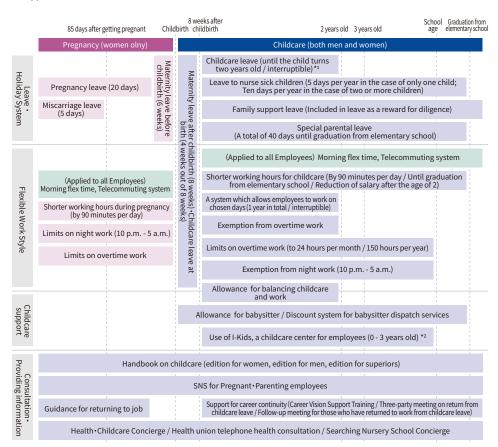
Social Contribution Activities

G Data (Society)

Labor Practices: Employment and Benefits

Support Programs for Balancing Work with Childcare & Nursing Care

■ Support for Childcare

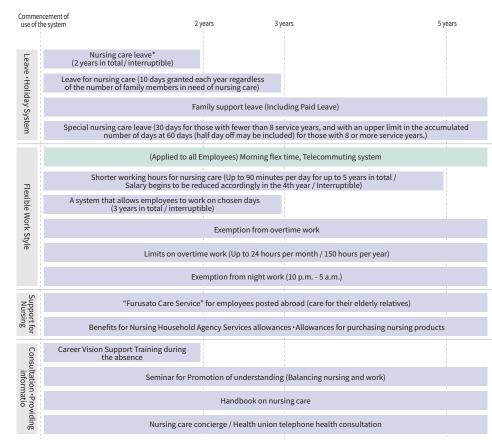


^{*1} Among the systems for taking time off or leave, only "Childcare leave" is unpaid. All other types of leave are paid.

Use of Childcare & Nursing Care Programs★

For details, please refer to ESG Data (P184).

■ Support for Nursing Care



^{*} Among the systems for taking time off or leave, only "Nursing Care Leave" is unpaid. All other types of leave are paid.

^{*2} Temporary childcare services are available until the child reaches school age.

Labor Practices: Employment and Benefits

Reemployment System

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



Reemployment System

(five years in the event an extension is permitted)

ITOCHU Kids Day for Visiting Mom & Dad at Work

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

In August 2023, ITOCHU held a workplace after-school program "I-SUMMER School" as "ITOCHU Kodomo Domannaka Week" (translates to "a week dedicated to children at the very core"). With the increasing demand for high-quality after-school programs, we set up a program during school summer break where the children can experience ITOCHU's original workstyle reform "morning-focused working system," working in office, and learn about ITOCHU's business, history, and global mindset through

ITOCHU's original contents. This program is not limited to the children of ITOCHU employees but extends its reach to students from neighboring community. During "I-SUMMER School," we accepted around 240 children in total from the neighboring school, strengthening our ties with the local community.

We also held "I-SPRING School" in March to April 2024 during school spring break. We will continuously strive to work towards creating a society where children can grow healthily and happily.



Demonstration of Drone at "ITOCHU Kodomo Domannaka WEEK"

Employee Benefits

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

Employee Cafeteria

At ITOCHU Corporation Tokyo Headquarters, we have a cafeteria with a capacity of up to 870 seats, making it possible for over 1,000 employees on average to use the cafeteria.

We have taken steps to make the cafeteria a more attractive space for employees. With the aim of promoting employee health, we provide options such as "Gram Deli," "Power Salad," and vegetable dressings to encourage increased vegetable intake. We also offer set meals and side dishes aligned with monthly health themes. Additionally, we organize "health events" as part of our continuous efforts to enhance health awareness. We have revised our menus based on employee feedback as well. Furthermore, we offer a seasonal event menu every month to make coming to the cafeteria fun. We also provide collaborative menus so that employees can easily enjoy the taste of famous restaurants in the cafeteria. The employee cafeteria is used by many employees.

Cooldown Rooms

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

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

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

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Shower Lounge and Shower Room

In the summer of 2016, ITOCHU installed a shower lounge on the third floor of our Tokyo Headquarters, and a shower room on the second basement floor. Their goal is to help create a workplace environment that encourages job satisfaction. The seeds of this idea were accounts from employees who often found airport shower rooms crowded when returning from business trips on early morning flights. In response to this feedback,

ITOCHU established shower facilities at Headquarters so that employees returning from business trips can be more comfortable as they begin work. The facilities are equipped with overhead shower heads, which warm the body quickly in winter, and amenities like towels, hair driers, shampoo, and conditioner. The facilities have been well received, with employees reporting they are able to work in comfort. The facilities now stay open longer and can also be used by employees who exercise to improve their health. They are also open to employees of affiliate companies.



The state of the headquarters shower lounge

The Hiyoshi Dormitory

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

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

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

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

* Intended for full-time employees and some full-time employees from affiliated group companies.



"SOGO-KAI" Associations

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

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





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- Employee Status (as of March 31 for each respective year) (P183)
- Employees by Operating Segment (as of March 31, 2024) (P183)
- Overseas Bloc Employees by Region (as of March 31, 2024) (P183)
- Average Years Employed and Voluntary Resignation Rate (Non-Consolidated) (P184)





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Policy and Basic Concept

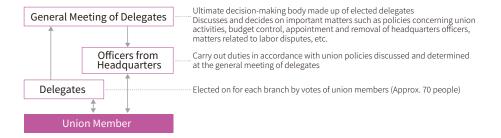
ITOCHU Corporation hopes to achieve an environment in which employees can leverage their individual talents and concentrate on their work without worry. To this end, we maintain a system of rich employee benefits and employee welfare facilities. Our original employee welfare measures include a morning-focused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

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

Structures and Systems

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

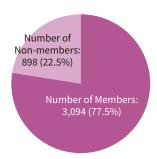
- (Article 3, Rules of the ITOCHU Labor Union)
- eadquarters: General meeting of delegates and officers at headquarters
- Branch: Four branches (Tokyo, Osaka, Nagoya, Tohoku)



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

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

Example: Providing treatment, such as dismissal or wage reduction, to a worker in response to an allegation made by the worker to the Labor Relations Commission, or to a similar action by the worker



Ratio of ITOCHU Labor Union Members as of

Initiatives Together With ITOCHU Labor Union in FYE 2024

April 2023 to March 2024 (Monthly)	Health Committee
June 2023	Account Settlement Council with CFO
July 2023 to January 2024	Labor-management negotiations regarding the revision of personnel management system
October 2023	One-year review of the support for balancing childcare and work
February 2024	Management Council with the President of Energy & Chemicals Company
March 2024	One-year review of the morning-focused flextime system

Activities by the Headquarters of the Labor Union in FYE 2024

April 2023 to March 2024 (Twice a Week)	General Meeting of Officers
April, June, September 2023, January, March 2024	General Meeting of Delegates
September 2023, March 2024	Three Officers Meeting from Each Branch
April 2023 to March 2024	Parents' meeting of union members: 10 times Administrative track union members' meeting: 5 times

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Comments from the ITOCHU Labor Union President



Aki OkuyamaPresident,
ITOCHU Labor Union

My name is Aki Okuyama. I will serve as the ITOCHU Labor Union President in FYE 2024.

I am fully committed to working towards achieving three missions I value most: To protect union members, to improve the company, and the mission I adopted last fiscal year, to create opportunities.

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

- 1. Dialogue and checks with management, and promotion of opened culture
- 2. Realization of updated wage and personnel systems
- 3. Encourage autonomous career development and a free and creative working environment
- Support to maintain Work-Life Balance of parents, and support for employees' well-being
- **5.** Support for secondees, expatriates, and union members working at branch offices I will do my best this fiscal year to make this a company where all union members can work with enthusiasm.

participation

Mission

Improved

employee treatment

Improved

company

nerformance

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

Improved

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

"To protect union members," "To improve the company," and "To create opportunities"

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

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

• Vision (= Ideal Future State):

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

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

Dialogue with the Labor Union

ITOCHU Corporation discusses a wide range of issues with the ITOCHU Labor Union in order to achieve our corporate mission "Sampo-yoshi." In FYE 2023, we held management meetings: an account settlement meeting with the CFO, Collective bargaining session about the revision of the personnel system, a one-year review of the morning-focused flextime system and support for balancing childcare and work, and a management meeting with the President of the Energy and Chemicals Company. Recurrent, active discussion between labor and management makes both cognizant of the challenges facing the company and keeps them on the same page. This builds a healthy relationship that enables them to consider and implement measures for improvement.

Dialogue with the President

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

Dialogue with the Division Company President

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

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Policy and Basic Concept

ITOCHU Corporation views diversifying consumer needs with a market-oriented approach. We believe accepting and utilizing diversity (DE&I: Diversity, Equity, and Inclusion) is essential to provide new value.

ITOCHU respects human rights and prohibits all forms of discrimination, including that based on race, gender, religion, nationality and age. We are creating an environment where employees do not fall victim to power harassment, sexual harassment, or SOGI (Sexual Orientation and/or Gender Identity) harassment in the workplace and where we accept diverse values. This is an environment where each of our employees is motivated to work and can demonstrate their abilities to the fullest through flexible work styles and individual support to realize "A Challenging but Rewarding Company."

Targets and Action Plan

	SDGs Targets	Impact Classifi-cation	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Head quarters	5 man. © 10 man. 10 man. 10 man.	Labor Practices	allows diverse human	Human resources affairs	We will prohibit all types of discrimination, including those based on race, gender, religion, nationality and age, and respect human rights. We will accept diverse values and create an environment where each employee maximize their ability with flexible working style and other supports.	Continue fair and equitable recruitment and promotion. Create a work environment in which employees accept and leverage diverse values. In anticipation of an increase in dual-income couples, enhance support for balancing childcare, nursing care, fertility treatment and similar circumstances with work (including utilization of flexible working style). Promote understanding and acceptance of LGBTQ and other sexual minority employees (e.g., employee education). Give reasonable consideration to the work environment of employees with disabilities.	Achieve the following plans by Year 2030. (1) Female board of directors (including executive officers) as a percentage: 30%. Achieve the following plans by FYE 2026. (2) Female employees as a percentage of workforce: 30%. (3) Female employees as a percentage of new employees: More than 40%. (4) Female employees as a percentage of employees in managerial positions: 10%. (5) Percentage of male employees who take childcare leave: 100%. Achieve the following plans by FYE 2025. (6) The percentage of employment of those with disabilities over our entire group: 2.5% as of March 2024 (Includes ITOCHU Uneedus Co., Ltd. and ITOCHU Human Resources & General Affairs Services Inc.). *(1) to (5) are stipulated in the General Employer Action Plan under the Act on Promotion of Women's Participation and Advancement in the Workplace.	Achieved the following plans by the end of FYE 2024. (1) Female employees as a percentage of workforce: 25% as of March 2024. (2) Female employees as a percentage of new employees: 39% in FYE 2024. (3) Female employees as a percentage of employees in managerial positions: 9% as of March 2024. (4) Percentage of male employees who take childcare leave: 53% as of March 2024. (5) The percentage of employment of those with disabilities over our entire group: 2.43% as of March 2024 (Includes ITOCHU Uneedus Co., Ltd. and ITOCHU Human Resources & General Affairs Services Inc.). *(1) to (4) are stipulated in the General Employer Action Plan under the Act on Promotion of Women's Participation and Advancement in the Workplace. Introduced the following measures as a result of discussions at the Women's Participation Promotion Committee. Made it "mandatory" for male employees to take 5 days of childcare leave (paid leave). Enhanced the utilization of femtech (eg.subsidize for egg freezing fee).

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Initiatives to Promote Women's Participation and Advancement

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

"Diversity as an Organization is Indispensable" "Market-oriented" Perspective and for the Sustainable Development of a Company Contribution to "the SDGs" Support for Numerical Entrenchment and Development and **Individual Support** Enlargement and **Activity Support** Dual-income **Program Expansion** Households Phase 1: Promotion Phase 2: Promotion Women's Plan on Human Plan on Human Work-Style Reforms Advancement Resource Resource Committe (From 2010) Diversification Diversification $(2021 \sim)$ (2003 to 2008) (2009 to 2013) Setting of numerical Continuation of · Challenging, but · Evolution of work style targets numerical targets Rewarding Company · Training of executive · Awareness to Labor productivity Development and understand, respect and monitoring to promote managers improvement · Flexible childcare and utilize diversity · Health Management · Support for early Comfortable working nursing care programs · Site. individual and ·Reforming employees' relationship reform (for · Support for balancing Career development awareness women's advancement) fertility treatment and support

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

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

Board of Directors after grasping sites and individual circumstances in the future. We will then incorporate the results into effective measures.

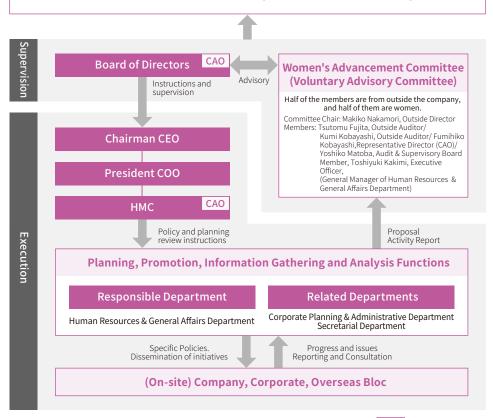
Please refer to our action plan stipulating specific targets and initiatives moving forward.

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

Structure for Women's Advancement (As of the end of March 2024)

Ideal Situation

Create an environment that allows each employee, regardless of gender, nationality, or age, to apply their unique traits towards work in a way that leads to individual improvement, organizational enhancement, and profit growth.



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Encouraging Women's Empowerment in the Workplace

ITOCHU Corporation established a new rule for selecting female executive officers and promoted five female employees from within to executive officers in April 2024. The most significant reason behind internal promotion was the need to raise awareness that the promotion of women itself is not the sole purpose, but cultivating a company-wide culture of training female managers and executives is. A diverse, strong, and resilient corporate culture and Board of Directors cannot be created overnight but will take years to develop.

ITOCHU positions Femtech to be the next initiative following work-style reforms. ITOCHU aims to be a company where female employees can take a more active role by removing barriers that may come in their way.

I believe, in such a company, anyone, regardless of gender, will be able to demonstrate their full potential.

Chairman & CEO Masahiro Okafuji

m. Oregi

Promoting Understanding and Fostering a Positive Work Culture

Since FYE 2019, ITOCHU Corporation has been holding "Diversity Week" as one of the initiatives to promote understanding and acceptance of diversity (it is named "Diversity Day" from FYE 2024). ITOCHU has also increased the frequency of awareness campaigns targeting all employees. Furthermore, through executive training programs and other initiatives, we are promoting understanding of the importance of diversity and support systems.

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

In FYE 2024, the Women's Advancement Committee (an optional advisory committee to the Board of Directors) organized an event with the participation of executives from BHP Group Limited, our important partner and a world-leading resource company. The purpose of the event was to share about BHP's Inclusion and Diversity Journey and exchange ideas to truly achieve gender equity in the business environment. A total of 120 employees participated in the event, aiming to deepen their understanding of how DE&I contributes to business innovation and the positive impact on organizations that comes with an increased proportion of female employees.



Co-hosted event with BHP to conduct a dialogue on diversity

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

For more details, please refer to Support for Diversity, Equity & Inclusion (P186).

Support for LGBTQ and Other Sexual Minorities

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





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Diverse Support Programs

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

Program	Main Contents	Overview
Concierge for health•childcare	Health, Childcare	Employees in Japan and abroad and their families can anonymously consult online with a counselor in charge (a nurse and a midwife certified as a public health nurse) who understands ITOCHU System about their mental and physical health and childcare concerns.
Fertility Treatment Support Program	Fertility, Infertility Treatment, and Health	ITOCHU provides and collects information on a wide range of topics such as fertility, infertility treatment, menopause, health, diversity, and more to our employees. Additionally, ITOCHU has partnerships with over 100 clinics nationwide, offering coupons for pre-conception check-ups, menopause diagnosis, and other services that are available to both male and Female.
Frozen Egg Bank	Egg Freezing	To support employees' options in balancing career and life plan, from FYE 2024, ITOCHU started subsidizing egg freezing fee. With the ITOCHU partnered bank, employees and their partners can consult and freeze their eggs using ITOCHU customized price.
Searching Nursery School Concierge	Searching Nursery School Concierge	Explains basic knowledge about how to search and select licensed nursery schools. Help to estimate the selection index for licensed nursery schools, lists neighboring nursery schools, and provides one-stop information.
Nursing Concierge	Nursing	A one-stop service and consultation service from temporary response to problem resolution by a our company specialist counselor. Specific problem resolution includes introduction of our company system, introduction and arrangement of care managers, introduction and arrangement of nursing homes, coordination and arrangement of nursing insurance applications, etc.
Consultation desk for LGBTQ	LGBTQ	Consult outside experts anonymously for concerns about sexual orientation and gender identity. Available to all parties.
Border - Less Medical Concierges	Lifestyle Disease	Each employee, whether domestic or foreign, is tutored by a public health nurse or nurse in close collaboration with a specialist in their particular lifestyle disease.

ITOCHU Corporation utilizes Femtech to solve the diversified health issues women face as well as to increase employee productivity and raise awareness regarding women's health issues. From FYE 2023, we have been promoting Femtech as part of "Virtual Office" project. In August 2023, we held an in-house exhibition "ITOCHU Femtech Fes!?" in collaboration with fermata, a Femtech company ITOCHU invests in. Approximately 700 employees visited the exhibition, and through the explanations of Femtech products(around 40 products) and speech given by an expert in the field, we made Femtech known to the participants as something familiar.

Please refer to "Human Resources Development -Virtual Office (P132)" for details.

Working Together with Persons with Disabilities

To provide persons with disabilities with a workplace that is motivating and rewarding, we established ITOCHU Uneedus Co., Ltd., in Yokohama, Kanagawa Prefecture in 1987(It was certified by the Ministry of Health, Labor and Welfare as the first special-purpose subsidiary in Kanagawa Prefecture.) The employment rate for persons with disabilities in ITOCHU Corporation is 2.43% as of March 2024 (the statutory employment rate is 2.30%). We are promoting an expansion in the recruitment and range of work of persons with disabilities toward the increase in the statutory employment rate scheduled for the next fiscal year or later.

Initiatives by ITOCHU Uneedus Co., Ltd.

ITOCHU Uneedus Co., Ltd. is involved in businesses such as dry cleaning, printing, document digitization, photograph services, mail collection and delivery, and laundry and cleaning with persons with and without disabilities coming together as one to support each other. To expand business as well as to create

a more welcoming workplace environment for employees with disabilities, in November 2015 the company relocated to new offices in Yokohama's Tsuzuki Ward with the extensive equipment in a universal design. The company is currently involved in business in four locations: its Aoyama Office, Hiyoshi Office and a dry-cleaning service store called Yotsuba Cleaning (Asahi-ku, Yokohama) in addition to its head office in Yokohama's Tsuzuki Ward. It will continue to proactively encourage social participation by people with disabilities and to provide value to society through its work with the aim of creating a work environment where it is possible to feel the joy of working in the future.



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

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



Work in the cleaning department



Work in the print service department

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Support for Seniors' Success

ITOCHU Corporation employs all those who so desire under the Employment Extension System after they reach retirement age at 60 years old from the perspective of the decreasing birthrate and aging population in Japan and activity support for diverse personnel. This means we are developing an environment in which middleaged and older employees can continue to work utilizing the wealth of knowledge and experience they possess even after they have reached the retirement age. We also hold training for employees at the age of 58 years old and future course selection briefings for employees. Therefore, we are supporting work styles and money plans after the extension of the



Online Japanese Lesson taught by our former employees for overseas national staff.

employment of employees. Furthermore, we hold career design training for career-track employees who are 40 and 48 years old and for clerical employees who are 35 and 45 years old. Those employees take an inventory of their own career and skills and then visualize their experience and strengths. Upon that, we provide them with the opportunity to consider re-learning career skills (re-skilling) they will need in the future. We even have some employees who continue working with us after they reach the age of 65 years old. We will do yet more to create an environment where middle-aged and older employees can continue performing motivating and rewarding work. In addition, we have built a platform to support our former employees. We support the activities of our former employees even after they have left our company. This initiative includes providing opportunities for social contribution activities, Pro bono, and volunteers, management staff of KIDS PARK operated by our company, and Japanese language instructors for our overseas national staff.

Performance Data

- Number of Hires by Gender and Adoption Rate for Mid-Career (P184)
- Employee Status (as of March 31 for each respective year) (P183)
- Share of Women in Career-track / Managerial / General Managerial / Executive Positions (as of March 31 for each Respective Year) (P183)
- Gender Pay Gap (as of March 31, 2024) (P183)
- Use of Childcare & Nursing Care Programs (P184)
- Employment of Disabled Persons (as of March 1 for each Respective Year) (P184)

Accolades for ITOCHU Corporation

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

We won the Ministerial Award for Women Empowering Companies in FYE 2021. In FYE 2022 and FYE 2024, we were selected as a Nadeshiko Brand. This is an initiative run jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

For more details, please refer to Evaluation by Society (Diversity) (P229).

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Human Resources Development Policy

In order to achieve the group's corporate philosophy of "Sampo-yoshi," one of the three important measures to enhance our corporate brand value is reinforcement of human capital. By reinforcing human capital, ITOCHU aims to pursue further labor productivity and sustainably enhance our corporate brand value. Emphasizing a market-oriented perspective, ITOCHU will listen to the voices of the market, society, and consumers and focus on implementing the measures listed on the right.

Since FYE 2000, ITOCHU has positioned the investment in human capital as a continuous investment for enhancing corporate value, and ITOCHU has reviewed them throughout the company to link them to talent development. Through these efforts, ITOCHU will nurture "one" who fulfill "infinite missions" in response to changes in the social environment and customer needs, and achieve our group's corporate philosophy of "Sampo-yoshi."

1. Securing Excellent Talents by Leveraging the Advantage in Recruiting Market

In order to achieve higher results with fewer employees compared to other companies in the same industry, ITOCHU will secure outstanding human resources who resonate with our corporate philosophy of "Sampo-yoshi."

2. Continuous Development of Diverse Management Talents Through Officer Appointment System

Based on the diverse customer needs in the consumer goods industry, ITOCHU is promoting women's active participation by diversifying the organization and management in decision-making. ITOCHU will also accelerate downstream investments and foster a "culture of continuous learning" within the company to further expand and strengthen our business infrastructure, focusing on nurturing management talents and global talents.

3. Enhancing Employee Motivation and Pursuing Further Labor Productivity

ITOCHU has been implementing advanced initiatives in workstyle reform, such as Morning-Focused Working System, and creating opportunities for challenging experiences and early promotion based on performance. ITOCHU aims to realize a "Challenging but Rewarding Workplace" where all employees can maximize their abilities.

Targets and Action Plan

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

Division Company	SDGs Targets	Impact Classifi-cation	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Head- quarters	8 crose son son	Labor Practices	Sustainable development of employees' capabilities	Human resources affairs	and provide opportunities to learn proactively that respond to the changing times and business needs with a market-oriented mindset to foster employees who can constantly change their business to meet	Continue and enhance overseas deployment of interns and language trainees. Offer diverse career path options and experience in diverse work through regular rotation.	one billion yen. The number of employees who joined human development program (cumulative total number) 50,000 or more.	 Annual training-related expenses forecast: 2.27 Billion yen in FYE 2024. The number of employees who joined human development program (cumulative total number) 68,824. Overseas dispatch rate for career-track employees in up to their eighth year since joining the company: 87.3%.

Structures and Systems

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

We also reflect the corporate philosophy and values we have inherited since the foundation of our company not only in our recruitment standards but in our evaluation and training systems. With this, we are recruiting and training people who match the values of ITOCHU Corporation on a global basis. We provide a selective online training program as support for career formation according to diverse values. This program enables employees to take about 13,000 courses on various topics such as management skills, digital transformation, finance & marketing, languages anytime, anywhere. It is utilized by about 1,400 overseas bloc employees every year. We

have so far stationed a total of about 130 overseas bloc employees in our headquarters from the perspective of career formation. The purpose is to deepen their understanding of the corporate philosophy, to acquire knowledge and experience through the headquarters' business, and to build a human network. Currently, there are about 740 overseas bloc employees among management personnel (equivalent to managerial positions). We will continue to work with each company and overseas bloc to proactively train and promote excellent employees in the right place regardless of their nationality. This will lead to a further business expansion overseas.

- * We have created the ITOCHU Global Classification (IGC). The IGC is a global grading system based on positions and duties at all levels worldwide. We use it to place, promote and train personnel regardless of nationality.
- * We have set behavioral requirements that leaders should possess on a global basis. We use these in the recruitment standards and evaluation standards.
- * Relevant data:Overseas Bloc Employees by Region (P183)

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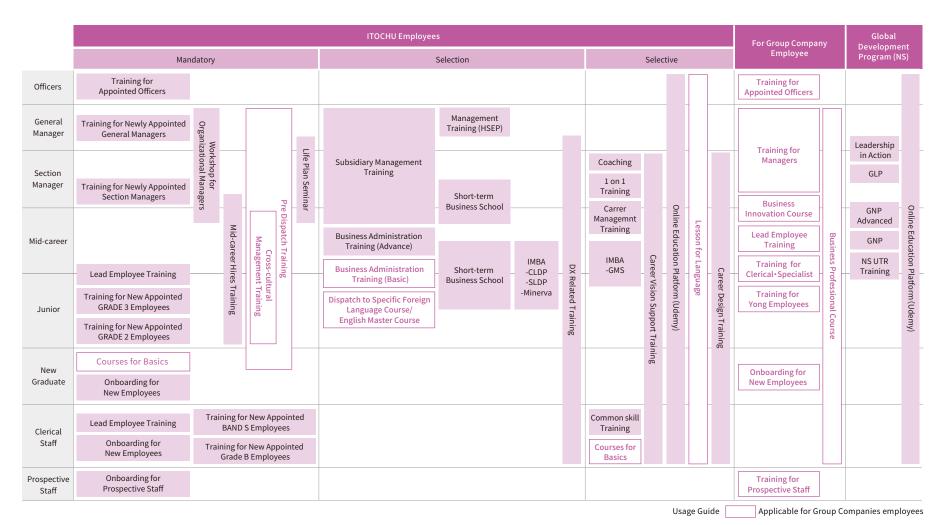
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Training System

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

overseas bloc companies and Group companies.

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



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Training Results

- Relevant data: Time/Cost Allotted for Employee Skills Development Training (P185)
- Relevant data: Attendance in Major Training (P185)

Key Points for Better Training

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

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

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

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

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



Participants from 20 countries around the world of the Global Development Program in the autumn of 2023

Talent Synergy with CPG & CITIC

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

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

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

In addition, the strategic business and capital tie-up was accompanied by the FYE 2016 startup of a project to develop 1,000 Chinese-speaking employees, who account for one-third of all career-track employees. The project has made progress in laying a solid linguistic foundation. By the end of FYE 2018, we reached our goal of 1,000 people. We continue developing those employees even after that. The total number of trainees as of the end of FYE 2024 was 1,308. We will continue to build the foundations to further promote the expansion of business in China and the rest of Asia in the future.



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

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ITOCHU Morning Activity Seminar

In September 2016, we began conducting early-morning training sessions and presentations as one measure to encourage shifts beginning in the early morning. The themes of these seminars are focused on the next generation of business and health. We held these seminars a total of 3 times with the participation of 1,298 people in FYE 2024. We received comments from the participants like the following: "I was able to hear stimulating stories before work, so I felt very positive." We plan to hold these seminars on a periodic basis in the future.



Seminar by Professor Yanagisawa





Seminar by Ikegami and Masuda

Seminar by Professor Nakagawa

■ Morning Activity Seminar Results for FYE 2024

Date	Theme	Speaker		
February 2024	From Good Sleep to Well-being: Sleep is the Foundation of Health and Performance.	Masashi Yanagisawa, PhD., University of Tsukuba		
July 2023	The Way to Walk the World like a "Merchant"	Akira Ikegami and Yuriya Masuda, Journalists		
May 2023	Learn about Cancer - Both Adults and Children	Keiichi Nakagawa, PhD., Professor in the Tokyo University Graduate School		

HR Appraisal & Assessment System

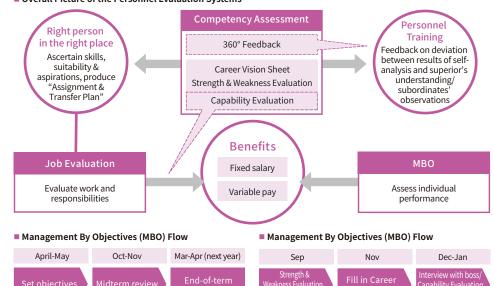
The HR Appraisal & Assessment System is a core part of the human resources organization that helps employees fully demonstrate their capabilities in a motivated and rewarding manner, and we have introduced an evaluation and reward system that provides clear incentives based on performance starting from the FYE 2025. It covers all ITOCHU Corporation employees. One part of the system is Management By Objectives (MBO), by which we assign individual employees with targets that match up with the management plan, then confirm execution. This approach helps us carry out business strategies.

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

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

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

Overall Picture of the Personnel Evaluation Systems



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Career Development Support

Career Counseling

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

Challenge Career System and Introduction of the Career Market System

We have introduced the Challenge Career System as a measure to support employee-led career development. of personnel for career-track employees (excluding organization managers) and clerical employees working in Japan. With the system, employees can check a list of job openings announced on the company intranet, then inform their superior of their desire for a transfer. With the superior's approval, through interviews with the desired division and, if successful, may make a transfer beyond organization boundaries. The aim of this system is to strengthen organizational capabilities by motivating employees and supporting them to independently develop their careers with the provision of career selection opportunities. 16 people transferred in FYE 2024 following on from 16 people in FYE 2022 and 13 people in FYE 2023.

Also, we have introduced the Career Market System in FYE 2024 to match the "Talent Needs" and "Employees Seeking Transfers" within the company. When employees seeking transfers register their self-promotion, limited authorized personnel within the organization can view this anonymous information and "Scout" the talent aiming for employee-driven "suitable placement." Similar to the Challenge Career System, we will provide further support to our employees in taking initiative in their career development.

■ Challenge Career System Process

Step2 Step3 Step5 Step6 Step1 Step4 **Employee requests** Applicant Application to approval to apply for Screening & Decision Transfer meets Human Resources & a job opening interview with boss General Affairs Div. announced in-house.

Virtual Office

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

We conducted a trial of the Virtual Office with a total of five projects in FYE 2023. Employees with different work locations, ages and duties gathered from across the company to work on the projects. According to a questionnaire we conducted on the participants in the trial, 91% of employees said that the activities of the Virtual Office led to their own growth and job satisfaction. We will continue to support the creation of new business by facilitating collaboration among passionate employees across the organizations.



Promotion of Rotation

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

ITOCHU Internship

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

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Policy and Basic Concept

Occupational Safety and Health Management for our Employees

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

ITOCHU Health Charter (Enacted in June 2016)

1. Taking Responsibility for Employee Health

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

2. Contributing to Society by Maintaining Good Health

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

3. A Legacy for Future Generations

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

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

Occupational Safety and Health Management along the Supply Chain

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

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

Safety and Health Related Risk Assessments for Investment Projects

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

For more details, please refer to ESG Risk Assessment for New Business Investment Projects (P168).

Combatting Global Health Issues

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

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

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

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Targets and Action Plan

Based on our policies regarding the management of occupational safety and health, ITOCHU Corporation aims to achieve zero workplace accidents and death incidents involving employees and contract employees* in FYE

2025 as well, and will work toward the following underlying targets.

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

Division Company SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators (Non-Consolidated)	Degree of Progress
Headquarters							
Develop a Rewarding Work Environment	Labor Practices	Improving the health of employees*	Human resources affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	Reach the percentage of employees who receive regular medical checkups in Japan to 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote support system for balancing cancer care and work. Encourage support for smoking cessation treatment. Continue to provide special programs for employees at a high risk for lifestyle-related diseases. Conduct stress check every year.	Percentage of employees who receive regular medical checkups in Japan: 100%. Percentage of employees who receive specific health guidance: 55%. Rate of employees found to have a high level of stress in the stress check at 5% or lower.	Percentage of employees who receive regular medical checkups in Japan: 93.5% (As of April 3rd, 2024). Percentage of employees who receive specific health guidance: 52.7% in FYE 2024. Rate of employees found to have a high level of stress in the stress check at 5.2% in FYE 2024.
Metals & Minerals Compar	у						
Respect and Consider Human Rights Ensure Stable Procurement and Supply	Mining Electric Power • Mining • Oil and Gas Fields	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education.	Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure.	Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%).	We held internal EHS (environment, health and occupational safety) guidelines training courses for supervisors and staffs engaged in mining projects. The attendance rate of the training was achieved 100%. We checked the proper compliance to the EHS guidelines for one new project, nine existing projects, and one another resource-related project. We carried out social activities at the communities where our projects are located.

^{*} For more details about improving employee health, please refer to "Initiatives for Health Management (P137)."

Structures and Systems

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

To implement our corporate mission of being "Sampo-yoshi," ITOCHU Corporation also discusses the content of efforts and the implementation situation of occupational health and safety with the ITOCHU Labor

Union, which counts approximately 80% of employees as members. (see "Labor Union" (P121)). The Labor Union also collects opinions and identifications relating to health and safety in the workplace from employees. Including the content of those, recurrent, active discussion between labor and management makes both cognizant of the challenges facing the company and keeps them on the same page. This builds a healthy relationship that enables them to consider and implement measures for improvement.

See here (P186) for the number employees who have undergone training on health and safety standards.

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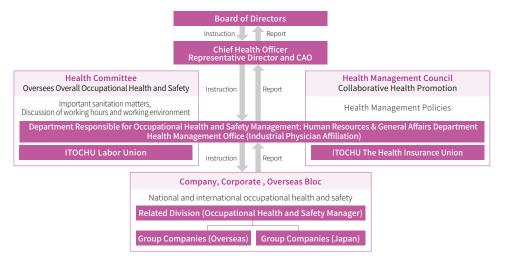
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Overview of Itochu Corporation's Occupational Health and Safety Management Organization

The labor safety and health management of the ITOCHU Group designates the Chief Administrative Officer (CAO) as the Chief Health Management Officer and is promoted under the supervision of the Human Resources and General Affairs Department, which is responsible for managing labor safety and health in each division company, headquarters, and overseas blocks.

In our domestic group companies, we establish Health committees and other bodies based on the Labor Safety and Health Act to discuss and make plans, evaluations, and improvements regarding the prevention of health disorders and the promotion of health. In particular, our subsidiary companies with factories and other facilities strive to maintain workplace labor safety and health by obtaining ISO 45001 certification.



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

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

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

With regards to Health Management related initiatives and concerns, we hold a monthly Health

Management Council, with the participation of labor unions as representatives of employees, to share progress and any concerns or risks regarding occupational health and safety. We publish the minutes of our meetings on the intranet and communicate them to employees on a monthly basis.

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

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

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

Operation based on the EHS Guidelines

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

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

EHS Guidelines apply to new investments, as well as projects in which we are already participating. We communicate intensively with our partners for consultation and improvement on resource development with greater consideration for EHS aspect. In FYE 2024, we performed checks on one new project, nine existing projects and one other resource-related project. We then set items requiring continuous follow-up.

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

Most of all, it is important that organization members have an in-depth awareness of the importance of EHS compliance. Accordingly, we aim to thoroughly share information on this throughout our organization by conducting awareness activities using concrete case studies every year. We held internal training courses for supervisors and company employees belonging to sections engaged in resource development in FYE 2024. The attendance rate of those subject to this training was 100%.



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Subsidiaries that have ISO 45001 Certifications

Our group companies also maintain occupational health and safety by establishing and operating management systems in accordance with ISO 45001, the international standard for occupational health and safety management systems. As of March 31, 2024, six (accounting for 2.1%) of our company's domestic and overseas subsidiaries had acquired ISO 45001 certification.

Health Administration Center

The Health Administration Center serves as the clinic for our headquarters in Tokyo and employs 20 medical specialists and 8 nurses as well as x-ray technician, clinical laboratory technicians and pharmacists. For more than 30 years public health nurses have acted as "border-less medical concierges" who provide individual health guidance customized to the situation of every employee, both in Japan and overseas. This is based on close cooperation with medical specialists for various lifestyle-related diseases. In this way, the center supports ITOCHU Corporation health management through individual health management for each employee. Specifically, in addition to the specialized disease management, the center provides general practice medicine (internal medicine, orthopedic surgery, psychiatry and dentistry), checkups (regular medical checkups, half-day complete checkups, cancer checkups and medical checkups for employees working overseas or returning from abroad on a temporary or permanent basis), various vaccinations, and examinations. It also offers medical counseling and provides information.

Mental Health

Concerning mental health, we have set up a stress management room in the company and offer counseling by a clinical psychologist. Employees can also seek counseling from a company physician or see a psychiatrist in-house. Our Health Insurance Union has set up a health consultation website called "Health & Mind Online" that enables employees to seek consultations by phone or online. In addition, we have been conducting stress checks once a year since 2015. The rate of those taking these checks has reached 99.3% (FYE 2024).

Safety Measures for Employees on Travel or Stationed Overseas

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

Measures to Address Medical Issues and Prevent Infectious Diseases Overseas

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

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

Workplace Vaccination Program

• As prevention of infectious diseases, we provide workplace vaccination targeted for each region as required.

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Basic Overseas Health Management Support

- Border-Less Medical Concierges: Employees and their families can reach out via e-mail or phone call to
 occupational health nurses supported by specialized physicians, and receive advice on health-related
 issues as necessary.
- Introduction of Local Medical Facilities: We are able to introduce reliable local medical facilities in the countries we operate in, where employees can receive necessary medical services.
- Routine Health Checkups: In addition to pre-dispatch comprehensive medical examinations, we provide
 employees and their families with annual health checkups. These checkups can either be conducted upon
 short-term return to Japan, or in the countries where they are stationed in including surrounding countries.
- SECOM Furusato Care Service: We provide support for the elderly family members remaining in Japan of employees we have stationed overseas. Our support covers a medical care system run by SECOM, which can be accessed year-round, at any time of day. The service allows for elderly family members to receive phone-based health support from a specialized nurse center.
- Emotional Support: We support the emotional well-being of our employees on overseas assignments.

Health-Related Emergency Support

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

Addressing Health and Disease Related Issues in Local Communities

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

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

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

Performance Data

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

- Occupational Health and Safety Data (P185)
- Performance Benchmarking Against Industry Average (Wholesalers and Retailers with Over 100 Employees) (P185)
- Attendance in Training Related to Health and Safety Standards (P186)
- FYE 2024 Number of Employees that Received Our Main Health and Safety-related Trainings (P186)

Initiatives for Health Management

We established the ITOCHU Health Charter in FYE 2017. The charter states that each employee is responsible for maintaining and improving their health, that ITOCHU will actively support their efforts to do so, and that the good health of our employee is the foundation of their happiness as well as their families, customers and society more broadly. ITOCHU has set up Health Administration Centers at its Tokyo and Osaka Headquarters and is distinguished by the "concierge" assistance it extends to individual employees with the involvement of industrial physicians and health nurses in a way that transcends regional boundaries. We are aiming to raise the health awareness of each employee with the ITOCHU Health Navi (Health Management System) we introduced in February 2021. This system allows all employees to view health checkup results via a PC or smartphone and permits centralized management of lifestyle data, such as the number of steps walked in a day, weight, blood pressure. In addition, we created the Strategy Map for Health Management in ITOCHU in August 2021. This map visualizes the positions and effects of various measures. These steady initiatives have been recognized. We received the Minister of Health, Labour and Welfare Prize during the Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control sponsored by the Ministry of Health, Labour and Welfare in February 2018. And we were selected as a Health and Productivity Stock in 2016 and 2017 and 2023 in the Health & Productivity Management Outstanding Organization Recognition Program that is chosen by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. We have also been highly praised such as by being selected as a Health & Productivity Management Outstanding Organization (White 500) every year since FYE 2017 when we started applying to the program.

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

Human Resources Development

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Social Contribution Activities

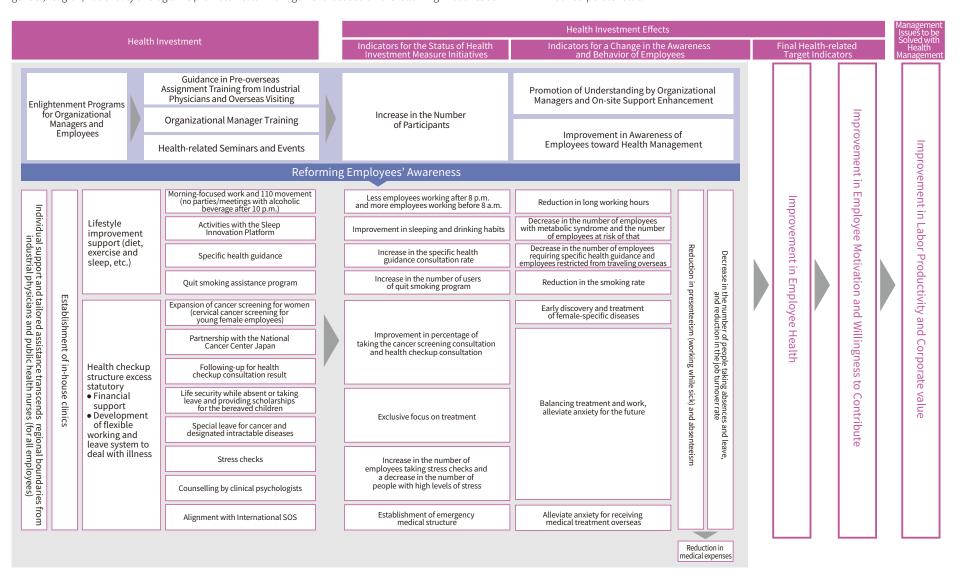
ESG Data (Society)

Occupational Safety and Health Management

The Strategy Map for Health Management

ITOCHU recognizes that employees, our irreplaceable management resource, are diverse in terms of their race, gender, religion, nationality and age. We promote health management focused on the following initiatives so

that each of our employees achieves their infinite missions and so that we realize a permanent improvement in our corporate value.



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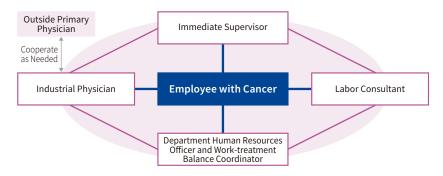
SG Data (Society)

Occupational Safety and Health Management

Support for Balancing Cancer Care and Work

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

■ ITOCHU Corporation Support System for Balancing Work and Cancer Treatment



Overview of "Support Measures for Balancing Cancer Care and Work"

Prevention

- Alliance with the National Cancer Center Research Institute
- (early detection through special checkups, contribution to research)
- •Fostering awareness of preventing lifestyle diseases
- Subsidies for smoking cessation treatment costs
- · Checkups for various cancers through regular health screenings

Treatment

- Alliance with the National Cancer Center Research Institute (immediate collaboration with medical specialists and access to leading-edge treatments)
- Providing Full Company Assistance for Expense for Advanced Cancer Treatment (Not Covered by Insurance)
 Assignment of medical specialists to health management offices

Coexistence

- Construction of Support System for Balancing Cancer Care and Work
- Establishment of coordinator (consultation desk)
- Creation of a guidebook and education of organization heads
- Reflection in Evaluation Indicators of the Balancing of Cancer Care and Work
- •Reduction of anxiety about the future
- Fund for education of children up to graduate school graduation
- Support for bereaved spouses via the provision of employment opportunities at the ITOCHU Group
- Development of Flexible Work and Leave Programs
- Shortened work hours, selection of work days, working from home
- Special leave: 18 days per 3-year period
- · Payment of Illness Allowance during Leave of Absence

Efforts on Sleep Management for Health Management

In April 2022, we joined the consortium "Sleep Innovation Platform®" (Chairman: Masafumi Yanagisawa) focusing on sleep management. As a member of the working team, our objective is to build services that solve sleep-related issues to promote health management. Starting from November 2023, Nishikawa Corporation has taken the lead in collaboration with S'UIMIN Co., Ltd., a member company of the consortium, and initiated the verification of the "S'UIMIN Collaborative Nishikawa Sleep Improvement Program" for our domestic employees.

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Application to Group Companies

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

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

Details of Personnel and Labor Support Provided to Group Companies in FYE 2024

- 1. Labor management case study workshops
 - These workshops focus on case studies that highlight possible labor management cases including mental health problems and working hours management. Participants gain specialized knowledge and learn how to handle these types of problems. In FYE 2024, basic workshops were held from July to August, and advanced workshops were held from December to January, with approximately 50 participants.
- 2. ITOCHU Group Human Resources and General Affairs Liaison Council
 This council aims to allow those in charge of human resources and general affairs from our group
 companies to exchange information and strengthen relationships. Activities include discussing the
 latest trends in human resources and general affairs, sharing information about ITOCHU Corporation
 measures and support situation, and updating one another about the content of revisions to laws. In
 FYE 2024, the council met on the theme of mental health measures and confidential management.
 Industrial physicians and lawyers explained about practical measures from their respective viewpoints.
 There were 218 participants from 115 companies.
- 3. Human resources and labor management assessments These are assessments aimed at checking whether rules, systems, and management related to overall personnel and labor affairs are operated in an appropriate manner. These include labor contracts, internal rules, occupational health and safety, and time management. We have conducted assessments of 69 companies since starting this initiative in FYE 2017.
- **4.** ITOCHU Group Human Resources and Labor Management Portal Site
 We provide a portal site to share the regulations and expertise of ITOCHU with group companies. The aim of this site is to strengthen the human resources and labor management in group companies.
- 5. ITOCHU Group working conditions questionnaire We conduct a questionnaire once every three years in ITOCHU Group companies to regularly understand the working conditions and issues of each company and use the results considering the Human Resources measures. In FYE 2024, 83 companies responded to this questionnaire and the results were shared with each company.

External Appraisal/Assessment

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

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

In FYE 2016, ITOCHU Corporation was selected as a Health and Productivity Stock in 2016 and 2017 and 2023 in the Health & Productivity Management Outstanding Organization Recognition Program that is chosen by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition to honors such as those, we have been **selected as a Health & Productivity Management Outstanding Organization (White 500) for eight years in a row** from FYE 2017 to FYE 2024 when we started applying to the program.

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

For more details, please refer to Evaluation by Society (Occupational Safety and Health Management) (P230).

Occupational Safety and Health Management

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Respect and Consideration for Human Rights

Policy and Basic Concept

Respect and consideration for human rights is an important issue for ITOCHU as we deploy our business activities in various regions around the world. ITOCHU also asks all our stakeholders to approve, understand and

put into practice the human rights policy of ITOCHU in addition to education for employees to respond to this important issue.

The ITOCHU Group Human Rights Policy

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

1. Policy Scope and Our Expectations Toward Business Partners

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

2. Endorsement of International Agreement

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

3. Legal Compliance and Respect for Internationally Recognized Human Rights

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

4. Management Approach

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

5. Human Rights Due Diligence

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

6. Remedy and Rectification

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

7. Dialogue and Consultations

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

8. ducation and Awareness

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

9. Communication on this Policy and Our Relevant Initiatives

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

Fumihiko Kobayashi

Member of the Board Executive Vice President Chief Administrative Officer Established in April 2019 Revised in April 2020 **Human Resources Development**

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Individual Policy

Response to Modern Slavery and Human Trafficking

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

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

Consideration for Foreigners

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

Respect for the Rights of Children

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

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

Related activities can be found here (https://www.itochu.co.jp/en/csr/social/future/index.html).

Approach to the Use of Security Personnel

In order to ensure the safety of our business operations in various parts of the world, ITOCHU uses security personnel. When necessary, we may employ armed security personnel. We are aware of the potential risk of human rights violations that may accompany the handling of weapons, and employ personnel in each country based not only on adherence to local law but also on international standards.*

Respect for the Rights of Indigenous People

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

Job Creation and Employment Concept

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

^{*} United Nations Global Compact, Voluntary Principles on Security and Human Rights, Code of Conduct for Law Enforcement Officials, Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, etc.

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Policy on Decommissioning of Mining Operations

When decommissioning mining operations, the ITOCHU Group undertakes appropriate measures based on laws and regulations as well as a mine decommissioning plan. We believe it is important to minimize any effects on the environment and society.

Through environmental and social impact assessments based on stakeholder dialogue during the project study stage as well as during operations, the creation of business plans that include future mine decommissioning plans and rehabilitation based on environmental monitoring, and reviews by relevant authorities and external experts, we strive to minimize the environmental and social burdens of our business on the communities in which they are based.

Oaky Creek Coal Mine Rehabilitation

Through ITOCHU Minerals & Energy of Australia Pty Ltd, our wholly owned subsidiary, we are participating in the active Oaky Creek raw coal mining project in Queensland, Australia.

This project is developing a rehabilitation plan for the mine area in advance of its closure based on the decommissioning policy. Decommissioning and rehabilitation costs are periodically reevaluated and reflected in business plans. By undertaking rehabilitation in line with the plan, we are minimizing impacts on the environment and society.

Depressions created through coal mine development are backfilled using topsoil excavated during the mining process to reach a state suitable for final land use. At that time, appropriate management of wastewater quality is important. Regarding underground mining areas, detailed geological surveys are undertaken at the time of decommissioning, and measures are undertaken to prevent land subsidence and manage industrial water.

After decommissioning, coal-washing equipment, pipelines, conveyor belts, and other ground-level equipment are completely removed, and ground-leveling operations are undertaken.

After backfill and leveling are completed planting begins. Following restoration, we undertake long-term monitoring on land stability and plant growth.



Depression from Mine Development



Completed Rehabilitation

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Targets and Action Plan

				Risks				Opportunitie	s
			lting from the occurrence efects in the social infras			ities that expands (geographically).			rom harmonious coexistence with local communities. deration of human rights and improvement of work environment
Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach		Performance Indicators	Degree of Progress
Textile Company	y								
Respect and Consider Human Rights Ensure Stable Procurement and Supply	8 ECCETATION AND	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 shuman rights, social and environ supply chains by continually con surveys on major suppliers.	mental risks in	Conduct on-site visit surveys and questionnaires at more than 50 major suppliers a year on an ongoing basis.	In FYE 2024, surveys were conducted for 74 suppliers in China an the Asian region. As a result, no significant issues were identified We also confirmed that follow-up actions were in progress such a maintenance of internal regulations that was considered as an issue through the human rights due diligence carried out in the previous year.
Machinery Com	pany								
Respect and Consider Human Rights	8 accept version and to consider constitution and to constitution	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Overall electric power and plant projects	We will contribute to improving the quality of life of all stakeholders in the supply chain and business investment destinations.	Set rules on due diligence related to social and business environmental safety for suppliers and business investment destinations based on the distinctive characteristics of each business, implement due diligence, and strengthen monitoring continuously.		Implement the due diligence described on the left in all new development projects.	We continue operations to check the core subjects outlined in the social responsibility guidelines by employing a company-wide ESG checklist across all investment projects. Prior to investment we conduct due diligence on each development project, assessing its social and environmental integrity based on the unique characteristics of each business.
Metals & Mineral	ls Compan	ıy		!	1	!		1	
Respect and Consider Human Rights Ensure Stable Procurement and Supply		• Mining • Electric Power• Mining• Oil and Gas Fields	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education.	Ensure the thorough application guidelines and employee educat Contribute to local communities activities for improving medical cand infrastructure.	ion. through	Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%).	We held internal EHS (environment, health and occupational safety) guidelines training courses for supervisors and staffs engaged in mining projects. The attendance rate of the training was achieved 100%. We checked the proper compliance to the EHS guidelines for one new project, nine existing projects, and one another resource-related project. We carried out social activities at the communities where our projects are located.

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Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Food Company								
Respect and Consider Human Rights Ensure Stable Procurement and Supply	8 months of the second of the	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries.	Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil.	Coffee beans: We achieved our quantitative target for FYE2024 of a certified product ratio 20% or more. (Actual result is projected to be 37%.) We achieved a significant increase over the previous year by acquiring market share for UCC and Ajinomoto that had been acquired by other trading companies in the previous year. BtoB level disclosure of digital traceability information utilizing Farmer Connect (coffee traceability platform) has reached 3 thousand MT in FYE 2024. Cacao beans (traceable products): achieved 64% (5,950MT of traceable beans out of 9,253MT total.) Palm oil: Check supplier's sustainable palm oil sourcing policies through regular surveys, and continue purchasing based on our procurement policies. At the same time, we continue to publicize the ratio of RSPO certified Palm Oils and Traceable To Mill etc. Ratio of RSPO Certified Palm Products/Oleo chemicals Palm Oils 29% Oleo Chemical Products 72% Support Achievements to Each Producing Country (Qualitative) Coffee Beans: Support for Mobile Clinics / Guatemala Through Unex, medical care is provided to coffee producers and their families living in mountainous areas without nearby hospitals. Sesame: Support for Livelihood Improvement in Malawi Infrastructure support to Malawi through collaboration with Takemoto Oil & Fat. In FYE 2023, the provision of ambulances and medical equipment was implemented. In FYE 2024, 9 wells were constructed. Support for Small-scale Sesame Farmers in Paraguay Through collaboration with Kadoya Oil, support is provided to farmers, including technical guidance, agricultural tools such as seeders and sieves, and provision of seeds.
Respect and Consider Human Rights Ensure Stable Procurement and Supply		• Forest • Stable Supply of Resources	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone.	Employment: 1,857 employees as of 2024 March. Pineapple Production: 16,000MT in FYE 2024. Signed a partnership agreement with a non-profit organization for medical collaboration. Started providing maternal healthcare services to employees, their families, and local residents of Sierra Tropical Limited, a local company.

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Respect and Consideration for Human Rights

Structures and Systems

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

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

Human Rights Due Diligence

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



Impact and Assessment on Human Rights

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

I Identified Issues

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

I Implementation Process:

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

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

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

The following merchandise should be handled with particular consideration.

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

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

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Implementation Status

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

- Progress of Human Rights Due Diligence FYE 2024 (https://www.itochu.co.jp/en/csr/pdf/due_diligence_en_2023.pdf)
- Progress of Human Rights Due Diligence FYE 2023 (https://www.itochu.co.jp/en/csr/pdf/due_diligence_en_2022.pdf)
- Progress of Human Rights Due Diligence FYE 2022 (https://www.itochu.co.jp/en/csr/pdf/human_rights_due_diligence_en_2021.pdf)
- Progress of Human Rights Due Diligence FYE 2021 (https://www.itochu.co.jp/en/csr/pdf/human_rights_due_diligence_en_2020.pdf)

At the same time, in order to mitigate human rights and labor risks in the supply chain, we continuously conduct supply chain sustainability surveys to major business partners in all business areas every year. Supply Chain Sustainability Survey Initiative (P164)

New Business Investment Projects

For more details, please refer to "ESG Risk Assessment for New Business Investment Projects (P168)".

Existing Business

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

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

Supply Chain Management

For more details, please refer to Sustainability in the Value Chain (P164) and Response to Suppliers in Violation of this Policy (P167).

Risk Assessments

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

Human Rights Audits in the Poultry Industry in Thailand (P166)

Grievance Mechanism

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

Consultation Desk for Supply Chains

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

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

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

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Consultation Desk for Employees

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



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HR Help Guide Book on the Intranet

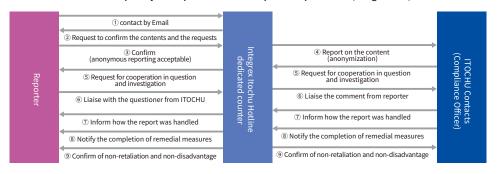
Career Counseling Center

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

Hotline

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

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

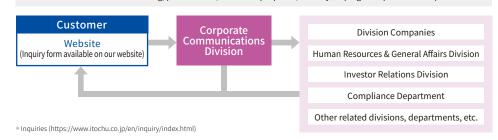


ITOCHU Corporation applied for recognition under the Whistleblowing Compliance Management System (Phase 1: self-declaration of conformity), which was newly introduced by the Consumer Affairs Agency of Japan. Our conformity with certification standards was confirmed and our registration was accepted as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

Consultation Desk for the General Public (including Stakeholders)

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

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



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Initiatives

Implementation of Fair Recruitment

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

Relevant data: Number of Hires by Gender and Adoption Rate for Mid-Career (P184)

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

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

Training Programs

We raise awareness about the relationship between our corporate activities and human rights in our various internal training programs. We develop the mind to respect human rights that should be possessed as an ITOCHU person in our new employee training. For example, we hold training to acquire consideration for race, gender (including sexual minorities such as LGBTQs), religion, nationality and age from the basic concept of human rights and points of concern. We raise the problem of sexual harassment (including discriminatory behavior and harassment toward sexual orientation and gender identity) and abuse of authority in internal training aimed at organizational heads. We provide education and instruction for measures when harassment has actually occurred and when we have received reports of such. We strive to create an environment that does not allow harassment on a daily basis. Through these initiatives, we are aiming for a thorough understanding toward human rights. We are also striving to raise awareness in various regions by looking at consideration for human rights in our supply chain in preoverseas assignment training. There were 1,402 participants in our human rights training in FYE 2024.

• Relevant data: FYE 2024 Human Rights Training Record (P185)

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

• Sustainability Awareness Activities at ITOCHU (P18)



Sustainability Seminars

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

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

Seminar Details (P18)

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Various Publications

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

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

Countermeasures against Harassment

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

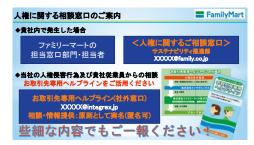
The following are clearly defined as prohibited acts in human rights violations under the work regulations: discrimination relating to work by race, gender, religion, creed, nationality, body, illness, age or any other irrational reason; sexual harassment (including discriminatory behavior and harassment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

In FYE 2024, we conducted "Harassment Prevention Training" targeting all manager level employees including those seconded from the company and assigned in overseas (approx. 1,800 individuals). During the training, there were lectures from experts on the causes and mechanism behind harassment and shared lessons learned from cases studies. We are striving for the elimination of any kind of harassment from all workplaces.

Human Rights Training for Ready-made Meal Manufacturers

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

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



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

■ Meeting Details

Speaker	Kazuo Tase, SDG Partners, Inc.
Details	Responsibility of companies for human rights Prevention of human rights problems and dealing with such problems when they occur Question-and-answer session

Pineapple production business by Dole Philippines, a member of the ITOCHU Group

For more details, please refer to Community Contribution in Social Contribution Activities (P182).

Oil Field Development Project in the Caspian Sea that Both Secures Stable Resources and Contributes to and Coexists with Local Communities

For more details, please refer to Community Contribution in Social Contribution Activities (P182).

Cooperation with Stakeholders

Participation in Workshops on Human Rights Issues

- Business and Human Rights Academy (UNDP)
- Dialogue and Remedy Workshop (JaCER)
- Human Rights Education Subcommittee (GCNJ)

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Responsibilities to Customers

Policy and Basic Concept

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

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

Product Safety

ITOCHU Corporation complies with our obligations as stipulated in safety related laws and ordinances for the products we handle. We are striving to ensure safety by formulating product safety manuals for each company based on our policy of providing even safer products with greater peace of mind to our customers. We will continue to work on providing safe products with peace of mind in the future. We will do this while promoting internal education, setting up departments responsible for product safety, establishing information transmission routes and reviewing our response in the event a product accident does occur. For related initiatives, please refer to "Sustainability in the Value Chain (P169)".

Responsible Marketing

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

Advertising

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

Marketing

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

Individual Policy

Safety of Food Products

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

Philosophy

FOR THE NEXT GENERATION

Mission

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

Activity Guidelines

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

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

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Responsible Food Business: Commitments and Policies

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

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

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

Material Issue	Description	Management Approach		
Reducing Negative Product Impact of Food Products on Customers	Ensuring the safety of imported food products, processed foods, and fresh food produces (E.G.,Coping with biological, chemical and physical hazards)	Self-management system for food safety Assessments for supplier's management systems in place to ensure food safety (factory inspections and audits)		
Responsible Advertising, Marketing, and Promotion of Food Products	Provision of information regarding food allergies and additives.	Management rules for the registration of food labels Improvement initiatives regarding inspection skills of label contents		
Responsible Advertising, Marketing, and Promotion of Alcoholic Beverages	Provision of information regarding the prevention of drinking among persons under 20 years of age and pregnant women	Internal education programs on the liquor tax law		
Access to Better Nutrition	Providing nutritiously balanced solutions to the elderly	Cooperation with regional hospitals and nutritionist organizations		

Improving Access to Better Nutrition

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

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

FamilyMart, a group company, has implemented unique initiatives to respond to the rise in health consciousness. Under its private brand Famimaru, FamilyMart offers a lineup of health-conscious products. By clearly indicating icons for protein, dietary fiber, and carbohydrates on target products, FamilyMart has received favorable feedback from consumers who want to enjoy both deliciousness food and good health.

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

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

Safety of Pharmaceuticals and Responsible Marketing

Pharmaceutical Quality and Safety

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

Pharmaceutical Ads and Labels

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

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Targets and Action Plan

				Risks			Opportur	hities
Decline in	credibility	that would res	sult from the occurrence o	f consumers and service users' safe	ety or health issues.	• Increase in demand for food safety	, security and health improvement.	
Materiality	SDGs Targets	Impact Classifi-cation	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
ood Compa	any						-	
Contribute to Healthier and More Affluent Lifestyles	3 800 HEET 100 HEET	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 conducted inspections to 339 factories in FYE 2024. We are continuing to stably supply safe and secure food. We are achieving this by continuing to enhance the audits and guidance suppliers mainly by the persons with certifications/qualifications related to the Food Safety Management System (FSMS) or in-hou qualification holders related to factory audit.
Machinery C	Company							
Contribute to Healthier and More Affluent Lifestyles	2 mm 3 mm 3 mm 4 mm 3 mm 4 mm 8 mm 12 mm 12 mm 12 mm 13 mm 14 mm 15 mm 16 mm 17 mm 18 mm 18 mm 18 mm 19 mm 10	Food Safety	Address Climate Change Develop a Rewarding Work Environment Respect and Consider Human Rights Contribute to Healthier and More Affluent Lifestyles Stable food procurement and supply	DENBA products and related business	We will contribute to the reduction of food loss by utilizing freshness preservation technology.	Retain food freshness and reduce consumption of edible oil through promotion of DENBA products.	Expand sales of DENBA Fresh Pro and DENBA Fryer in the super market and restaurant chain industry. Improve diffusion of DENBA Marine for ship warehouse.	We are continuously supporting the promotion of DENBA products. In the retail industry, DENBA received bookings from a stores of a medium-sized supermarket chain and others which a to reduce waste from refrigerated showcases. Anticipated sales FYE 2024 are projected to reach approximately 300 million yen. A total of 150 units have been deployed in ship food warehouse bringing the cumulative installed units to 360. Through a leasing arrangement facilitated by Tokyo Century, DENBA secured contracts for three children's cafeterias and installed total 5 units under two additional contracts. This bring the total installed units to 8. Regarding opening of new offices for the disabled, DENBA obtained a contract for Minaminihon Total Logistics Service as a pilot project.
energy & Ch	emicals Co	mpany						
Contribute o Healthier and More Affluent Lifestyles	3 EXCHANT	Medical Health	Promoting good health among people	Pharmaceutical products	We will contribute to improve people's health and working environment through accelerating the development of pharmaceuticals and other products in fields with significant needs including cancer-related fields.	Actively promoting to support the development and marketing of new pharmaceutical and generics.	Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical, generics and other products of which we are engaged in supporting the development and place them on the market.	in 2023: generic muscle-relaxant restorative)
CT & Financ	ial Busines	ss Company						
Contribute o Healthier and More Affluent .ifestyles	3 800 MACH	Medical Health	Promoting good health among the people	Support pharmaceutical development projects Preventative healthcare-related business Medical healthcare IT business Sales of Cutting-Edge medical devices and provision of medical services	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools. We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly.	We will optimize healthcare utilizing medical data. Promote sales of advanced medical devices, and the business of supporting the operation of designated regional cancer care hospitals.	Realization of new services and business development relating to medical data. Expansion of existing business. Increase the penetration of advanced medical devices in Japan.	MRI-guided radiation therapy systems Provided medical care to a total of 800 patients, including those with intractable cancer that was difficult to treat with convention methods, at three facilities: National Cancer Center Hospital, Saitama Medical University International Medical Center, and Edogawa Hospital. Scalp cooling therapy system for cancer patients Currently installed at 79 facilities, with a total of 2,900 patients using the system.

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Structures and Systems

Food Safety Management

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

- 1. Advise to Company and their respective domestic and overseas subsidiaries in their initiatives to design a food safety self-management system.
- 2. Management of the labeling and safety-related issues of our food products.
- 3. Provision of education and training to employees regarding food safety
- 4. Provision of training to members of our food safety management team in China.
- **5.** Food safety audits and subsequent corrective guidance for subsidiaries and supplier factories. In addition to the above, the Office is responsible for the management of compliance, trade and logistics, and environmental activities, occupational health and safety, and sustainability promotion.

Supplier Management Audits for our Food Business

Due Diligence for New Suppliers

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

Securing the Safety of Food through Regular Audits of Overseas Suppliers

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

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

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

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



Food Audit

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

■ Factory Audit Procedure

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

Regular Audits to Ensure Food Safety

	FYE 2022	FYE 2023	FYE 2024
Regular Audits (Number of Factories)	310	331	339
Regular Audits and Follow-up Audits in China (Included in the Above Number of Audits)	48	42	42

^{*} International Register of Certificated Auditors

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Subsidiaries that have ISO22000 or FSSC22000 Certifications

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

- ITOCHU FEED MILLS CO., LTD.
- JAPAN NUTRITION Co., Ltd.
- DOLE ASIA HOLDINGS PTE, LTD.
- Provence Huiles S.A.S.

- WELLNEO SUGAR Co., Ltd.
- FUJI OIL HOLDINGS INC.
- PT. ANEKA TUNA INDONESIA
- SHOW-WA Co., Ltd.

- Prima Meat Packers, Ltd.
- PT. ANEKA COFFEE
 INDUSTRY

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

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

Main Content	Food safety and responsible advertising, marketing, and promotion Compliance Internal regulations and manuals ESG
Target Persons	All employees in the Food Company (including part-time workers, temporary workers, employees seconded from the company and employees seconded to the company) All employees in the Food Management Support Corporation (subsidiary to complement the functions of the Food Company)

Attendance Record				
	FYE 2022	FYE 2023	FYE 2024	
Number of Trainees	766	770	761	
Attendance Rate	100%	100%	100%	

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

Participation in Food Safety-Related Initiatives and Organizations

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

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

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

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

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

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

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

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

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

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

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

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Quality Management in our Pharmaceutical Business

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

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

Regular Site Visits for Foreign Suppliers

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

Contribution to Improving QOL in the Pharmaceutical Field

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

Initiatives

Initiatives to Support Socially Vulnerable Groups

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

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

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

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

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

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

Focusing on contributing to and strengthening initiatives for SDGs, we will also proactively promote the development of plant-based milk in the future with a target of handling 5,000 tons of it in FYE 2026.



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

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

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

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

also utilize the knowledge of the ITOCHU Group to reproduce the look, texture and taste of real meat.

Thailand CPF has announced it is aiming to become the top brand in Asia and one of the top three brands in the world for meat substitute brands by 2026. In addition to the products we have jointly developed with CPF, ITOCHU is also proactively promoting and developing other products. Combined with the Try Veggie series (Prima Meat Packers) developed within in the Group, we are aiming to handle 1,000 tons of plant-based foods by FYE 2026.





Poppin' Chicken, an example of a product from FIELD GOOD, a private brand developed by ITOCHU Corporation in collaboration

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FamilyMart

FamilyMart, a group company, engages in food retailing that first and foremost values the local community's needs. FamilyMart highly values the contributions it can make to socially vulnerable groups, and implements measures to address this issue throughout the FamilyMart business such as in the following ways.

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

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

1. Warning to Customers

FamilyMart gives warnings to customers about the sale of alcohol and tobacco, and displays products in the alcoholic beverages section so they can be recognized as such. In addition, FamilyMart puts up posters and sales promotional materials stating FamilyMart will not sell alcoholic beverages to those whom cannot be confirmed to be at least 20 years old.

Every week, store managers and supervisors in charge of sales guidance verify

whether legally mandated display of alcoholic beverages at the store and their classifications are carried out properly and confirms the presence of posters and other items that prohibit persons under 20 years of age from drinking and smoking.



"Alcoholic Drink Sales Label" Product Display Case Board



"Age Verification in Progress" Poster Sample

2. Age Verification at the Register

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

3. Training of Store Staff

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

4. Advertising and Promotion of Private Brand Alcoholic Beverages

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

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

As we face the challenges of an aging society, the increase in national healthcare costs and the number of individuals requiring long-term care have become significant issues. In this context, FamilyMart is committed to supporting each individual in maintaining their health by offering a variety of products and services that promote health. FamilyMart is dedicated to enhancing self-care in the community. Under its private brand Famimaru, FamilyMart has a lineup of health-conscious products. FamilyMart clearly displays icons for customer-relevant information such as "protein," "dietary fiber," and "carbohydrates" on the target products, making it easier for consumers who want to balance both deliciousness and health to identify and choose suitable options.

- 1. Amidst the growing health-consciousness and the desire for easily enjoyable daily meals, FamilyMart is implementing initiatives to provide clear displays in-store.
- This allows individuals to feel more at ease and enjoy their meals at our convenient and familiar convenience stores. Under its private brand Famimaru, FamilyMart uses icons to indicate customer-relevant information such as "protein," "dietary fiber," and "carbohydrates" on health-conscious products, making them easily understandable to customers with a quick glance.









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- Under its private brand Famimaru at FamilyMart, FamilyMart sells a range of snacks in the low-carb series, including ingredient-based sweets and bean snacks. The packages display the low-carb mark, which is certified by the Food, Pleasure, and Health Association. FamilyMart also includes the amount of low-carb carbohydrates, making it convenient for customers to control their carbohydrate intake. Unlike calorie restriction, the low-carb approach promotes gradual carbohydrate control and encourages enjoyable and delicious meals while recommending the consumption of appropriate carbohydrates. It is said that by keeping the low-carb carbohydrate* intake between 20-40g per meal and limiting snack low-carb carbohydrates to 10g, postprandial blood sugar levels can be controlled (source: Food, Pleasure, and Health Association).
- * The low-carb carbohydrate content is calculated based on available carbohydrates and has a value of 4kcal per gram. This differs from the calculation basis of regular carbohydrates. It was developed based on the concept of the Food, Pleasure, and Health Association's mission to encourage people to "eat deliciously, enjoyably, and healthily."

2. FamilyMart offers nutritionally balanced and delicious health support products that prioritize taste.

- In August 2018, its pre-order lunchbox, "Aburiyaki Salmon Makunouchi Bento," developed with the concepts of "deliciously low-sodium" and "packed with vegetables," became the first meal at a convenience store to be certified as a nutritionally balanced meal containing elements that contribute to health (commonly known as a "smart meal"). The certification was based on criteria established by analyzing menu plans from four school lunch providers, following the Ministry of Health, Labour and Welfare's "Guidelines for Providing Meals for Preventing Lifestyle-related Diseases and Promoting Health" (September 2015) and the Japanese Dietary Reference Intakes (2015 edition). It underwent evaluation by the "Healthy Diet and Food Environment" Consortium, consisting of multiple academic societies including the Japan Society of Nutrition and Food Science, and received certification. Additionally, its "Tasteful Ozen" meal, which has also received the smart meal certification for three menu items, has been well-received for its nutritionally balanced composition, vibrant vegetable colors, and gentle flavors.
- The Reduced-Salt Japanese-Style Dressing in a small-pouch form sold separately from salads was awarded the Gold Prize at the Fifth JSH Reduced-Salt Food Products Awards (sponsored by the Salt Reduction Committee of the Japanese Society of Hypertension). It was the first time for a convenience store to win the Gold Prize. Since its launch, the dressing has been supported by many customers, as a product with 25% less salt* while retaining the rich flavor that brings out the taste of vegetables.
- * Contains 25% less sodium than standard Japanese-style dressing based on Standard Tables of Food Composition in Japan 2020 (Eighth Revised Edition).

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

■ Food Safety and Reliability

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

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

I Community Engagement for a Brighter Future

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

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

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

■ Achieving Well-being by Opening Up the Power and Potential of Sugar

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

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

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

I Development and Provision of Products and Services that Promote Health and Reduce Negative Impacts
The FUJI OIL Group, one of the Group companies, develops products that promote consumers' health. At
the same time, it develops products and services that reduce negative impacts.

1. Initiatives to Reduce Trans-fatty Acid Content

High intake of trans fatty acids generated during the manufacture of processed foods increases the risk of heart disease. In response to guidelines published by the World Health Organization (WHO), the Fuji Oil Group is advancing the production of low trans fatty acid oils and fats through manufacturing processes that do not generate trans fatty acids.

Under the supervision of the Chief Strategy Officer (CSO), we are promoting initiatives to reduce the trans-fatty acid content of our products. This includes plans to reduce the trans-fatty acid content in the products of our group company, which are based in countries where high intake is noted, to align with WHO recommended levels. Moreover, from FYE 2021, the Sustainability Committee (renamed from the ESG Committee),* which is an advisory body to the Board of Directors, confirms the progress and results of these initiatives as a priority theme (materiality issue) for ESG management.

- Refer to the URL below for details of the ESG Committee. (https://www.fujioilholdings.com/en/csr/approach/)
- Targets, Performance and Progress in Product Improvement (https://www.fujioilholdings.com/en/sustainability/trans_fats/)

2. Reduced Sugar Chocolate

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

As a B-to-B food ingredient manufacturer, the FUJI OIL Group is also developing and promoting the sale of sugar-free chocolate made without using sugar.

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

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

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

Initiatives to Ensure Responsible Labeling

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

At FamilyMart, the responsible labeling of processed foods is especially important as its customers widely vary. For example, FamilyMart recognizes that it must ensure the safety of anyone with food allergies, and prevent the excessive intake of certain substances that can have heavy health consequences. In addition to the information FamilyMart is required by law to give on the labels on the private-brand products sold at FamilyMart, it lists a total of 28 items on the allergy labeling: the eight items mandated to be labeled by law plus 20 items recommended for labeling. FamilyMart does this so that customers can purchase products with peace of mind. Furthermore, FamilyMart also provides information that FamilyMart believes its customers would like to know when choosing products (e.g., ingredients, nutritional ingredients, and preservation methods).

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

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Involvement in Industry Initiatives to Ensure the Safety of Alcohol Consumption

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

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

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

Contributive Initiatives to Alleviate Hunger and Poverty in Developing Countries

World Food Programme (WFP)



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

through this scheme.

In May 2023, we supported WFP's child hunger eradication campaign called "Walk the World." The annual global walk aims to raise awareness and funds, as well as encourage action to end child hunger. This campaign was held in Yokohama, Nagoya and Osaka. Approximately 200 employees of ITOCHU Corporation and ITOCHU Group companies, including their family members, participated in the event.



ITOCHU Employees Participating in the Walk the World Event

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













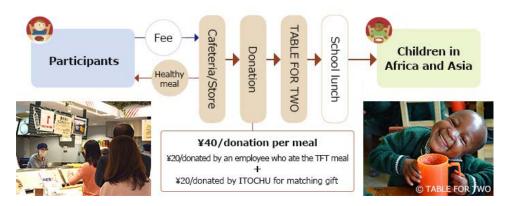


Table for Two is an international NPO that was founded by an affiliate of the World Economic Forum's Young Global Leaders. The organization aims to right the imbalance between the 1 billion people in the world who suffer from undernutrition, and the 1 billion people in the world who suffer from obesity.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

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

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

Currently, our Tokyo Headquarters provides TFT meals.



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Policy and Basic Concept

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

Notifying Suppliers of the Sustainability Action Guidelines for Supply Chains

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



Sustainability Action Guidelines for Supply Chains

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

1. Abuse and Harassment

Respect the human rights of all of employees and not engage in inhumane treatment, including discrimination, harassment, abuse and corporal punishment.

2. Forced Labor and Child Labor

Prohibit forced labor or child labor including the employment of children under the minimum working age.

3. Discrimination

Prohibit employment discrimination based on characteristics including but not limited to gender, race, and religion.

4. Suitable Remuneration

Comply with statutory minimum wages, strive to exceed living wages, and not unjustly reduce wages.

5. Freedom of Association and Collective Bargaining

Respect the freedom of association and right to collective bargaining of employees and ensure that labor-management discussions on working conditions and environment are held, as appropriate.

6. Working Hours

Comply with statutory working hour restrictions. Properly manage employees' working hours, provide holidays and paid leave as necessary and strictly prohibit excessive overtime work.

7. Safe and Healthy Working Environments

Take necessary measures to provide a safe, hygienic and healthy working environment to employees.

8. Environment

Consider potential and existing impacts on local communities and the environment with regards to business activities – such as impacts on nearby biodiverse habitats or pollution of the local ecosystem. Take the necessary measures to reduce consumption of energy, water and other natural resources, as well as emissions of greenhouse gases and waste.

9. Anti-Corruption

Comply with all applicable local and international laws and regulations. Ensure compliance with fair business practices and anti-corruption, including prevention of conflicts of interest and anti-competitiveness.

10. Information Disclosure

Disclose information on all items listed above in a timely and appropriate manner.

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Targets and Action Plan

				Risks					Opportunities		
Decline in credibility t	hat woul	d result from t	the occurrence of con	sumers and ser	vice users' safety or health issues.	• Estab in the	 Increase in demand for food safety, security and health improvement. Establishment of safe, stable supply system for product enabled by the consideration of human rights and improvement of work environment in the supply chain. Winning customer trust or creating new businesses with a stable supply of environmentally friendly resources and materials. 				
Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach		Performance Indicators	Degree of Progress		
Textile Company	extile Company										
Ensure Stable Procurement and Supply	12 creates construction (AD PROCESS)	Prevention of Pollution and Circulating Society	Reducing our environmental burden by circulating society	Textile products in general	We will contribute to realize a circular society through our sustainable textile products and recycling of them.	Promote sustainable products a projects leading to the recycling resources.		Promote the sustainable products such as "RENU", a recycled polyester derived from textile, and set up schemes to recycle textile products.	The environmental impact of handling recycled polyester through the RENU project is as follows (estimated for FYE 2024). Waste volume to be made into "RENU": equivalent to 6.3 million T-shirts, CO ₂ reduction: 1,931 tons, Water usage reduction: 6.500 kiloliters. Approximately 3,000 collection points for "Wear to Fashion", the clothing recycling service (as of March 2024). Launched the "ARChemia Project" as a joint project between textiles and chemicals, and started it to transform used clothing into chemical products with high environmental added value.		
Respect and Consider Human Rights Ensure Stable Procurement and Supply	8 SECRET VERSE AND ESCRETA	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 the human rights, social and environmental risks in supply ch continually conducting surveys major suppliers.	hains by	Conduct on-site visit surveys and questionnaires at more than 50 major suppliers a year on an ongoing basis.	In FYE 2024, surveys were conducted for 74 suppliers in China and the Asian region. As a result, no significant issues were identified. We also confirmed that follow-up actions were in progress such as maintenance of internal regulations that was considered as an issue through the human rights due diligence carried out in the previous year.		
Food Company											
Contribute to Healthier and More Affluent Lifestyles	3 (603 (604)))	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 for management structures in our st We will do this by persons with certifications/ qualifications related to the Foot Management System (FSMS) taki central role in enhancing supplie and making requests for improve	d Safety king the er audits	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 conducted inspections to 339 factories in FYE 2024. We are continuing to stably supply safe and secure food. We are achieving this by continuing to enhance the audits and guidance for suppliers mainly by the persons with certifications/qualifications related to the Food Safety Management System (FSMS) or in-house qualification holders related to factory audit.		
Respect and Consider Human Rights Ensure Stable Procurement and Supply	8 Million and Mill	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	We will promote procurement compliant with supplier-speci codes of conduct in coffee bea cacao bean producing countri We will strengthen the handlin certified by the RSPO - a third-certification organization for p We will support the establish promotion and distribution sy Japan for MSPO/ISPO in coop with domestic industrial assorthe aim of this is to encourage of certified oil systems in prod countries.	ific an and ries. ng of oil -party balm oil. ment of a ystem in beration ciations. e the use	Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. 2030 Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil.	Coffee beans: We achieved our quantitative target for FYE2024 of a certified product ratio 20% or more. (Actual result is projected to be 37%), We achieved a significant increase over the previous year by acquiring market share for UCC and Ajinomoto that had been acquired by other trading companies in the previous year. BtoB level disclosure of digital traceability information utilizing Farmer Connect (coffee traceability platform) has reached 3 thousand MT in FYE 2024. Cacao beans (traceable products): achieved 64% (5,950MT of traceable beans out of 9,253MT total.) Palm oil: Check supplier's sustainable palm oil sourcing policies through regular surveys, and continue purchasing based on our procurement policies. At the same time, we continue to publicize the ratio of RSPO certified Palm Oils and Traceable To Mill etc. Ratio of RSPO Certified Palm Products/Oleo chemicals Palm Oils 29% Oleo Chemical Products 72% Support Achievements to Each Producing Country (Qualitative) Coffee Beans: Support for Mobile Clinics / Guatemala Through Unex, medical care is provided to coffee producers and their families living in mountainous areas without nearby hospitals. Seame: Support for Livelihood Improvement in Malawi Infrastructure support to Malawi through collaboration with Takemoto Oil & Fat. In FYE 2024, 9 wells were constructed. Support for Small-scale Sesame Farmers in Paraguay Through collaboration with Kadoya Oil, support is provided to farmers, including technical guidance, agricultural tools such as seeders and sieves, and provision of seeds.		

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Targets and Action Plan

Materiality	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Respect and Consider Human Rights Ensure Stable Procurement and Supply	8 ECCENTRIC NO. 10 CONTRICT OF THE CONTRICT OF	Supply Chain	Responsible Fisheries Procuremen	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.	We have acquired the MSC fisheries certification for six fishing vessels as of July 2022. We have obtained MSC fisheries certification for an additional 19 fishing vessels in June 2023.
General Products & Rea	lty Comp	any						
Address Climate Change (Contribute to a Decarbonized Society) Ensure Stable Procurement and Supply	15 or on the control of the control	Forest	Using sustainable forest resources	Pulp Woodchips Wood products & materials	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In FYE 2024, 100% of our Pulp, Woodchips and Wood Priducts & Materials transactions were handled as certified material or were intensively managed.
Respect and Consider Human Rights Ensure Stable Procurement and Supply	8 ESTITUTE OF THE PROPERTY OF	• Forest • Supply Chain	Realization of sustainable supply of natural rubber	Natural Rubber	We will endeavor to establish measures to identify and avoid procuring rubber from any suppliers who dispossess indigenous people and develop High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland. We support or offer a training to improve yields and quality for natural rubber producers, especially smallholders. We also offer a risk-assessment education that includes modern slavery issue.	We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative "PROJECT TREE (https://project-tree-natural-rubber.com/)".	We aim to procure raw materials with traceability and sustainability ensured in our 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.	Traceability of the natural rubber raw materials' procurement reported by suppliers reached 100%. Traceability of the natural rubber raw materials' procurement using our system reached 7.0% up to the collecting points and 0.4% up to the smallholders. 3,804 of smallholders implemented sustainability training and education. Based on the performance from January to December 2023.

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Structures and Systems (Supply Chain Management)

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

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



Sustainability Surveys

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

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

Sustainability Checklist

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



Supply Chain Communication Handbook

Outline of Sustainability Survey

Applicable Survey Criteria

- High risk countries
- Over a certain amount of money
- Handling of certain product groups

Main Questions Common to All Companies

- Organizational governance: Establishment of a responsibility-taking structure and internal report system
- Fair Operating Practices: Prevention of corruption, information management, prevention of intellectual property right infringements and a sustainable procurement policy
- 3. Human rights: Risk assessments of human rights violations in business, abolition of child
- labor, forced labor, harassment and discrimination, and payment of appropriate wages

 4. Labor practices: Working hour management, health and safety management, and worker health
- 5. Environment: Waste and drainage treatment, handling of hazardous substances, and climate change and biodiversity initiatives
- Consumer and Local Communities: Quality control and traceability, Dialogue with consumers and neighboring residents
- 7. Certification: Environmental, quality, occupational management system

■ Department and Product Specific Supplementary Sustainability Items

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

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

Example Excerpt from the Handbook

Prohibition on forced labor

Companies must not force employees to work.

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

Reference

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

FYE 2024 Sustainability Surveys

We conducted surveys on a total of 305 companies in FYE 2024. We did not discover any serious problems requiring an immediate response from those results. We have also checked the prompt improvement measures and countermeasures taken by our business partners on problems raised as concerns at the time of the survey. We will continue to seek understanding for the concept of ITOCHU from our business partners and to communicate with them in the future.

■ Number of Suppliers Surveyed

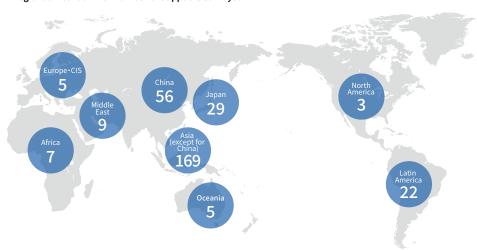
	All	Textile Company	Machinery Company	Metals & Minerals Company	Energy & Chemicals Company	Food Company	General Products & Realty Company	ICT & Financial Business Company
FYE 2024	305	74	8	20	31	104	65	3
FYE 2023	320	105	9	20	31	104	48	3
FYE 2022	288	65	9	20	31	107	53	3
FYE 2021	310	57	9	21	29	104	87	3
FYE 2020	316	50	15	20	39	102	85	5

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

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

Procured Resource Type	FYE 2022	FYE 2023	FYE 2024
Paper, Wood-chips, Timber, Timber Products	37	38	52
Agricultural Crops	39	36	31
Meat Products	13	14	13
Natural Marine Products	29	28	29
Apparel	5	105	60
Palm Oil	8	7	8
Coffee Beans	18	19	23

Regional Breakdown of Number of Suppliers Surveyed



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Human Rights Audits in the Poultry Industry in Thailand

Inspection of the CPF Saraburi Factory

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

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

This factory (slaughterhouse and food processing site) employs 1,300 Cambodians — equivalent to approximately 30% of its workers. That makes them an important part of the factory's labor force. We checked a number of items in this audit. These included the extent of signage in Cambodian in facilities in the factory, a check of the evacuation routes, the attendance management situation, and the personal storage situation of passports and work permits. In addition, we also randomly chose some Cambodian employees actually working there and interviewed them about their actual working conditions.

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

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



CPF Saraburi Factory



Those from CPF Who Cooperated with the



Actual Working Conditions



Interview with a Cambodian Worker on His All Signs in Cambodian on Fire Prevention Advice Not to Over-stack Auxiliary Facilities



Feedstock

Regular Visits and Surveys of Food Processing Factories

The Food Company has been regularly visiting and surveying the food processing factories of its overseas suppliers since FYE 2012 in regards to imported foods under the initiative of the Food Safety and Compliance Management Office. In FYE 2024, we surveyed 339 overseas suppliers and deployed preventive measures to ensure safety in food transactions. We established a China Food Safety Management Team in Beijing in January 2015. With this, we have set up a structure to be able to audit our Chinese suppliers. We conducted regular audits and follow-up audits on 42 companies in FYE 2024. Please refer to Responsibilities to Customers (P154) to learn about our initiatives in detail.

Third-party Sustainability Audits on Ready-made Meal Manufacturers

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

In such circumstances, FamilyMart is conducting a Self-Assessment Questionnaire (SAQ) consisting of approximately 200 items to evaluate whether appropriate employment is being provided, and if employee safety, health management, and other aspects are being properly addressed, for its business partners involved in the distribution of FamilyMart products. Additionally, in FYE 2024, FamilyMart conducted third-party audits targeting 22 factories, including raw material manufacturers. FamilyMart inspected compliance with human rights, labor, safety and health, environmental standards, and confirmed that there were no significant issues in each factory. FamilyMart will continue to take action towards building a sustainable supply chain in collaboration with all its business partners.



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Response to Suppliers in Violation of this Policy

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

In the FYE 2024 survey, the Sustainability Management Division carefully examined the answers from suppliers to key questions including the prohibition of child labor, the prohibition of forced labor and the payment of living wages, and identified issues that are necessary to share and to reconfirm with suppliers. As a result of this survey, the Sustainability Management Division requested the business departments in charge of the supplier to reconfirm the 34 extracted companies. The department in charge explained and shared the reconfirmation of

these issues with the suppliers, and conducted a detailed survey of the suppliers' responses to them.

As a result, it was determined that the reconfirmed issues were being addressed by each supplier, and no requests for corrective actions were made to suppliers in FYE 2024. Through this survey, suppliers actively report issues and engage with the business department involved. When a problem is identified, suppliers are requested to take corrective actions, thereby encouraging them to make efforts to correct the issue.

If it is judged that correction is difficult despite ongoing requests, we will reconsider our business with the relevant supplier, including regarding the continuation of the contract.

■ FYE 2024 Sustainability Survey Result

	Key Questions			
Questions	Checking Contents	Number of Reconfirmation	% (305 suppliers)	Number of Corrective Action
Clarifying Responsibilities for Sustainability	A Sustainability Manager is appointed and the system for promoting sustainability is clear.	16	5.2%	_
Fair Operating Practices	We have established a policy and monitor the status of compliance with the policy by a person in charge.	6	2.0%	_
Preventing Information Leakage	We have established rules and informed all of our employees of the rules.	6	2.0%	_
Prohibition of Child Labor	We have clearly defined a minimum age for employees in light of the standards of the International Labor Organization (ILO) and we check the self-reported age of each person before employing them.	2	0.7%	_
Prohibition of Forced Labor	We have a policy of not using forced labor and we do not take a passport or a master copy of ID before employing them.	3	1.0%	_
Prohibition of Harassment	We have specified in writing that we prohibit harassment, and we have informed all of our employees to that effect. We also check whether any harassment actually occurs.	3	1.0%	_
Right to Organize and Bargain Collectively	We recognize the right of employees to organize and bargain collectively and regularly offer them opportunities, at least once a year, to communicate with the management regarding improving their labor environment.	5	1.6%	_
Prohibition of Discrimination	No restrictions on recruitment by gender, race, religion, etc. in recruitment conditions or requests to agent companies.	2	0.7%	_
Payment of Living Wage	We pay employees wages that exceed the legal minimum wage for each country.	0	0.0%	_
Working Hours	We have a system for the appropriate management of working hours throughout the entire business establishment. The working hours do not exceed the legal standards of the country.	1	0.3%	_
Taking Holidays	All of our employees have at least one day off every week.	1	0.3%	_
Identifying Dangerous Areas and Tasks	We acknowledge all labor accidents that have occurred, and we have a system under which we take measures to reduce their occurrence.	0	0.0%	_
Operating Procedures	We have operating procedures of occupational health and safety, and we review their contents at least once a year.	0	0.0%	_
Response to Labor Accidents	We acknowledge all labor accidents that have occurred, and we have a system under which we take measures to reduce their occurrence.	0	0.0%	_
Hygienic Ancillary Facilities	All of our facilities are kept in a sanitary condition. No issues were identified in the inspections undertaken by the local authorities or the like in the last five years or more.	2	0.7%	_
Treatment of Waste	We have a manual and apply the manual by reminding our employees of it at least once a year.	9	3.0%	_
Treatment of Exhaust Air and Discharged Water	We control them by applying standards that are stricter than the requirements of the local regulations.	5	1.6%	_
Procuring Raw Materials in a Responsible Manner	We ensure the traceability of more than 90% of raw materials, as far back as to the land of origin, and have a system in which we do not purchase them until we confirm that they are not problematic environmentally or socially.	8	2.6%	_
Development with Consideration for Local Residents	Grievance mechanism from local residents about noise, bad odor and environmental pollution of air and water, etc.	6	2.0%	_
	Total Number of Suppliers	34	11.1%	_

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Structures and Systems (Business Investment Management)

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

ESG Risk Assessment for New Business Investment Projects

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

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

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

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

We have continued to conduct on-site visits and surveys in group companies since 2001 to prevent environmental pollution and risk assessment of labor practice. We have conducted investigations into a total of 298 offices in the world as of the end of March 2024.

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



Visit and Survey Report: DOLE PHILIPPINES Fact-finding Investigation

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





On-site observations

On-site observations

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Procurement Policies by Product Type

Products of Relevance to Forest Conservation

- Sustainable Procurement Policy on Natural Forests and Forest Resources (https://www.itochu.co.jp/en/csr/pdf/sustainable_procurement_policy_on_natural_forests_and_forest_ resources.pdf)
- Natural Rubber Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/natural_rubber_policy.pdf)
- Sustainable Palm Oil Procurement Policy (https://www.itochu.co.jp/en/csr/pdf/sustainable_palm_oil_procurement_policy.pdf)

Food

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

Textile Raw Materials

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

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Sustainability in the Value Chain: Products of Relevance to Forest Conservation

Products of Relevance to Forest Conservation

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

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

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

Sustainable Procurement Policy on Natural Forests and Forest Resources

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

Management Approach

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

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

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

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

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

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



Sustainable forest resources to be protected

Metsä Fibre Oy (Certification by FSC and PEFC)

ITOCHU has a stake in Metsä Fibre Oy, a worldclass softwood pulp manufacturer based out of Finland. Metsä Fibre Oy boasts an annual pulp production capacity of around 3.9 million tons. They have tapped ITOCHU as the exclusive distributor for their softwood pulp destined for Asian markets. The company manufactures pulp from 100% traceable forest resources of which 90% have received two certifications, namely the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification Schemes (PEFC).

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



Äänekoski Plant commissioned in 2017

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Sustainability in the Value Chain: Products of Relevance to Forest Conservation

Certification of Traceability for Chinese Timber

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

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

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

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



Interview with Indigenous Community in Anap Muput Forest Management

Performance Regarding Forest Certification and Legal Compliance

■ Performance of Timber and Timber Products*

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

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

Classification B	Based on Legality	ltem		Target		
Classification	ased off Legality	item	FYE 2022	FYE 2023	FYE 2024	FYE 2026
Certified	Certified Certification Materials or Advanced Management can be	(A) Timber handled by a certified forest supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)	35%	25%	18%	
Materials or Advanced Management can be		(B) Timber harvested in countries or regions assessed as "Low Risk" based on the forest certification system	43%	62%	75%	100%
Confirmed	Certification of Legality in the Clean	(C) Timber whose legality has been confirmed by documents proving that it was cut in compliance with the laws of the place of origin*1	22%	13%	7%	
N/A	Wood Act	(D) Materials whose legality has been confirmed by "additional measures"*2	0%	0%	0%	0%

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

I Sustainable Procurement Performance of Raw Materials for Papermaking

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

Classification Based on Legality		ltem		Result			Target
		iteiii	item		FYE 2023	FYE 2024	FYE 2026
Certified Materials or Advanced	Forest Certification	Timber handled by a certified forest supplier or timber approved as a management material by a	Chips	92%	97%	100%	100%
can be Confirmed	can be System certification	certification body (acquired FSC or PEFC certification)	Pulp	100%	100%	100%	100%

^{*} License No. FSC® C009841

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

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Natural Rubber

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

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

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



Participation in the GPSNR

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

PROJECT TREE Initiative

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

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

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

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

Release: ITOCHU Announces a Blockchain PoC for Traceability (https://www.itochu.co.jp/en/news/press/2019/190201.html)

[•] Release: ITOCHU Announces the Commencement of Commercialization of PROJECT TREE, the First Blockchain-based Natural Rubber Traceability and Sustainability Project in the World (https://www.itochu.co.jp/en/news/press/2021/211201.html)

PROJECT TREE website (https://project-tree-natural-rubber.com/)

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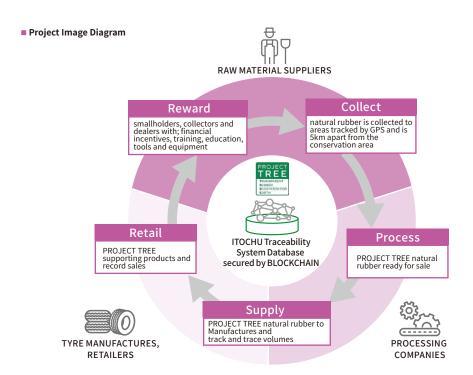
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Performance Data on Natural Rubber

Category		2022 (Jan-Dec)	2023 (Jan-Dec)	Target (2025)
Natural Dubbar Traccability	Up to Collecting Point	4.5%	7.0%	100%
Natural Rubber Traceability	Up to Smallholders	_	0.4%	33%
Capacity building, Sustainability training initiatives to small farmers		3,934 people (Accumulatively 4,117 people)	3,804 people (Accumulatively 7,921 people)	_

Palm Oil

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

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

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

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Establishing Traceability

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

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

^{*1} Sustainable palm oil: palm oil produced in a responsible manner which complies with NDPE policy and RSPO, MSPO, ISPO or any other equivalent standards

^{*2} No Deforestation, No Peat, No Exploitation (NDPE): zero deforestation, zero peatland development, zero exploitation

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Membership to the Roundtable on Sustainable Palm Oil (RSPO)

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

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

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

- RSPO Supply Chain Certificate (https://www.itochu.co.jp/en/csr/pdf/rspo_scc_certification_2023.pdf)
- Sustainability Action Plans (P24)
- The Annual Communication of Progress (ACOP) (https://rspo.org/members/2-0034-06-000-00/)

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

- Initiatives for sustainable procurement of palm oil (https://www.itochu.co.jp/en/csr/pdf/fact_sheet_2024.pdf)
- Refinery list (https://www.itochu.co.jp/en/csr/pdf/refinery_list_2024.pdf)
- Mill list (https://www.itochu.co.jp/en/csr/pdf/mill_list_2024.pdf)

Performance Data on Sustainable Palm Oil Procurement

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

Colorania		Result		Target
Category	2021 (Jan-Dec)	2022 (Jan-Dec)	2023 (Jan-Dec)	2030
Volume of Handled Palm Oil	307,000 tons	352,000 tons	386,000 tons	
Main Cumplion	Malaysia	Malaysia	Malaysia	Malaysia
<main supplier=""></main>	Indonesia	Indonesia	Indonesia	Indonesia
RSPO Members	10/10 (100%)	10/10 (100%)	10/10 (100%)	100%
Suppliers Under NDPE Policy	10/10 (100%)	10/10 (100%)	10/10 (100%)	100%
<certified oil="" palm="" sustainable=""></certified>				
RSPO Certified Sustainable Palm Oil	16.89%	19.24%	28.60%	
<traceability></traceability>				
Traceable to the Mills	100%	100%	100%	100%

Woody Biomass Fuel

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

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

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

Performance Data on Woody Biomass Fuel

Woody Biomass Fuels handled by ITOCHU have acquired FSC or PEFC certification as "materials handled by certified forest suppliers or materials approved as management materials by a certification body".

Classification of Legality Basis		Item	FYE 2023	FYE 2024
Certified wood or highly controlled wood Forest	Forest certification	Lumber handled by certified forest suppliers or timber recognized as controlled timber by a certification body. (FSC or PEFC certified)	100%	100%

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

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Food

Cocoa Beans and Coffee Beans

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

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



Cocoa Bean and Coffee Bean Trading Supply Chain

Cocoa Beans



Overview of Cocoa Bean and Coffee Bean Dealings

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

Sustainable Cocoa Bean Sourcing Program

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

Performance Data on Sustainable Cocoa Bean Procurement

	FYE 2024	FYE 2031 Target
Sustainable Cocoa Bean	64%	100%

Sustainable Coffee Bean Sourcing Program

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

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

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

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

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Project with Farmer Connect SA

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

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

Performance Data on Sustainable Coffee Bean Procurement

	FYE 2022	FYE 2023	FYE 2024	FYE 2031 Target
Sustainable Coffee Bean	36%	29%	37%	50%

Dairy Products

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

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

Ensuring the Safety of Raw Milk

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

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

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

Initiatives for the Sustainability of Ranches

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

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

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Sustainability in the Value Chain: Food

Meat

Surveys of Beef Supplier Food Safety Management Systems

As a general rule, ITOCHU verifies whether beef suppliers for import transactions have HACCP certification or GFSI (Global Food Safety Initiative)-recognized certification. GFSI is a non-profit organization that involves globally expanding food companies and promotes food safety.

Initiative Participation

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

Performance Data on Traceability

ITOCHU considers the safety and security of food as our number one priority, based on the key assumption that we are able to thoroughly trace the products we deliver to our customers back to their producers.

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



Content	Performance			
Content	2021	2022	2023	
Volume of Handled Meat	About 150,000 tons	About 130,000 tons	About 130,000 tons	

Ensuring Traceability at HyLife Group Holdings

HyLife's integrated production includes pig farms, mixed feed factories and pork processing, enabling supply chain management and coordination in-house. HyLife has utilized this production structure to achieve a stable supply of safe and secure, high-quality and traceable products. In addition, it is possible to communicate the individual needs of customers to pig farms through such integrated production. Hylife has established a specialty program customized for Japan that has been well-received in the market. Currently, it is one of the largest exporters of chilled pork to Japan in North America.



Pork Processing Process

Promotion of Animal Welfare at Group Companies and Suppliers

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

I Initiatives by Meat Supplier

Respecting Animals is a HyLife Core Value and the obligation and responsibility of all employees. HyLife provides optimal environmental conditions for the animals in our care providing climate controlled housing, nutritionally balanced diets and veterinary animal health oversight.

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

I Initiatives at Group Companies

In 2023, Group company Prima Meat Packers, LTD. established the Group Procurement Policy to promote responsible procurement that is safe and secure and takes into consideration the global environment, human rights, and animal welfare. At the new farm in Miyagi Prefecture, which began partial operations in 2023, we have created an environment to alleviate the stress of pigs. In the future, we plan to use free stalls rearing in the expansion to increase the number of sows, and we plan to promote animal welfare measures.

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Marine Products

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

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



Target

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

The quantity of pole and line fished *2 raw ingredients in ATI was increased from 8,000 tons in FYE 2014 to 13,700 tons in FYE 2024 (37% of the total quantity handled by ATI). It has become one of the few canned tuna factories in the world that uses a large amount of pole and line fished raw ingredients. We will continue to work to secure, maintain and increase pole and line fished raw ingredients.

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

Sustainability Surveys for Marine Resource Suppliers to Ensure Responsible Procurement Practices

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

Regarding bonito tuna, which we handle in vast quantities, we prohibit procurement from IUU fishing (concerning illegal fishing: "Illegal, Unreported and Unregulated"). We only procure and purchase marine products whose origin is clearly traceable to fisheries that are properly managed by the Western & Central Pacific Fisheries Commission (WCPFC).

Certifications and External Stakeholder and Initiative Participation

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

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

ATI is strengthening its handling of pole and line fished raw material – considered to be the most environmentally friendly skipjack and



Pole and Line Fishing

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

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

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

■ Performance Data Related to Certification

Item		FYE 2022	FYE 2023	FYE 2024	Target (FYE 2026)	
Fisheries Raw Materials Handled by ITOCHU MSC and/or COC Certified Fisheries Raw Materials	MSC/COC Quantity	6,500 tons	7,500 tons	10,000 tons	15,000 tons	
	Percentage of MSC/ COC Certified Raw Materials	4%	4%	6%	8%	
Bonito Tuna for Canned Tuna	ATI Fishing Line	ATI Single Fishing Raw Material Quantity	19,300 tons	13,000 tons	13,700 tons	21,000 tons



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Sustainability in the Value Chain: Textile Raw Materials

Textile Raw Materials

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

Organic Cotton Procurement in India

■ Traceability in Organic Cotton Procurement in India



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

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



Expansion of Environmentally Friendly Materials

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

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

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

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

- Commitment of Protecting Forests through Material Sourcing of MMCF (https://www.itochu.co.jp/en/csr/pdf/commitment_of_protecting_forests_2019.pdf)
- RENU Project (P73)
- Participation to Textile Exchange "the 2025 Recycled Polyester Challenge" (https://textileexchange.org/2025-recycled-polyester-challenge/)

Performance Data on Organic Cotton Procurement

All organic cotton is GOTS certified and traceable.

Item	FYE 2022	FYE 2023	FYE 2024
Organic Cotton Handled (1,000 kg)	1,790	800	1,876
Percentage of Cotton Trade	86%	30%	85%
Traceability of Organic Cotton	100%	100%	100%
GOTS Certification of Organic Cotton	100%	100%	100%

^{*} The textile raw material section

Society

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G Data (Society)

Social Contribution Activities

Policy & Basic Approach

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

The ITOCHU Group Basic Activity Guidelines on Social Contribution

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

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

1. Growth of Future Generations

We shall conduct activities to support the sound development of youth as tomorrow's leaders mainly in the areas in which we do business and work for the emergence of fulfilling and vibrant communities.

2. Environmental Conservation

We shall vigorously pursue activities of environmental conservation and contribute to sustainable social advancement.

3. Community Contribution

As a good corporate citizen, we shall promote community development, construct favorable relationships, and enter into dialogue and discussions in the areas in which we do business.

Fumihiko Kobayashi

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

Relationship Between the Key Fields of Social Contribution Activities and Business

We have established enhancing contribution and efforts for the SDGs as one of the basic policies in our Brand-new Deal 2023 medium-term management plan that we started in 2021. It continues to be positioned as one of our major strategies in our Management Policy "The Brand-new Deal" set for 2024.

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

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

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Initiatives: Growth of Future Generations

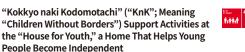
ITOCHU Foundation

ITOCHU has promoted social contribution activities aiming for the sound development of young people since setting up the ITOCHU Foundation (which became a public interest incorporated foundation in 2012) in 1974.



Children's Literature Collection Grant (1975-) "BRIDGING FOUNDATION"

A member of the Bridging Foundation reads to patients at a children's hospital ward in Vietnam



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



Project for Promotion of E-book Libraries

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





ITOCHU Foundation(Japanese only)

Introduction to the Activities of the

ITOCHU Foundation (5 minutes and 31 seconds) Movie (Japanese only) https://www.youtube.com/embed/ 6B6u3SwrdEo?rel=0&autoplay=1&s

(https://www.itc-zaidan.or.jp/)

Make effort to realize his dream through study

ITOCHU SDGs STUDIO KIDS PARK



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

Held Company Visits for K-12 Students



Hosted extracurricular class for Aoyama Elementary School

ITOCHU Baseball Class held at Meiji Jingu Baseball Stadium



This class has been held since 2007 to encourage children with disabilities to enjoy playing baseball. ITOCHU Group employees also participate as volunteers.

Held School Program on the Environment



Screenshot of the online class

Initiatives: Environmental Conservation

Mangrove Planting Project



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



Tree planting by children

Project for Protecting Green Turtles, an Endangered **Species**

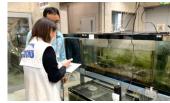




Green Turtles, an Endangered Species

Collaborative Conservation Project for Rare Freshwater Fish with Shiga Prefecture and Shiga Prefectural Lake Biwa Museum





Analysis in the Freshwater Fish Breeding

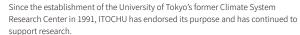
Activities to Restore the Tropical Rainforests and Conserve Borneo's Ecosystem





Endangered Species of the Orangutan

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





13 227

The Climate Symposium (Dec. 2018)

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Initiatives: Community Contribution

Local Contribution Activities at Domestic Locations









Seven offices in Japan (as of April 1, 2024) are engaged in community contribution activities in their respective regions. For details on initiatives taken by each location, please refer to Community Contribution (https://www.itochu.co.jp/en/csr/social/community/ index.html#activity-05).



ITOCHU SDGs STUDIO



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

Provided Covid-19 Vaccination to Essential Workers



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

Local Contribution Activities at Overseas Offices

About 90 overseas offices in 60 countries (as of April 1, 2024) are engaged in community contribution activities in their respective regions. Not only through their business activities, but as a member of the local community, ITOCHU considers and carries out local issues and unique contributions. For details of the initiatives taken by each regional block, please refer to Community Contribution (https://www.itochu.co.jp/en/csr/social/ community/index.html#activity-04).



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



Picture books gathered from around the world

Blood Drives by the Japanese Red Cross Society



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



Cleanup activity in the desert of the Jebel Ali industrial area in Dubai

Local Job Creation and Employment

Pineapple Production Business by the Dole Group, a Member of the ITOCHU Group

Dole Philippines (Dolefil), a subsidiary of Dole International Holdings, Inc. under the ITOCHU Group, entered Mindanao, the Philippines, in 1963. Dolefil has achieved sustainable business development over the past 60 years through management that emphasizes coexistence with the local community. Dolefil supports farmers by providing them with harvest purchase contracts, lending them heavy machinery, and sharing knowledge on how to improve production efficiency, thereby helping them achieve stability. Dolefil actively recruits local residents (including indigenous and ethnic minorities) at its processing plants and provides them with the necessary training for on-site operations to improve workplace safety and product quality.

In addition, Dolefil works with the Mahintana Foundation, Inc., an NGO spun out from Dolefil's CSR department, to support local industry, job creation, environmental protection, education, and livelihoods. For example, the company has a project to donate chairs made from its wood pallet waste to local schools. With contributions from employee salaries and additional contributions from Dolefil, it outsources manufacturing to local contractors, promoting community development through a combination of materials recycling and job creation.

As a new production base, Sierra Tropical Limited has been cultivating pineapples and producing processed pineapple products in Sierra Leone in West Africa since April 2022. The company currently employs more than 1,800 people at salaries above the local minimum wage, with the expectation of more than 3,000 local employees in the future. The project has contributed to increased local employment, the development of the local economy, and improved living standards.

Oil Field Development Project in the Caspian Sea that Both Secures Stable Resources and Contributes to and Coexists with **Local Communities**

As a member of an international consortium operated by BP, ITOCHU Corporation participates in the ACG project, a crude oil development and production project in the Caspian Sea in Azerbaijan, and the BTC oil feed pipeline project.

Crude oil produced at the ACG project is supplied primarily to the European market via the BTC pipeline, thus contributing to the stable supply of energy in the world. These projects operate in strict compliance with environmental and labor-related laws and industry standards, as well as initiatives to reduce carbon emissions from operations. In addition to contributing to the creation of local employment, both projects are involved in a number of activities that contribute to the local community, such as education and employment support, assistance to the agricultural industry, etc.

As ITOCHU Corporation, we have donated PCs to elementary and junior high schools and solar panels to a national park and the State Baku Zoo.



Chairs for schoolchildren made from reused wooden pallets. Dolefil has donated over 70,000 chairs to local schools over the past 20 years.



Dole's business in Sierra Leone has been fully operational since July 2022, providing 14 wells as part of efforts to improve living



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



Solar Panels Donated to Baku Zoo

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ESG Data (Society)

ESG Data (Society)

Independent Assurance

Independent Assurance Report (P232): ★ Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000.

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

				Consolidated			
	Employees (people)	Men (people)	Women (people)	Avg. Age (years old)	Avg. Annual Salary (Yen)	Employees (people)	Temporary Staff (people)
2024★	4,098	3,072	1,026	42.3	17,536,469	113,733	45,193
2023	4,112	3,111	1,001	42.4	17,300,799	110,698	44,705
2022	4,170	3,180	990	42.2	15,797,516	115,124	43,195

- * The average annual salary, effective from 2024, is calculated excluding employees on leave and those on fixed-term contracts such as rehired retirees.
- * The number of consolidated employees includes the total employees from subsidiaries (including seconded employees), but excludes executives, employees seconded to other companies, and temporary employees.
- *The number of Temporary Staff is calculated in [(Number of Temporary staff at the beginning of FYE+Number of Temporary staff at the end of FYE) ÷ 2] as the average number of Temporary staff for each fiscal year.
- * Temporary staff, including those from subsidiaries, are defined as temporary staff, contract employees, part-time workers, and part-timers with a contract period of one month or longer.

Gender Pay-Gap	All Employees	Full-time Employees	Part-time Employees		
FYE 2024	58.5%	59.3%	52.5%		
FYE 2023	59.1%	60.5%	41.6%		

^{*} The formula of the caluculation is ["average womens' annual salary" \div "average mens' annual salary"].

Employees by Operating Segment★ (as of March 31, 2024)

(Unit: People)

		Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others	Total
-	Non-consolidated	311	388	167	371	399	241	238	44	896	3,055
	Consolidated	6,232	13,568	515	11,861	32,687	22,013	16,966	7,265	2,626	113,733

^{*} The number of consolidated employees includes the total employees from subsidiaries (including seconded employees), but excludes executives, employees seconded to other companies, and temporary employees.

Overseas Bloc Employees by Region★ (as of March 31, 2024)

(Unit: People)

	North America	South America	Europe / CIS	Africa	Middle East	East Asia	Asia / Oceania
National Staff	134	108	265	64	119	566	590
Rotational Staff	53	19	64	17	25	71	103
Overseas Trainees	17	3	14	0	4	15	22
TOTAL							2,273

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

Number of Overseas Local Employee Management Personnel (as of March 31, 2024)

(Unit: Poonlo)

	North America	South America	Europe / CIS	Africa	Middle East	East Asia	Asia / Oceania
Management Personnel	85	37	80	7	32	322	176

^{*} Equivalent to headquarters management positions

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

(Unit: People)

	Career-track		(Managerial*¹			General Managerial*2			Executive Positions*3		
	Total	Women	Share	Total	Women	Share	Total	Women	Share	Total	Women	Share
2024★	3,308	395	11.9%	2,522	223	8.8%	392	3	0.8%	41	5	12.2%
2023	3,331	375	11.3%	2,541	219	8.6%	*2 401	*2 3	*2 0.7%	38	4	10.5%
2022	3,395	359	10.6%	2,569	210	8.2%	413	3	0.7%	41	4	9.8%

^{*1 &}quot;Managerial" include those in general positions above a certain rank, as well as special positions equivalent to managerial roles and associate executive officers.

Women Rotational Staff (as of April 1, 2024)



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

^{*2 &}quot;General Managerial" includes employees in higher managerial roles, and also includes executive officers and associate executive officers.

^{*3} In accordance with the revision of the personnel system for executive officers, we have reviewed part of the aggregation criteria. Consequently, the numbers and ratios for 2023 and 2022 have been retroactively corrected.

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

	Percentage of Disabled Employees (%)
2024★	2.43
2023	2.48
2022	2.43

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

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

			Number of H	lires by Gender (Unit:People)			Adoption Rate	
		New-Graduates			Mid-Career	Total	for Mid-Career (Unit:%)		
	Men	Women	Total	Men Women		Total	Totat	(01111.70)	
FYE 2024★	82	53	135	19	5	24	159	15	
FYE 2023	73	34	107	8*1	6	14	121	12	
FYE 2022	80*1	36	116	1*1	1	2	118	2	

^{*} The scope of the period is fiscal year (1st of April - End of March).

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

	Avg. Y	ears Employed (Unit:	years)	Voluntary Resignation Rate					
	Men	Women	Total	Men	Women	Total			
FYE 2024★	18.2	18.0	18.2	1.5%	1.7%	1.6%			
FYE 2023	18.3	18.3	18.3	1.9%	1.6%	1.9%*1			
FYE 2022	18.1	18.4	18.2	1.7%	1.5%	1.6%			

^{*} Positions: career-track, clerical, special

ITOCHU Corporation has a long average number of years employed of 18 years and only around 1.6% of employees voluntarily resign. It is a company where many employees choose to stay for the long-term.

Use of Childcare & Nursing Care Programs

(Unit: People) Childcare

Sustainability in the Value Chain

			Childcare leave*1	Childcare leave acquisition rate*2	Leave to nurse sick children	Shorter working hours for childcare	Special parental leave	Percentage of employees returning to work*3
		Men	51	53%	102	0	5	
	FYE 2024★	Women	45	100%	145	74	22	96%
		Total	96	68%	247	74	27	
		Men	39	52%	67	0	4	
	FYE 2023	Women	48	100%	125	89	19	96%
		Total	87	71%	192	89	23	
	FYE 2022	Men	32	34%	71	0	7	
		Women	47	104%	124	94	16	100%
		Total	79	56%	195	94	23	

^{*1} Childcare leave includes childcare leave at birth (postpartum paternity leave).

Nursing Care and Family Support Leave

(Unit: People)

		Nursing care leave	Leave for nursing care	Shorter working hours for nursing care	Special nursing care leave	Family Support Leave
	Men	0	32	0	3	49
FYE 2024★	Women	0	49	3	9	73
	Total	0	81	3	12	122
	Men	0	23	0	4	55
FYE 2023	Women	0	45	3	9	70
	Total	0	68	3	13	125
	Men	1	18	0	3	70
FYE 2022	Women	0	47	5	9	72
	Total	1	65	5	12	142

^{*} Data for *1 are revised because some of the aggregate data has been revised.

Turnover rate is calculated according to the following formula.

Voluntary resignations ÷ employees at end of fiscal year

^{*} Data for *1 are revised because some of the aggregate data has been revised.

^{*2} The number of employees taking the childcare leave is the number of employees who started taking such leave during the current fiscal year. The "Childcare leave acquisition rate" is the ratio of the number of employees who started taking parental leave during the fiscal year to the number of employees who gave birth during the fiscal year (For men, the number of male employees whose spouses gave birth). (Including the number of employees seconded from other

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

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ESG Data (Society)

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

	FYE:	2022	FYE:	2023	FYE:	2024
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Number who Suffered from Occupational Accidents (Number which Occurred During Commute)*2	5 (4)	0 (0)	3 (0)	0 (0)	★ 5 (3)	★ 3 (1)
Number of Fatalities	0	0	0	0	★ 0	★ 0
OIFR (Occupational Illness Frequency Rate)*3	0	0	0	0	★ 0	★ 0
Number who Suffered Lost Time Incidents (LTI)*4	0	0	0	0	★ 0	★ 1
LTIFR (Lost Time Injury Frequency Rate)*5	0	0	0	0	★ 0	★ 4.91

^{*1} Employees targeted: Full-time employees — career-track employees, clerical employees, those in special positions and employees temporarily assigned to us

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

	FYE 2021	FYE 2022	FYE 2023
Lost-time Incident Rate	2.27	2.31	1.98

^{*} The data above references the Ministry of Health, Labor and Welfare's FYE 2023 Research on Work-related Accident Trends

Time/Cost Allotted for Employee Skills Development Training

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Total annual training time (hours)	168,425	92,431	112,574	87,841	115,649
	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Average training/development hours per regular employee (hours)*	39.53	21.93	27.00	21.36	28.22
Average training/development cost per regular employee (thousand yen)	407	260	269	396	555

^{*} Calculation method: total annual training hours / employees at end of fiscal year

Attendance in Major Training

(Unit: People)

Training	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Quick Mastering Business Management Course	110	152	172	173	145
Global Development Program	154	(Cancel)	(Not implemented)	33	102
Organization Manager Workshop	337	341	624	1,401	649
Short-Term Business School Dispatch	37	8	7	16	36
Junior Chinese/Special Language Dispatch	10	(Cancel)	(Not implemented)	5	15
Chinese Lessons	158	205	189	193	233
Career Vision Support Training (total)	1,940	2,067	1,851	1,419	1,210

FYE 2024 Human Rights Training Record★

(Unit: People)

	Number of Participants			
Group ESG Managers Conference	101			
New Employee Training	137			
Training for Newly Appointed Section Managers	50			
Organization Manager Workshop	649			
Pre-overseas Appointment Training	226			
Training for New Officers of Group Companies	130			
Sustainability Survey Workshop	109			
Total	1,402			

Part-time employee — contract employees
2 Number who suffered from occupational accidents: The total number of those who suffered from of occupational accidents or non-LTI due to their work and those injured during their commute.

^{*3} OIFR: The rate of incidence of lost-time accidents corresponding to disease per million hours (calculated as the number of people suffering from LTI due to illness divided by the total number of working hours times 1 million)

^{*4} We define Lost time injuries (LTI) as incidents where a work-related injury or illness causes the victim to be absent from work on the next working day. If the employee took a leave of absence after the next working day, it is not included in the aggregation.

^{*5} LTIFR: The rate of occurrence of incidents that caused employees to miss work per million working hours (calculated as the number of sufferers of LTI divided by the total number of working hours times 1 million)

Respect and Consideration for Human Rights

Human Resources Development

Support for Diversity, Equity & Inclusion

Fiscal Year	Theme
FYE 2024 (Offline • Online)	1. Femtech Fes!? (In-house exihibition utilizing femtech) 2. Women's Advancement (Women's Advancement Committee × BHP) 3. Lesson for "Mom-to-be" and "Dad-to-be" (Promotion of childcare leave for male employees) 4. Balancing career and nursing care (Basic knowledge on nursing care, long-distance nursing care) 5. Basic knowledge on LGBTQ
FYE 2023 (Offline•Online)	1. Introduction of Health and Child Care Concierge 2. Balancing Pregnancy with Pregnancy and Introducing Support Programs 3. Basic LGBTQ knowledge and partnerships 4. Male parental leave 5. Balance with nursing care
FYE 2022 (Online)	1. Balancing career and nursing care 2. Balancing career and life: work style reform and child-rearfor couples 3. Basic knowledge on LGBTs 4. Women's career and health 5. Advancement of women (talk by an officer)

Attendance in Training Related to Health and Safety Standards (Non-Consolidated **Employees)** (Unit: People)

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
General Training Covering Health and Safety Standards*1	3,629	1,447	841	2,690	★ 2,865
Human Resources-led Training Covering Health and Safety Standards*2	453	74	63	358	★ 719

 ^{*1} The total number of participants in training new recruits (career-track employees and clerical employees), training for newly appointed section managers, training prior to overseas assignment, and the comprehensive emergency drill at the Tokyo headquarters.
 *2 The total number of participants in Career vision training (including mindfulness courses and mental health management courses).

FYE 2024 Number of Employees that Received Our Main Health and Safety-related **Trainings**

(Unit: People)

Type of Training	Training Details	Number of Employee Attendees
Training New Recruits	Employees newly joining ITOCHU are informed on the importance of health for their personal life and their career. The training includes information on mental health and lifestyle-related diseases. Employees are also educated on the company's health and safety management by our occupational physician and our clinical psychologist.	137
New Manager Training on Health Management	50	
Training in Preparation for Overseas Assignments or Junior Overseas Training	The training is mainly conducted by our occupational physician, and covers health issues that are likely to occur in relevant countries, as well as crucial differences in medical environments and lifestyles between Japan and assigned countries. The training also covers necessary preparations that are recommended prior to dispatch, and information on how to receive health checkups during their assignment. We also provide the same training for the family members of our employees, and provide information on key contact points and resources in case of emergencies.	245

o Commitment Sustainability at the ITOCHU Group Environment Society Governance Sustainable Finance Evaluation by Society Independent Assurance Report 🛕 < 187



Risk Management

Compliance

Corporate Governance

Policy and Basic Concept

The ITOCHU Group declares the spirit of "Sampo-yoshi" (Japanese for "good for all three sides": good for the seller, good for the buyer, and good for society) to be our corporate mission, based on the philosophy of our founder, Chubei Itoh I. We seek not only to achieve profit but also to help address social issues, in line with the trust and expectations placed on us by our customers, shareholders, employees, and various other stakeholders. Through the business spirit of "Sampo-yoshi," ITOCHU aims to have an ongoing and positive social impact and to contribute to a sustainable society for all. Furthermore, we adopt "I am One with Infinite Missions" as our guideline of conduct. These words mean that each individual employee should consider his or her business conduct on his or her own initiative in order to complete our infinite missions aim for better business operations which are good for the seller, good for the buyer, and good for society as well as for a better future. It is our fundamental management policy to build a fair and good relationship with various stakeholders based on our corporate mission and our guideline of conduct and thus improve our corporate value from a long-term perspective. In accordance with this policy, with the intention to ensure proper and efficient execution by management, we will enhance the transparency of decision-making and establish a corporate governance system in which monitoring and supervision functions are appropriately incorporated.

A strong leadership and a transparent decision-making system are pillars of good corporate governance. ITOCHU adopts an organizational structure with the presence of Audit & Supervisory Board (kansayaku secchi kaisha). In recent years, ITOCHU has gradually shifted to a governance model where executive officers decide and carry out the day to day business under the direction and supervision of the Board of Directors, along with implementing measures to strengthen monitoring.

In order to separate execution by and monitoring over management, we reduced the number of executive Directors and the increased percentage of Outside Directors on our Board of Directors to one-third or more from April 2017. We will also maintain this percentage of Outside Directors also in FYE 2021 and onwards. Additionally, ITOCHU has established, as voluntary advisory committees to the Board, a Governance, Nomination and

long-term improvement of our

corporate value.

Remuneration Committee, which is chaired by an Outside Director and comprised of a majority of Outside Directors and a Women's Advancement Committee as another voluntary advisory committee which is chaired by an Outside Director, with at least half of its members comprised of Outside Directors and Audit & Supervisory Board Members (collectively "Outside Officers"), and has continued to monitor management through the eyes of Outside Officers. ITOCHU continues to maintain oversight of management by Outside Officers.

In appointing Outside Officers, ITOCHU places great importance on their independence, and in this connection, ITOCHU has adopted its own independence criteria, augmenting the independence criteria established by the Tokyo Stock Exchange.

This highly independent Board of Directors monitors execution by management as well as deliberates the execution of business that is of high quantitative or qualitative importance. The Company believes this arrangement facilitates not only appropriate monitoring over execution by management but also the consideration of important business execution from an external perspective.

It is also vital that ITOCHU disclose its financial and non-financial information to stakeholders as part of good governance. For this purpose, ITOCHU adopts a "Basic IR Policy" to further promote multi-party stakeholder dialogue, and makes best efforts to disclose such information both timely and adequately. Through communication with its stakeholders, ITOCHU aims to enhance its corporate value on a long-term basis.

We believe that our current corporate governance structure accords with good and effective corporate governance called for by the Tokyo Stock Exchange, in its Corporate Governance Code. ITOCHU will continue to evaluate and improve its corporate governance structure so that it always best suits ITOCHU in any given moment and time in its corporate history.

and a half of the Women's Advancement Committee being the outside Directors and the outside Audit &

Supervisory Board Members, and the female members (3 out of 6 members respectively).

Targets and Action Plan

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. Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control

Materiality	SDGs Targets	Impact Classification	Issues to address	Business area	Commitment	Specific approach	Performance indicators	Degree of Progress
Maintain Rigorous Governance Structures	16 PASS ARTIX NO TOWN SO TOWN	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth		supervision over the management from an independent and objective standpoint and ensure the appropriate and efficient execution	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	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of	We have maintained the diversity of the Board of Directors (through appointing always one third or higher percentage of outside Directors-4 outside Directors out of 10 Directors, 2 female Directors out of 10 Directors, 2 female Audit & Supervisory Board Members, and an outside Director and an outside Audit & Supervisory Board Member who had wide range of sufficient experiences in corporate management). We have restructured the Governance and Remuneration Committee and the Nomination Committee into the Governance, Nomination and Remuneration Committee, the chair of which being the outside Director and a majority of the members of which being the outside Director (4 out of 7 members). We have maintained the chair of the Women's Advancement Committee being the female outside Director,

Directors.

improvement of our company's performance

and the improvement of our corporate value.

Risk Management

Compliance

Corporate Governance

Compliance with Corporate Governance Code

As of June 21, 2024, ITOCHU complies with all principles set forth in Corporate Governance Code. For details, please refer to Corporate Governance Report (https://www.itochu.co.jp/en/files/CG_e.pdf)

Reason for Adopting the Current System

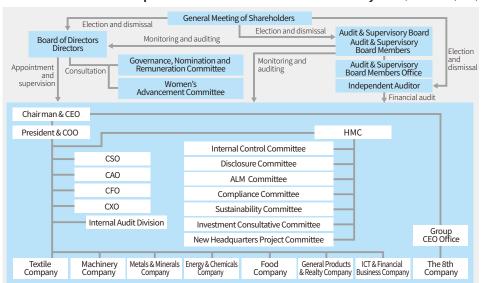
The Company, as a company with Audit & Supervisory Board Members, endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. In addition to its corporate governance system primarily based on the monitoring of corporate management by Audit & Supervisory Board Members, the Company appointed Outside Directors to comprise a percentage of one-third or more of the total number of Directors since FYE 2018, and will also maintain this percentage of Outside Directors in FYE 2024 and onwards. And, the Company has already appointed independent Outside Directors and established, as voluntary advisory committees to the Board, the Governance, Nomination and Remuneration Committee, which is chaired by Outside Directors and which comprise a majority of Outside Directors, and Women's Advancement Committee which is chaired by an Outside Director, with at least half of its members comprised of Outside Officers, for the purpose of further increasing the effectiveness of the supervision of management by the Board of Directors and strengthening and improving the transparency of decision making. In the process of appointing the Outside Officers, the Company focuses securing independency of the Outside Officers, and in addition to the independence criteria established by the Tokyo Stock Exchange ITOCHU has adopted its own independence criteria. The Company believes that its current corporate governance system—which is based on independent Outside Directors comprising one-third or more of the Board of Directors, the said voluntary advisory committees to the Board and the Audit & Supervisory Board, majority of whom are outside Audit & Supervisory Board Members—accords with ITOCHU's "Basic Policy" stated in the Corporate Governance Report.

Structures and Systems

Corporate Governance

- **1.** As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the directors.
- 2. Each director is to carry out such director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
- **3.** ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative directors.
- **4.** The corporate auditors are to oversee the performance of the directors based on the "Board of Corporate Auditors Regulations" and "Auditors' Auditing Standards."

Overview of ITOCHU's Corporate Governance and Internal Control System (As of June 21, 2024)



^{*1} CEO=Chief Executive Officer COO=Chief Operating Officer CSO=Chief Strategy Officer CAO=Chief Administrative Officer CFO=Chief Financial Officer CXO=Chief Transformation Officer HMC=Headquarters Management Committee ALM=Asset Liability Management

^{*2} CAO is the chief officer for compliance. Also, each Division Company has a Division Company president.
*3 Internal control systems and mechanisms have been implemented at every level of ITOCHU. Only the main internal control organization and committees are described herein

Risk Management

Compliance

Corporate Governance

Board of Directors

Overview

- The Company is a company with the Board of Directors and Audit & Supervisory Board Member (the Audit & Supervisory Board).
- As from April 1, 2018, the Chairman of the Company is the Chief Executive Officer, and the President of the Company is the Chief Operating Officer.
- The Board of Directors, comprising 11 Directors including 4 Outside Directors, is chaired by the Chief Executive Officer. The Board of Directors meets, in principle, at least once a month, and it makes decisions on important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and supervises the performance of the Directors.

Two of the Outside Directors are female, and the average term our internal Directors have been on overseas assignments will be 5.4 years (as of June 21, 2024).

- In FYE 2024 the Board of Directors held a total of 17 meetings, which were attended by all Directors and all Audit & Supervisory Board Members. In addition, there was a proposal for a single board resolution by paper circulation, and all directors expressed their consent, while all auditors did not raise any objections. Therefore, the board resolution was deemed to have been adopted.
- In FYE 2024, a total of 75 agenda items were submitted to the Board of Directors (excluding the aforementioned matters resolved by paper circulation). The main agenda items were as follows:
- Financial Results, Dividends, Financing, Treasury Share Acquisitions
- FYE 2024 Management Plan, Overview of Results of the Evaluation as to the Effectiveness of the Board
- Policy for the holdings of listed shares other than affiliates for FYE 2024
- Recommendation of Women's Advancement Committee
- Report with respect to the sustainability development
- Important Investment Projects
- Acquire 100% shares of ITOCHU Techno-Solutions Corporation
- Acquire 100% shares of Daiken Corporation

Etc.

Corporate Governance System (As of June 21, 2024)

Type of system	Company with the Board of Directors and the Audit & Supervisory Board
Number of Directors (Of which, number of outside Directors)	11 (4) *2 of the Outside Directors are female, and the average term our internal Directors have been on overseas assignments is 5.4 years.
Number of Audit & Supervisory Board Members (Of which, number of outside Audit & Supervisory Board Members)	5 (3)
Term of office for Directors	1 year (the same for Outside Directors)
Adoption of an Executive Officer System	Yes
Organization to support CEO decision-making	Headquarters Management Committee (HMC) deliberates on companywide management policy and important issues
Advisory committees to the Board of Directors	Governance, Nomination and Remuneration Committee, Women's Advancement Committee
Director Remuneration System Details of Corporate Officer Remuneration System (P192)	(1) Monthly remuneration (Fixed) Determined according to factors that include degree of contribution to ITOCHU, including addressing climate change, ESG and SDGs, based on a standard amount for each position (2) Performance-linked bonuses (Variable(Single Year)) Total amount is determined based on consolidated net profit, and individual amount is determined in relation to the position points for the Director, etc. (3) Share price-linked bonuses (Variable(Medium- to Long-term)) Calculated by adding the evaluation of the relative growth rate of ITOCHU's share price compared to Tokyo Stock Price Index (TOPIX) to the amount of increase of ITOCHU's share price for two consecutive fiscal years (4) Performance-linked stock remuneration (Variable(Medium- to Long-term)) number of shares delivered as remuneration is determined based on consolidated net profit and in relation to the position points for the Director
	* Outside Directors paid monthly remuneration only

Meetings of Management Bodies in FYE 2022-2024

	Financial Year			Board Meetings	Governance, Nomination and Remuneration Committee	Governance and Remuneration Committee	Advancement	Audit & Supervisory Board Meeting	
		Number of Meetings		17	3	2	2	14	
	FYE2024	Attendance	Outside Directors	100%	100%	100%	100%	_	
		Rate	Attendance Rate Outside Audit & Supervisory Board Members		100%	100% (Observer)	100%	100%	100%

Financial Year			Board Meetings	Nomination Committee	Governance and Remuneration Committee	Women's Advancement Committee	Audit & Supervisory Board Meeting
	Number of Me	eetings	15	3	2	2	14
FYE 2023	Attendance Rate	Outside Directors	98%	100%	100%	100%	_
		Outside Audit & Supervisory Board Members	100%	100%	100%	100%	100%
	Number of Meetings		15	1	3	3	14
FYE 2022	Attendance	Outside Directors	100%	100%	100%	100%	_
	Rate	Outside Audit & Supervisory Board Members		100%	100%	67%	98%

^{* &}quot;Number of Meetings" does not include meetings by paper circulations.

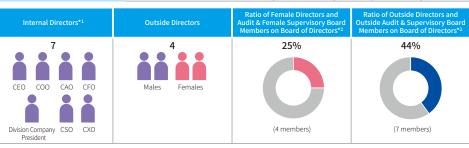
Risk Management

Compliance

Corporate Governance

Members of the Board

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Name		Current position and responsibility in ITOCHU Corporation	Number of Attendance at Meetings of the Board of Directors	Number of years in office	Governance, Nomination and Remuneration Committee	Women's Advancement Committee
Masahiro Okafuji Re	eelection	Member of the Board, Chairman & Chief Executive Officer	17/17 (100%)	20 years	0	_
Keita Ishii Re	eelection	Member of the Board, President & Chief Operating Officer	17/17 (100%)	3 years	0	_
Fumihiko Kobayashi Re	eelection	Member of the Board, Executive Vice President Chief Administrative Officer	17/17 (100%)	9 years	0	0
Tsuyoshi Hachimura Re	eelection	Member of the Board, Executive Vice President Chief Financial Officer	17/17 (100%)	9 years	_	_
Hiroyuki Tsubai Re	eelection	Member of the Board, Executive Vice President President, Machinery Company	17/17 (100%)	2 years	_	_
Kenji Seto Ne	ew election	Executive Officer Chief Strategy Officer	_	_	_	_
Hiroyuki Naka Re	eelection	Member of the Board, Executive Officer Chief Transformation Officer; General Manager, Group CEO Office	17/17 (100%)	2 years	_	_
Masatoshi Kawana Re	eelection	Member of the Board	17/17 (100%)	6 years	0	
Makiko Nakamori	eelection Outside dependent	Member of the Board	17/17 (100%)	5 years	0	0
Kunio Ishizuka	eelection Outside dependent	Member of the Board	17/17 (100%)	3 years	0	_
Akiko Ito	eelection Outside dependent	Member of the Board	13/13 (100%) (since election)	1 year	0	_



^{*1} Division Company President: President, Machinery Company

Policy and Process for Appointing Candidates for Directors

In order to effectively supervise management and decide important business matters as the Board of Directors of a general trading company with broad range of business, ITOCHU's Board of Directors consists of, in principle, the Chairman & CEO, President & COO, officers responsible for overseeing each administrative functions, one appropriate Division Company president as an (internal) director, and several Outside Directors so that the percentage of Outside Directors in the Board of Directors is one-third or more to improve the supervisory function of the Board of Directors. When nominating Outside Director candidates, ITOCHU prioritizes candidates with higher independence, based on the criteria for "independent directors" prescribed by the Tokyo Stock Exchange, Inc. and ITOCHU's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who with his or her experience and knowledge in the relevant category, are expected to contribute to the management of ITOCHU. The proposal for candidates for directors is created by the Chairman & CEO by taking into consideration diversity such as knowledge, experience, gender and internationality (race, ethnicity, nationality, etc.), and submitted to the Governance, Nomination and Remuneration Committee for further deliberation before the Board of Directors finally nominates the candidates for election at the General Meeting of Shareholders.

Reason for Appointm	ent as Outside Directors
Name	Reason for appointment
Masatoshi Kawana appointed in June 2018 [Attendance at Meetings of the Board of Directors] FYE 2024: 17/17 (100%)	Mr. Kawana is appointed as an Outside Director in the anticipation that, based on his experience as a doctor at Tokyo Women's Medical University Hospital for many years and in important posts such as the Deputy Director of the same hospital as well as his high level of medical knowledge, he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Kawana qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Makiko Nakamori appointed in June 2019 [Attendance at Meetings of the Board of Directors] FYE 2024: 17/17 (100%)	Ms. Nakamori is appointed as an Outside Director in the anticipation that, based on her high level expertise regarding finance and accounting as a certified public accountant as well as her extensive experience as a corporate executive, she will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Nakamori qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.
Kunio Ishizuka appointed in June 2021 [Attendance at Meetings of the Board of Directors] FYE 2024 : 17/17 (100%)	Mr. Ishizuka is appointed as an Outside Director in the anticipation that, by utilizing his extensive knowledge of corporate management and the retail industry that was earned through his experience as President and Chairman of Isetan Mitsukoshi Holdings Ltd. and as a Vice Chair of Nippon Keidanren (Japan Business Federation), he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Ishizuka qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Akiko Ito* appointed in June 2023 [Attendance at Meetings of the Board of Directors] FYE 2024: 13/13 (100%) (After appointment)	Ms. Ito is appointed as an Outside Director in the anticipation that, based on her extensive and profound insights as a government official in charge of consumer-oriented issues, which were earned from her experience such as the Deputy Director-General of the Ministry of Land, Infrastructure, Transport and Tourism, the first female director in the Ministry of Land, Infrastructure, Transport and Tourism (the Director-General of the Housing Bureau), and as Councillor, Cabinet Secretariat, Director General, Secretariat of the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan, followed by her service as Commissioner of Consumer Affairs Agency, she will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock

she has been designated as an independent Director.

* Registered name: Akiko Noda

Exchange, as well as our own independence criteria, Ms. Ito qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and

^{*2} The composition of the above Board of Directors includes Directors and Audit & Supervisory Board Members.

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Outline of Limitation of Liability Contracts

Pursuant to Article 427, Paragraph 1, of the Companies Act, ITOCHU has entered into limitation of liability contracts with respect to liability as set forth in Article 423, Paragraph 1, of the Companies Act with Outside Directors and outside Audit & Supervisory Board Members. Under these contracts, their liabilities are limited to the lowest amount of liability pursuant to Article 425, Paragraph 1, of the Companies Act if and so long as they have acted in good faith and without gross negligence in performing their duties.

Outline of Directors and Officers Liability Insurance Policy

ITOCHU has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy covers the losses, such as damages payable and litigation costs in damage suits, incurred by all of ITOCHU's directors and Audit & Supervisory Board Members, etc. who are the insureds. However, the scope of compensation does not cover the damages and litigation costs of a director or officer involved in an intentional illegal act or criminal act such as bribery, to ensure that the appropriateness of the performance of director or officer duties is not lost. The full amount of the insurance premiums is borne by ITOCHU.

Outline of the Indemnity Contract with Directors and Audit & Supervisory Board members

ITOCHU has entered into the indemnity contracts with all of Directors and Audit & Supervisory Board Members in accordance with Paragraph 1 of Section 430-2 of the Companies Act, pursuant to which ITOCHU indemnifies the costs under the sub-paragraph 1, paragraph 1 of Section 430-2 of the Companies Act and the losses under the sub-paragraph 2, paragraph 1 of Section 430-2 of the Companies Act, incurred by them within the limit under the law. ITOCHU will not indemnify such costs or losses incurred by them in relation to their acts performed with the knowledge of illegality or to provide undue profit for third parties or to cause damages to ITOCHU.

Consideration of the Succession Plan

ITOCHU conducts discussions on succession planning through a process involving the proposal by Chairman & CEO followed by the deliberation at the Governance, Nomination and Remuneration Committee as an advisory committee to the Board of Directors. In considering the succession plan, it is essential to have a deep understanding not only of the overall business of ITOCHU but also of the candidates' professional backgrounds, experiences, and personal qualities, in order to achieve long-term enhancement of corporate value. With this in mind, the process assumes the involvement of the executive team. And the Governance, Nomination and Remuneration Committee consists of a majority of Outside Directors, with one serving as the committee chairman, which allows for the inclusion of perspectives from Outside Officers who possess a viewpoint encompassing both public perception and the interests of common shareholders. It should be noted that the successor will be determined by the Board of Directors based on the candidate proposed by the Chairman & CEO, following deliberation and recommendations from the Governance, Nomination, and Remuneration Committee, which are then presented to and resolved upon by the Board of Directors.

Corporate Officer Remuneration System

ITOCHU's remuneration plan for Directors is designed to be an incentive to grow business performance and raise ITOCHU's stock price. Variable remuneration is approximately 82% of overall remuneration (FYE 2024), which is extremely high, even when compared to other companies. The system clarifies management's responsibility, with Director remuneration increasing as performance improves, and significantly decreasing if performance deteriorates. Furthermore, this remuneration plan, including the calculation method, has been previously disclosed publicly, making it highly transparent.

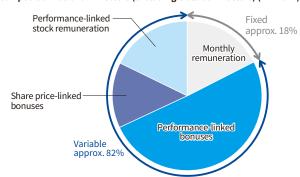
More specifically, the remuneration plan consists of (1) monthly remuneration, (2) performance-linked bonuses, (3) share price-linked bonuses, and (4) performance-linked stock remuneration, with performance-linked bonuses reflecting short-term performance and share price-linked bonuses and performance-linked stock remuneration reflecting the increase of corporate value in the medium to long

We have consolidated net profit as the linked indicator for the performance-linked bonus and performance-linked stock remuneration, which is a non-monetary remuneration. Consolidated net profit is of high interest on the stock market because it is an easy-to-understand indicator of capital for growthoriented investment and returns to shareholders, and we believe that its importance as an indicator going forward is unshakeable. In addition, employee bonuses are also linked to consolidated net profit.

To align with our shareholders and create greater awareness of increasing corporate value, we have introduced share price-linked bonuses with ITOCHU's share price as the linked indicator. This bonus is an index linked to the increase in the average daily value of ITOCHU's stock price for each consecutive two fiscal years. To ensure fairness, the calculation scheme includes the relative evaluation between the growth rate of the average value of the ITOCHU's stock price and the growth rate of the average value of the Tokyo Stock Price Index (TOPIX) for each successive two fiscal years.

	Type of remuneration	Content	Remuneration limit	Resolution of General Meeting of Shareholders
	(1)Monthly remuneration (Fixed)	Determined according to factors that include degree of contribution to ITOCHU Corporation, including addressing climate change, ESG and SDGs, based on a standard amount for each position	¥1.0 billion per year as total monthly remuneration (including ¥0.1 billion per year as a portion to the Outside Directors)	
	(2) Performance- linked bonuses (Variable(Single Year))	Total amount is determined based on consolidated net profit, and individual amount is determined in relation to the position points for the Director, etc. *Formula is described below		June 24, 2022
Directors	(3) Share price-linked bonuses (Variable(Medium- to Long-term))	Calculated by adding the evaluation of the relative growth rate of ITOCHU's share price compared to Tokyo Stock Price Index (TOPIX) to the amount of increase of ITOCHU's share price for two consecutive fiscal years *Formula is described below	¥3.0 billion per year as total bonuses paid to all directors (excluding Outside Directors)	
	(4) Performance- linked stock remuneration (Variable(Medium- to Long-term))	Number of shares delivered as remuneration is determined based on net profit (consolidated), and in relation to the position points for the Director *Formula is described below	The following is the limit for a two-year period for Directors, Executive Officers and Senior Operating Officers • Upper limit for contribution to trust from ITOCHU: ¥5 billion • Total points awarded to persons eligible for the plan: 0.6 million points (conversion at 1 point = 1 share) *Not paid to Outside Directors	June 21, 2024
Audit & Supervisor Board Members	Only monthly remuneration		¥250 million per year	June 24, 2022

Remuneration composition ratio for Directors (excluding Outside Directors) (FYE2024)



Formulas for Performance-linked Bonuses and Stock Remuneration

In accordance with confirmed results for FYE 2025, director bonuses for FYE 2025 will be paid following the conclusion of the 101st Ordinary General Meeting of Shareholders in amounts calculated according to the methods described below (in regard to stock remuneration, points will be awarded).

Total Amount Paid to all Directors

Total amount paid to all directors = (A + B + C) x Sum of Position points for all the eligible directors/55 (but not exceeding ¥1.0billion)

- A = (Of consolidated net profit for FYE 2025, for the portion up to \pm 200.0 billion) \times 0.35%
- B = (Of consolidated net profit for FYE 2025, for the portion more than ¥200.0 billion but up to ¥300.0 billion) x 0.525%
- C = (Of consolidated net profit for FYE 2025, for the portion exceeding ± 300.0 billion) $\times 0.35\%$

Amount Paid to an Individual Director

Amount paid to an individual director = Total amount paid to all directors × Assigned position points / Sum of position points for all the eligible directors

Chairman and Chief	President and Chief	Executive Vice	Senior Managing	Managing Executive	Executive Officer
Executive Officer	Operating Officer	President	Executive Officer	Officer	
10	7.5	5	4	3	2.2

Of the amount paid to an individual director, 80% of the amount paid is linked the plan achievement rate of the consolidated net profit of the assigned division/department and the rate determined by comparing the net profit of the assigned division/department in the fiscal year and that in the fiscal year prior to the fiscal year when he/she assumed the position*.

- *Formula for 80% of the Amount Paid to an Individual Director:
- (Total base amount paid to all Directors as above x Position Point/Sum of Position points for all the eligible Directors) x 80% x (the Rate A (defined below) determined based on plan achievement rate of the consolidated net profit target for the assigned division/department x 70% + (the Rate B (defined below) determined based on the rate determined by comparing the net profit of the assigned division/department in the fiscal year and that in the fiscal year prior to the fiscal year when he/she assumed the position) x 30%)
- The Rate A: 100% + (the plan achievement rate of the consolidated net profit target for the assigned division/department -100%) x 2 (if negative, it will be 0%. Maximum will be 200%.)
- The Rate B: 100% + (the consolidated net profit in FYE 2025 of the assigned division/department divided by the consolidated net profit in the fiscal year prior to the fiscal year when he/she assumed the position – 100%) x 2 (if negative, it will be 0%, Maximum will be 200%.)
- The assigned division of the Director whose bonuses are determined utilizing the Rate A and Rate B is the Machinery Company, while with its planned target for the FYE 2025 consolidated net profit set at ¥130.0 billion (announced on May 8, 2024).
- However, for Directors who have already assumed a position in the assigned division/department as of the date of the system revision on June 13, 2023, the consolidated net profit in the fiscal year prior to the fiscal year when he/she assumed the position for the year before assuming the position shall be replaced with the consolidated net profit of the assigned division/department for FYE 2024.
- The Rate A and Rate B shall be 100% for the eligible Director for whom no plan achievement rate is measurable.

Risk Management

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Formulas for Share price-linked Bonuses

To align with our shareholders and create greater awareness of increasing corporate value, we have introduced share-price linked bonuses with ITOCHU's share price as the linked indicator. This bonus is an index linked to the increase in the average daily value of ITOCHU's stock price for two consecutive fiscal years. To ensure fairness, the calculation scheme includes the relative evaluation between the growth rate of the average value of the ITOCHU's stock price and the growth rate of the average value of the Tokyo Stock Price Index (TOPIX) for each successive two fiscal years.

Amount Paid to an Individual Director

FYE 2025 *1

= ((Average of daily closing price of ITOCHU stock from FYE 2024 to FYE 2025) – (Average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023)) \times 1,300,000 \times (agregated position points*2 of FYE 2024 and FYE 2025) / (108.8 points \times 2) \times Relative stock price growth rate*3 – Share Price-linked Bonuses of FYE 2024

- *1 Share price-linked bonus amounts are determined and paid after the Director retires (after the Executive Officer retires, in the case of taking on the position of Executive Officer after retirement of the Director.) If the amount calculated based on the calculation formula is negative, the amount paid to an individual Director for the relevant year will be zero.
- *2 The position points assigned to each Director are the same as those applied for calculating (2) performance-linked bonuses.
- *3 Relative stock price growth rate = (Average of daily closing price of ITOCHU stock from FYE 2024 to FYE 2025 /Average of daily closing price of ITOCHU stock from FYE 2022 to FYE 2023) / (Average of daily TOPIX from FYE 2024 to FYE 2025 / Average of TOPIX from FYE 2022 to FYE 2023)

Share Price-linked bonuses together with performance-linked bonuses are paid to the eligible directors within the director bonuses limit of ¥3.0 billion.

Formulas for Performance-linked Stock Remuneration Plan

Points = Base points assigned to each position* 1 x Calculation rate of points based on performance* 2 x {(Number of months of service from July, the beginning month of the applicable period of payment, to June of the following year (rounding up fractions of less than one month)) / 12} (rounding down fractions)

*1 Base points assigned to each position as the Director are as per below:

Chairman and Chief Executive Officer	President and Chief Operating Officer	Executive Vice President	Senior Managing Executive Officer	Managing Executive Officer	Executive Officer
31,900	23,900	16,000	12,800	9,600	7,000

*2 Calculation rate of points based on performance is as set forth below: (The amount of consolidated net profit attributable to ITOCHU for FYE 2025 – ¥300.0 billion) / ¥10.0 billion x 20%

We implement the clawback and malus provisions for the Performance-linked Stock Remuneration Plan. In the event that a Director is found to have committed major infractions of their duties or internal rules, or in the event that a Director resigns or is dismissed due to serious unlawful acts, etc. that warrant disciplinary action, including the occurrence of similar cases, the delivery, etc. of ITOCHU shares, etc. under the Plan shall not be conducted. If the delivery, etc. has already been conducted, ITOCHU shall be able to demand compensation from said Director of an amount, etc. obtained by multiplying the number of shares delivered under the Plan (including the number of shares converted) by the closing stock price of ITOCHU shares on the Tokyo Stock Exchange on the date on which ITOCHU provided notification of the return to said Director.

Actual Corporate Officer Remuneration for FYE 2023 and FYE2024

		FYE 2023			FYE 2024	
	Number of people	Amount paid (Millions of Yen)	Details	Number of people	Amount paid (Millions of Yen)	Details
Directors (Outside Directors)	10 (4)	3,045 (81)	(1) ¥662 million (2) ¥1,825 million (3) ¥168 million (4) ¥390 million	11 (5)	3,661 (81)	(1) ¥714 million (2) ¥1,966 million (3) ¥512 million (4) ¥469 million
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	6 (3)	172 (60)	Only (1)	7 (5)	160 (61)	Only (1)
Total (Outside Officers)	16 (7)	3,216 (141)		18 (10)	3,821 (142)	

- * (1) Monthly Remuneration, (2) Performance-linked bonuses, (3) Share price-linked bonuses, (4) Stock Remuneration
- * Monthly remuneration is decided based on the standard amount by position and the level of contribution to ITOCHU Corporation, including its response to climate change, ESG, and the SDGs.

Risk Management

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Name, position, and amount of compensation paid to Directors receiving compensation of ¥100 million or more during FYE 2024, are as follows.

Name	Category	Total Annual Monthly Remuneration	Performancelinked bonuses	Share pricelinked bonuses	Stock Remuneration	Total
Masahiro Okafuji*	Director	¥179 million	¥542 million	¥148 million	¥135 million	¥1,003 million
Keita Ishii*	Director	¥111 million	¥407 million	¥111 million	¥101 million	¥729 million
Fumihiko Kobayashi	Director	¥99 million	¥271 million	¥74 million	¥68 million	¥511 million
Tsuyoshi Hachimura	Director	¥98 million	¥271 million	¥74 million	¥68 million	¥511 million
Hiroyuki Tsubai	Director	¥82 million	¥356 million	¥74 million	¥68 million	¥580 million
Hiroyuki Naka*	Director	¥64 million	¥119 million	¥32 million	¥30 million	¥246 million

^{*} Monthly remuneration includes housing allowance.

(Rounded to nearest million yen)

The remuneration for Executive Officers who do not concurrently hold director positions is provided based on a system designed according to the position based on the remuneration plan for the Directors. Name and amount of compensation paid to Executive Officers (excluding those who concurrently hold director positions) whose total compensation exceeded ¥100 million in FYE 2024, are as follows:

Name	Total Annual Monthly Remuneration	Performancelinked bonuses	Share pricelinked bonuses	Stock Remuneration	Total
Mitsuru Chino*	¥44 million	¥56 million	_	¥13 million	¥112 million
Tomoyuki Takada	¥51 million	¥49 million	_	¥13 million	¥113 million
Tatsushi Shingu	¥51 million	¥158 million	¥44 million	¥30 million	¥284 million
Masaya Tanaka	¥40 million	¥128 million	¥32 million	¥29 million	¥230 million
Kenji Seto	¥36 million	¥100 million	¥32 million	¥29 million	¥197 million
Masatoshi Maki	¥40 million	¥86 million	¥32 million	¥29 million	¥187 million
Hideto Takeuchi	¥36 million	¥96 million	¥32 million	¥29 million	¥193 million
Shuichi Miyamoto	¥37 million	¥112 million	¥32 million	¥29 million	¥210 million

^{*} Registered name: Mitsuru Ike (Rounded to nearest million yen)

Evaluation as to the Effectiveness of the Board of Directors

Evaluation by Society

ITOCHU has conducted an evaluation as to the effectiveness of the Board of Directors and Audit & Supervisory Board Members once a year since FYE 2016 utilizing external consultants, and the Board of Directors has analyzed and evaluated the findings after deliberation by the Governance, Nomination and Remuneration Committee (until June 23, 2023, Governance and Remuneration Committee; excluding FYE

Procedure for the Board Evaluation for FYE 2024 is as follows:

Procedure for the Board Evaluation

Respondents	All of ten (10) Members of the Board and five (5) Audit & Supervisory Board Members in FYE 2024
Implementation and Evaluation method	Conducted a questionnaire to and individual interview with each of respondents by the external consultant (Answered on anonymous basis) Implemented an information compilation and analysis by the external consultant based on the answers from the respondents In reference to the information compilation and analysis, conducted an examination at the Governance, Nomination and Remuneration Committee Implemented an analysis and evaluation at the Board of Directors
Question details	Structure of the Board of Directors Structure of the advisory committees to the Board of Directors Roles and duties of the Board of Directors Operation status of the Board of Directors Information provision and training for Members of the Board and Audit & Supervisory Board Members Other important topics

Overview of the results of the evaluation

As a result of deliberations at the Governance, Nomination and Remuneration Committee and the Board of Directors based on the analysis on questionnaires and interviews in the evaluation as to the effectiveness, it was confirmed that the effectiveness of the Board of Directors of ITOCHU is continuously secured.

With respect to the quantitative aspect, the scores that were improved in FYE2023 has been further improved and the Board of Directors was confirmed to be performing at a high level in six themes for the evaluation. In particular, the total number / ratio of Directors, the attributes of the Chairman of the Board, and the appropriateness of the proceedings of the Board of Directors have been further building on the high evaluation from the previous year. Our efforts to enhance the effectiveness of the Board's deliberations have also been recognized in the evaluation. With respect to the qualitative aspect, we received many positive opinions as well as the implications for further improvement. As priority issues to be addressed in the medium- to long-term, primarily "Group governance" and "forward-looking discussions for the future" were highlighted.

Risk Management

Compliance

Evaluation by Society

Corporate Governance

In the previous evaluation, it was recognized that the ongoing efforts should continue to address the identified issues of "continuing discussions on strengthening management foundations" and "ensuring further diversification of human resources," which were identified as the issues of FYE2022, and as new issues, we recognized the need for further efforts in "holding ongoing discussions on succession planning for senior management throughout the Group" and "continuing strengthening monitoring and supervision systems in light of changes in the external environment" in the Board of Directors. As to these issues, the improvement and progress were confirmed as follows:

FYE	Issues Identified	Progress in FYE 2024
	Continue discussions on strengthening management foundations	We are making investment decisions for the future growth of the entire consolidated group, such as considering tender offers for listed subsidiaries or affiliates, and evaluating investment projects across multiple Division Companies. We have established a new position of CXO and are actively working on building a structure to promote the transformation of the Group's business scope and business model, including the promotion of digitalization.
2022	Ensure further diversification of human resources	Taking into account the discussions and recommendations of the Women's Advancement Committee, we have set forth specific measures and goals to promote the advancement of women, such as appointing female Executive Officers and establishing numerical targets for the proportion of women among all officers. We have announced these initiatives and goals, and are actively implementing concrete actions. We are implementing concrete initiatives that contribute to further diversity in talent, such as the introduction of Virtual Office to facilitate the growth and career development of junior employees, promote cross-organizational business, and adopt other work-style reform measures. The improvement in the overall women ratio of Member of the Board and Audit & Supervisory Board Members has further enhanced the diversity of officers and facilitated deeper discussions within the Board of Directors.
	Hold ongoing discussions on succession planning for senior management throughout the Group	We have established a governance structure in the Governance, Nomination, and Remuneration Committee (with the chairman and the majority of members being Outside Directors) that enables cross-functional and organic discussions on succession planning, selection and compensation of Executive Officers, and other related matters. We have established a new position of Senior Operating Officer to ensure a pool of candidates for key manager positions within ITOCHU, along with executives of our Group companies, by strengthening the layer of experienced Executive Officers.
2023	Continue strengthening monitoring and supervision systems in light of changes in the external environment	We are deepening the understanding and enhancing the effectiveness of oversight within ITOCHU and Group companies by Outside Directors and Outside Audit & Supervisory Board Members through activities such as on-site visits to business bases including overseas locations, meetings with Division Company Presidents, Officers responsible for overseeing each administrative functions, and management teams of subsidiaries, discussions with young employees, explanation of audit plans at Board meetings by Audit & Supervisory Board Members, and collaboration between Audit & Supervisory Board Members and Outside Directors. We have restructured the advisory committees into the Governance, Nomination, and Remuneration Committee, with the chairman and the majority of members being Outside Directors, to strengthen the supervisory function by the Board of Directors. The Board of Directors considers the reduction of GHG emissions and contribution to SDGs through discussions and oversight, which are reflected in investment and business decisions.

As mentioned above, we have been formulating and implementing specific measures to address past issues. Looking ahead, it is expected that these measures will be executed steadily, established and embedded, and become continuous initiatives. In light of this, we recognize the need for further efforts by the Board of Directors to address new areas of consideration, specifically (1) supervising the implementation status of diversity strengthening measures, and (2) supervising governance strengthening measures for sustainable growth of the group. We will continue to utilize opportunities such as discussions in advisory committees and off-site meetings to effectively exercise our supervisory function as the Board of Directors regarding these issues.

We will make active efforts to maintain the effectiveness of the Board of Directors and further improve its functions in light of the result of this Board Evaluation.

Training Policy

The Company conducts training related to regulations with respect to Directors and Audit & Supervisory Member, corporate governance and other matters as part of its training for newly appointed internal and Outside Officers. The Company also provides Directors and Audit & Supervisory Board Members with opportunities for training at third-party institutions, with the Company bearing the costs of such training. Also, to ensure that management supervision by Directors and audit by Audit & Supervisory Board Members are adequately performed, before each meeting we provide to Outside Officers prior explanations on matters presented to each meeting of the Board of Directors through respective offices of the Board of Directors and the Audit & Supervisory Board. In addition, ITOCHU strives to ensure that Outside Officers appropriately understand its business environment and challenges through various occasions such as introductory session concerning ITOCHU's business upon election, visits to business premises in or outside Japan, meetings among Outside Officers, reporting activities by internal auditing units to Outside Directors, periodical discussions with the managements and explanatory sessions on matters requested by Outside Officers.

Risk Management

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Advisory Committee

While to strengthen the supervisory function of the Board of Directors and enhance the transparency of the decision-making process, in FYE 2023, we maintained the Governance and Remuneration Committee, the Nomination Committee, and the Women's Advancement Committee as voluntary advisory committees under the Board of Directors, as of June 23, 2023, we reorganized the Governance and Remuneration Committee and the Nomination Committee into a new Governance, Nomination, and Remuneration Committee, with Outside Director as chairpersons and a majority of members as Outside Directors. Combining these committees and their members will unify discussions for nominations and remuneration, which are connected in many ways, with

governance, which provides the overall framework for nominations and remuneration. This combination aims to facilitate more thorough discussions by committee members. Furthermore, we continue to maintain the Women's Advancement Committee, as the chairperson is an Outside Director and at least a half of the members are Outside Officers.

The Roles and Composition of the committees as of June 21, 2024 and the Activities of the committees during FYE 2024 are as follows:

Evaluation by Society

■ Voluntary Advisory Committees under the Board of Directors

Name	Roles	Composition	Activities
Governance, Nomination and Remuneration Committee	To deliberate and advise the Board on proposals relating to nomination and dismissal of Executive Officers, nomination and dismissal of Senior Operating Officers, nomination of candidates for Directors and Audit & Supervisory Board Members, dismissal of Directors and Audit & Supervisory Board Members, appointment and dismissal of responsible Directors and Executive Officers, consideration of the succession plan, remuneration system for Directors and Executive Officers and other matters on corporate governance.	Chair Kunio Ishizuka, Director (Outside) Members Masahiro Okafuji, Director, Keita Ishii, Director, Fumihiko Kobayashi, Director, Masatoshi Kawana, Director (Outside), Makiko Nakamori, Director (Outside), Akiko Ito, Director (Outside) *Kentaro Uryu, Audit & Supervisory Board Member (Outside), attends as an observer.	This committee was held for 3 times in FYE 2024 with the participant of all members for all meetings. The main agenda items discussed at the Governance, Nomination and Remuneration Committee were as follows: • Succession Plan (August 18, 2023) Discussion about the succession plan of executives. • Revision to the Executive System (November 17, 2023) Approval to propose for the Board of Directors with respect to the revision to the executive system. • Officer appointments for FYE 2025 (January 11, 2024) Approval to propose for the Board of Directors with respect to seeking approval of the officer appointments for FYE 2025.
Women's Advancement Committee	To deliberate and advise the Board on proposals relating to policies, strategies, and promotion measures to promote the empowerment of female employees.	Chair Makiko Nakamori, Director (Outside) Members Fumihiko Kobayashi, Director, Yoshiko Matoba, Audit & Supervisory Board Member, Tsutomu Fujita, Audit & Supervisory Board Member (Outside), Kumi Kobayashi, Audit & Supervisory Board Member (Outside), Toshiyuki Kakimi, General Manager, Human Resources & General Affairs Division,	This committee was held for 2 times in FYE 2024 with the participant of all members for all meetings. The main agenda items discussed at the Women's Advancement Committee were as follows: • Challenges and actions for Women's Advancement evident through disclosure of human capital information (September 28, 2023) Deliberation on the entire policy of Women's Advancement and improvement of female Board Member rate. • Initiatives for further Women's Advancement (February 5, 2024) Deliberation on the initiatives for female candidates for executive positions and the next General Employer Action Plan.

Risk Management

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The Main Internal Committees

- The HMC (Headquarters Management Committee) and various internal committees have been established for the purpose of contributing to appropriate and flexible decision making on management issues by the President and Chief Operating Officer and the Board of Directors. HMC is, in principle, chaired by the President, and in principle consists of the Chairman, the President, and Executive Officers appointed by the President. The HMC is a supporting committee to the President and Chief Operating Officer where companywide management policy and important issues are discussed.
- Various internal committees carefully screen and discuss management issues in their respective fields. Several of the internal committees including the Internal Control Committee work to support the decision making by the President and Chief Operating Officer and the Board of Directors by incorporating external opinions with measures such as designating outside key figures. The roles of the main internal committees are as follows (as of June 21, 2024).

Name	Objectives
Internal Control Committee (Chairman: CSO)	Deliberates on issues related to the development of internal control systems
Disclosure Committee (Chairman: CFO)	Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting
Asset Liability Management (ALM) Committee (Chairman: CFO)	Deliberates on issues related to risk management systems and balance sheet management
Compliance Committee (Chairman: CAO)	Deliberates on issues related to compliance
(Chairman: CFO) Compliance Committee (Chairman: CAO) Sustainability Committee (Chairman: CAO)	Promotes sustainability on issues related to SDGs and ESG efforts (including environmental and social related issues; excluding governance-related issues)
Investment Consultative Committee (Chairman: CXO)	Deliberates on issues related to investment and financing
New Headquarters Project Committee (Chairman: CAO)	Deliberates on issues related to New Headquarters Project

Policy and Process for Appointing Executive Officers

Executive officers are appointed annually by the Board of Directors among, in principle, employees regarded as candidates for executives based on our HR system with high integrity and exceptional ability (or those who have already been appointed as Executive Officers) who are judged to be capable of assuming the role as the Executive Officers. Additionally, in order to reflect diverse opinions in our management, we will actively promote the appointment of women as the Executive Officers, and particularly appoint talented women who are expected to grow its competence regardless of age. For Executive Officers with managing titles, Executive Officers of important posts including Presidents of Division Companies and Officers in charge of overseeing head office functions, we will select individuals who are deemed suitable to shoulder the responsibilities that come with those positions from a wide talent pool that is constituted primarily from individuals with Executive Officer experience. Candidates for Executive Officers are first selected by the Chairman & CEO based on, among others, recommendations from other officers (or in terms of incumbent Executive Officers, based on their respective performance, and in terms of Executive Officers with managing titles or those of important posts including Presidents of Division Companies and Officers in charge of overseeing head office functions, based on their experience and performance) and submitted to the Governance. Nomination and Remuneration Committee for further deliberation. Based on the deliberation and advice of the Governance, Nomination and Remuneration Committee, the Board of Directors appoints Executive Officers by its resolution. In case that an Executive Officer breaches the Executive Officers' Regulation of ITOCHU Corporation or otherwise his or her performance is judged to be not appropriate, the Chairman & CEO (or the chair of the Governance, Nomination and Remuneration Committee) firstly makes a proposal of dismissal, and the Board of Directors dismisses such Executive Officer by its resolution based on the deliberation and advice of the Governance, Nomination and Remuneration Committee.

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Audit & Supervisory Board Members

Overview

- Audit & Supervisory Board Members and the independent external auditors participate in monthly regular meetings where they exchange information in a timely manner, in addition to providing reports on quarterly reviews and internal control audits. Audit & Supervisory Board Members monitor the progress of the audit conducted by the independent external auditors and share any issues with them.
- Audit & Supervisory Board Members engage in discussions regarding the selection of Key Audit Matters based on the current year's financial performance. For the selected matters in FYE 2024, namely the assessment of FamilyMart's goodwill and the evaluation of CITIC Limited's investment, Audit & Supervisory Board Members conducted detailed discussions and raised inquiries regarding the future cash flows, discount rates, and other underlying assumptions for the assessments. These discussions involved relevant departments and the independent external auditors providing detailed explanations.
- Audit & Supervisory Board Members and the Audit & Supervisory Board endeavor to enhance cooperation with the independent external auditors, for example through active exchange of information and opinions on the status and results of each other' audit plans and audits along with other important auditing matters with the aim of improving the quality and efficiency of auditing and of enhancing corporate governance.
- The Audit Division and Audit & Supervisory Board Members endeavor to closely cooperate and exchange information by discussing internal audit plans regularly to exchange opinions on the results of each internal inspection, issues and recommendations, etc.
- The Audit Division strives to strengthen its relationships by regularly holding meetings with the independent external auditors and maintaining close collaboration. In addition, it seeks to promote cooperation through information exchange with the internal audit departments of ITOCHU Group companies.

Members of t	embers of the Audit and Supervisory Boards OMember *Observer									
Name		Position in ITOCHU Corporation	Attendance at Meetings of the Board of Directors	Attendance at Meetings of the Audit & Supervisory Board	Number of years in office	Governance, Nomination and Remuneration Committee	Women's Advancement Committee			
Makoto Kyoda	Reelection	Full-time Audit & Supervisory Board Member	17/17 (100%)	14/14 (100%)	4 years	_	_			
Yoshiko Matoba		Full-time Audit & Supervisory Board Member	13/13 (100%) (since election)	10/10 (100%) (since election)	1 year	_	0			
Kentaro Uryu	Outside Independent	Audit & Supervisory Board Member	17/17 (100%)	14/14 (100%)	9 years	*	_			
Tsutomu Fujita	Outside Independent	Audit & Supervisory Board Member	13/13 (100%) (since election)	10/10 (100%) (since election)	1 year	_	0			
Kumi Kobayashi	Outside Independent	Audit & Supervisory Board Member	13/13 (100%) (since election)	10/10 (100%) (since election)	1 year	_	0			

Policy and Process for Appointing Candidates for Audit & Supervisory Board MembersBoard MembersBoard Members

In order to appropriately audit and supervise management as Audit & Supervisory Board Members of a general trading company with broad range of business, candidates for Audit & Supervisory Board Members are selected from individuals with understanding about ITOCHU's management, high-level expertise in fields including accounting, finance, law, and risk management, and a broad range of experience. As a company with an Audit & Supervisory Board, Outside Audit & Supervisory Board Members are always at least half of all members. When nominating Outside Audit & Supervisory Board Members, ITOCHU prioritizes candidates with higher independence, based on the criteria for "independent auditors" prescribed by Tokyo Stock Exchange, Inc. and ITOCHU's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who with his or her high-level expertise and extensive experience in the relevant category, are expected to appropriately audit and supervise the management of ITOCHU. Moreover, among the Audit & Supervisory Board Members, ITOCHU nominates at least one person who possesses considerable knowledge concerning finance and accounting. Based on this policy, a proposal on candidates for Audit & Supervisory Board Members is created by the Chairman & CEO after consultation with full-time Audit & Supervisory Board Members. The proposal is then submitted to the Governance, Nomination and Remuneration Committee (until June 22, 2023, Nomination Committee) for further deliberation and, after receiving the approval of the Audit & Supervisory Board, the Board of Directors selects the candidates for election at the General Meeting of Shareholders.

Reason for Appointment as Outside Audit & Supervisory Board Members

Name	Reason for appointment
Kentaro Uryu appointed in June 2015 [Attendance at Meetings of] - Board of Directors FYE 2024: 17/17 (100%) - Audit & Supervisory Board FYE 2024: 14/14 (100%)	Mr. Uryu is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his high level of expertise in law and extensive experience as an attorney-at-law for many years. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Uryu qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Audit & Supervisory Board Member.
Tsutomu Fujita appointed in June 2023 [Attendance at Meetings of] - Board of Directors FYE 2024: 13/13 (100%) - Audit & Supervisory Board FYE 2024: 10/10 (100%) After appointment	Mr. Fujita is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by leveraging his extensive experience and advanced expertise gained from years of experience in the financial industry. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Fujita qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.
Kumi Kobayashi* appointed in June 2023 [Attendance at Meetings of] Board of Directors FYE 2024: 13/13 (100%) - Audit & Supervisory Board FYE 2024: 10/10 (100%) After appointment	Ms. Kobayashi is appointed as an outside Audit & Supervisory Board Member in the anticipation that she will monitor management and provide auditing from an independent perspective by utilizing her extensive professional knowledge and practical experience in financial and accounting matters, gained from her career as a certified public accountant. According to the criteria for the independence of directors / auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Kobayashi qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent auditor. *Registered name: Kumi Nojiri

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Major Areas of Expertise of Directors and Audit & Supervisory Board Members / Areas in which Particular Contributions are Expected

Ensuring Diversity of Officers

In FYE 2018, ITOCHU Corporation shifted to a monitoring-focused Board of Directors with the aim of promoting the separation of management execution and supervision. To ensure that the Board of Directors is able to provide appropriate management supervision, ITOCHU Corporation appoints officers in charge of overseeing head office functions as Directors, along with a number of Outside Directors so that the percentage of Outside Directors is at least one-third of all Directors. By appointing Outside Directors with more specialized viewpoints and greater diversity, we are further enhancing the functions of ITOCHU Corporation's Board of Directors. In addition, by appointing Outside Audit & Supervisory Board Members with knowledge of finance, accounting and legal affairs makes it possible to

monitor and supervise ITOCHU Corporation's management from a neutral and objective viewpoint.

ITOCHU Corporation's internal and Outside Officers who were appointed in accordance with the above are engaged in management by using their knowledge, experience and high level of insight in their respective fields. As for internal Directors, this table shows areas of knowledge and experience which internal Directors have, and of these, areas in which officers are expected to make a particular contribution. As for Outside Directors and full-time Audit & Supervisory Board Members, this table shows areas in which officers are expected to make a particular contribution. In addition, the reasons for selecting these categories are explained on pages 201.

	Role			Principal Specialized Area of Experience / Areas in Which Officers are Expected to Make a Particular Contribution						Governance,	Women's	Main Role, Career History,		
Name		Gender	All Aspects of Management	Global	Marketing /Sales	Self-Trans formation/DX	SDGs/ESG	Health & Medical Care	Finance, Accounting & Risk Management	Human Resources Strategy	Internal Control & Legal Affairs/Compliance	Nomination and Remuneration Committee	Advance-ment Committee	Qualifications, etc.
Masahiro Okafuji	Chairman & Chief Executive Officer Representative Director		0	0	0	0	0	0	0	0	0			President, Textile Company; President & CEO, ITOCHU Corporation
Keita Ishii	President & Chief Operating Officer Representative Director	i	0	0	0	0	0	0	0	0	0			CEO for Indo-China Bloc President, Energy & Chemicals Company, ITOCHU Corporation
Fumihiko Kobayashi	Representative Director	i	0	0		0	0	0	0	0	0			General Manager of Human Resources & General Affairs Division; Chief Administrative Officer, ITOCHU Corporation
Tsuyoshi Hachimura	Representative Director	i	0	0	0	0	0		0	0	0			General Manager of Finance Division; Chief Financial Officer, ITOCHU Corporation
Hiroyuki Tsubai	Representative Director	i	0	0	0	0	0		0	0	0			CEO for Africa Bloc; CEO for Europe Bloc; President, Machinery Company, ITOCHU Corporation
Kenji Seto	Representative Director	i	0	0	0	0	0		0	0	0			President, Metals & Minerals Company Chief Strategy Officer, ITOCHU Corporation
Hiroyuki Naka	Representative Director	i	0	0	0	0	0		0	0	0			General Manager of Corporate Planning & Administration Division, Chief Digital & Information Officer, Chief Strategy Officer, Chief Transformation Officer, ITOCHU Corporation
Masatoshi Kawana	Outside Director	i	•				•	•						Vice-president of Tokyo Women's Medical University Hospital; Doctor of Medicine
Makiko Nakamori	Outside Director	i				•			•		•			Certified Public Accountant in Japan
Kunio Ishizuka	Outside Director	i	•		•					•				President and CEO/Chairman, Isetan Mitsukoshi Holdings Ltd.
Akiko Ito	Outside Director	i					•	•		•				Commissioner, Consumer Affairs Agency
Makoto Kyoda	Full-time Audit & Supervisory Board Member	i					•		•		•			Chief Financial Officer, Food Company, ITOCHU Corporation
Yoshiko Matoba	Full-time Audit & Supervisory Board Member	i		•			•			•				General Manager of Research & Public Relations Division, General Manager of Human Resources & General Affairs Division, ITOCHU Corporation
Kentaro Uryu	Outside Audit & Supervisory Board Member	i			•				•		•	*		Managing Partner, URYU & ITOGA; Attorney-At-Law in Japan
Tsutomu Fujita	Outside Audit & Supervisory Board Member	i	•	•					•					Vice Chairman and a board member, Citigroup Global Markets Japan Inc.
Kumi Kobayashi	Outside Audit & Supervisory Board Member	i				•			•		•			Certified Public Accountant in Japan; Certified Public Tax Accountant in Japan

^{*} Knowledge and experience held by internal Directors are indicated with O, and of these, the areas in which they are expected to make a particular contribution are indicated with O. Areas in which full-time Audit & Supervisory Board Members, Outside Directors and outside Audit & Supervisory Board Members are expected to contribute in particular are indicated with • as the above list shows.

^{*} Women's Advancement Committee is comprised of the members mentioned above and General Manager of the Human Resources & General Affairs Division.

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 Reasons for Selections of Principal Specialized Area of Experience/Areas in which Officers are Expected to Make a Particular Contribution

Compliance

Area	Reasons for Selection
All Aspects of Management	ITOCHU Corporation is a general trading company that operates in diverse business sectors. The oversight of business operations requires knowledge of this area in order to participate in discussions about business plans and strategies that may enhance corporate value based on the spirit of "Sampo-yoshi".
Global	Knowledge of this area based on understanding different cultures and geopolitics is required because ITOCHU Corporation operates on a global scale as a general trading company.
Marketing / Sales	owledge of these areas is required because promotion of "Earn" measures is a key element of ITOCHU Corporation's operations, which depend on leveraging sales capabilities as a "Merchant," from a market-oriented perspective.
Self- Transformation / DX	ITOCHU Corporation realizes sustained growth by drawing on comprehensive strengths as a general trading company accompanied by self-transformation in a flexible manner that reflects changes in the external environment. ITOCHU Corporation does not make DX itself a target. Instead, by self-transformation, ITOCHU Corporation steadily builds up individual projects that are expected to swiftly contribute to profit namely those that optimize supply chains, etc. while leveraging existing business foundations. Knowledge of these areas is required for taking these actions.
SDGs / ESG	ITOCHU Corporation aims for sustained growth with a commitment to capitalism with greater emphasis on serving all stakeholders, which is "Sampo-yoshi capitalism." ITOCHU Corporation sets to solve the seven identified material issues through business operations, including addressing climate change, to contribute to accomplishing the Sustainable Development Goals (SDGs). Consequently, knowledge of these areas is required.
Health & Medical Care	People is the most valued management resource of ITOCHU Corporation. Developing capability and enhancing the health is essential for maintaining a powerful workforce that may fulfill our Guideline of Conduct: "I am One with Infinite Missions." Consequently, knowledge of these areas is required.
Finance, Accounting & Risk Management	Sustained growth requires strong financial foundation, accurate financial reports, and the analysis of risks when examining M&A and other projects. A quantitative framework of administrative divisions which support business divisions is also essential. Consequently, knowledge of these areas is required for constantly implementing the "Earn, Cut, Prevent" principles.
Human Resource Strategy	ITOCHU Corporation clearly identifies human resources as a key component of management strategy. Knowledge of this area is required in order to effectively implement various initiatives, such as work-style reforms to enhance corporate value.
Internal Control & Legal Affairs / Compliance	ITOCHU Corporation maintains an appropriate structure for the monitoring and audit of management in order to ensure appropriate and efficient execution of operation. Knowledge of these areas is required in order to make constant improvements to this structure and implement "prevent" measures.

Checking and Balancing System by the Independence Executives

Criteria for the Independence of Directors/ Auditors

- ITOCHU has adopted its own independence criteria (augmenting the independence criteria established by the Tokyo Stock Exchange), which is disclosed on our homepage. Please refer to the following.
- Independence Criteria for Outside Directors and Outside Corporate Auditors (https://www.itochu.co.jp/en/about/governance_compliance/governance/pdf/independence_criteria.pdf)
- All of the Company's Outside Directors and outside Audit & Supervisory Board Members who qualify as independent are designated as independent Directors/ Audit & Supervisory Board Members. ITOCHU has established a de minimis standard of ¥10 million per fiscal year relating to a donation made by the Company. ITOCHU views that a donation within the de minimis standard above is unlikely to affect our investor's judgment on its voting, thus description on such donation is omitted from our filings of independent directors/ auditors.

Performance of the Independent Outside Directors and Outside Audit & Supervisory Board Members

Independent Outside Directors

Mr. Kawana attended all 17 meetings of the Board of Directors held during FYE 2024. He mainly made statements from an objective and neutral position as an Outside Director. During FYE 2024, he was a member of the Governance, Nomination and Remuneration Committee, and contributed to upgrade governance and increase the objectivity of succession plans and selections of officers. Additionally, he used his professional knowledge and experience to provide many beneficial suggestions in the areas of health management and internal epidemic prevention in the period of post COVID-19 pandemic.

Ms. Nakamori attended all 17 meetings of the Board of Directors held during FYE 2024. She mainly made statements from an objective and neutral position as an Outside Director. During FYE 2024, she chaired the Women's Advancement Committee and led discussions on measures to promote the advancement of ITOCHU's female employees from a real-world perspective. Additionally, she was a member of Governance, Nomination and Remuneration Committee, and contributed to upgrade governance and increase the objectivity of succession plans and selections of officers. Furthermore, she used her professional knowledge and experience to provide many beneficial suggestions in the areas of internal control, compliance, and DX related business.

Mr. Ishizuka attended all 17 meetings of the Board of Directors held during FYE 2024. He mainly made statements from an objective and neutral position as an Outside Director. During FYE 2024, he chaired the Governance, Nomination and Remuneration Committee and led discussions regarding evaluations of the Board of Directors' effectiveness and other governance subjects, selections of senior executives and the succession plan, and the remuneration of officers. Additionally, he used his professional knowledge and experience to provide many beneficial suggestions regarding promoting the business transformation from the point of view of incorporating the needs of the market into ITOCHU's products and services.

Ms. Ito attended all 13 meetings of the Board of Directors held during FYE2024 (since election). She mainly made statements from an objective and neutral position as an Outside Director. During FYE2024, she was a member of the Governance, Nomination and Remuneration Committee, and contributed to upgrade governance and increasing the objectivity of succession plans and selections of officers. Additionally, she used her professional knowledge and experience to provide to provide many beneficial suggestions in the areas of SDGs and ESG and human resource strategies.

Outside Directors actively advise and provide recommendations, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and ensure and enhance the effectiveness of the monitoring and supervising function of the Board of Directors and transparency of decision-making by appropriately demonstrating to the internal Directors their supervisory functions based on various perspectives and their management advice function of the Outside Directors.

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Independent Ouside Audit & Supervisory Board Members

Mr. Urvu attended all 17 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during FYE 2024. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member. During FYE 2024, he was an observer of the Governance, Nomination and Remuneration Committee and contributed to upgrade governance and increasing the objectivity of succession plans and selections of officers.

Mr. Fujita attended all 13 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board held during FYE2024 (since election). He mainly made statements from an objective and neutral position as an Outside Audit & Supervisory Board Member. During FYE2024, he was a member of the Women's Advancement Committee and contributed to speeding up measures for supporting women's advancement and promotion.

Ms. Kobayashi attended all 13 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board held during FYE2024 (since election). He mainly made statements from an objective and neutral position as an Outside Audit & Supervisory Board Member. During FYE2024, he was a member of the Women's Advancement Committee and contributed to speeding up measures for supporting women's advancement and promotion.

Outside Audit & Supervisory Board Members actively provide an opinion, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and enhance the transparency of decision-making by appropriately demonstrating their supervisory functions of the Outside Directors against the performance of the internal Directors.

Significance of Holding and ITOCHU's Policy on the Governance of Its **Listed Subsidiaries and Affiliates**

Approach and Policies Related to Group Management

ITOCHU has many consolidated subsidiaries and is expanding its diverse businesses in Japan and all over the world. As the core of the Group, ITOCHU formulates management policies as well as management plans on a group basis, and regularly monitors the progress of each segment. In order to appropriately deal with various risks as a group, we maintain internal control systems on a group basis, which are necessary to ensure that Directors implement their duties in compliance with laws and statutory regulations and the Articles of Incorporation, and to ensure the appropriateness of other operations.

In particular, ITOCHU makes conscientious efforts to ensure the execution of duties by directors and employees at each subsidiary comply with laws and regulations, as well as the Articles of Incorporation, by means of the directors and corporate auditors dispatched to each subsidiary supervising and auditing the execution of duties. In addition, in order to deal with various risks such as market risk, credit risk, country risk, investment risk, environmental/social risk etc. of the Group, ITOCHU maintains and manages risks comprehensively and individually. For that purpose, various internal committees and responsible departments have been established, and the necessary risk management system and management

method are group-based. Furthermore, ITOCHU formulates a group compliance program, establishes and operates the system required to prevent the occurrence of any violations of laws and regulations, and strives for continuous improvement through regular reviews.

Basic Approach and Policies Related to the Business Portfolio Strategy

With the purpose of conducting timely and strategic investments, the Company selects the optimal funding types and ratios from among a diverse range of options, such as ITOCHU establishing a subsidiary on its own, jointly funding a project with a partner, and acquiring a company to enable management participation or to convert into a subsidiary. We do not specifically use different types of funding based upon whether or not a target company is listed on a securities exchange. Regarding holding policies, such as decreasing, maintaining, or increasing our ownership ratio, we comprehensively assess such factors as the unique characteristics of the industry and the post-investment outlook for each investee, to thoroughly confirm the significance of ownership. The proposal is then considered by the Division Company that would handle the investment. For major investees, discussions are held annually in management meetings. Decisions regarding the holding policies are made taking these discussions into account and are shared with Outside Officers.

Furthermore, ITOCHU does not believe that the divestment of holdings should be uniformly carried out based solely on the fact that a subsidiary or affiliate is publicly listed. We recognize the significance of each individual subsidiary's holding rational and strive to establish and maintain an effective governance structure to prevent conflicts of interest. Additionally, while considering the strategic positioning of each subsidiary within ITOCHU Group, we make individual assessments of holding policies of listed subsidiaries without limiting the options, based on a case-by-case basis.

Basic Approach and Policies Related to the Treatment of Listed Subsidiaries and Affiliates in the **Group Management System**

The Company has established special rules for domestic listed companies as part of its internal rules related to managing subsidiaries and affiliates. These special rules set forth ITOCHU's commitment to preventing actions that violate the general principles of management's respect for independence and shareholder equality. At the same time, regarding matters related to internal management, including compliance and internal control, we conduct management in a balanced way by affirming the need to offer advice and guidance for the purpose of conducting appropriate management as the parent company and major shareholder. Moreover, as a general rule, the Group requests subsidiaries to participate in the Group financial system. For listed companies, in light of the independence of their management, participation in the Group financial system is voluntary.

In addition, to contribute to the expansion of profits and the stabilization of management at each listed subsidiary and affiliate, following discussions with each entity, we promote personnel exchanges, mainly by dispatching from the Company people with expertise in financial accounting, legal affairs, and other matters and management personnel for overseas expansion and overseas bases, as well as by taking in personnel from listed subsidiaries and affiliates into the Company's sales and management departments.



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Significance of Holding Listed Subsidiaries

As of June 21, 2024, ITOCHU's listed subsidiaries are ITOCHU ENEX CO., LTD., ITOCHU-SHOKUHIN Co., Ltd., C.I. TAKIRON Corporation and Prima Meat Packers, Ltd. The merits of holding a listed subsidiary include expansion of business partners based on our name recognition, creditworthiness and independence; the expansion of synergies within the Group; reduction of ITOCHU's financial burden on the listed subsidiary against the backdrop of the funding procurement capabilities of listed companies; and securing excellent human resources as well as maintaining and enhancing employee motivation. In addition, the demerits of holding a listed subsidiary include the external outflow of economic profit; the restriction of the Group's execution of management and strategies arising from the necessity of considering minority shareholders; the difficulty in acquiring data; and the cost of remaining listed on a securities exchange. The significance of holding each listed subsidiary from the perspective of the Group's management strategy and sales perspective is as follows:

Company	Significance of Holding
ITOCHU ENEX CO., LTD.	Utilizing its wide and diverse domestic customer base, ITOCHU ENEX CO., LTD. is developing new fuel sales, services to enhance logistics efficiency, and next-generation businesses, etc., in addition to existing energy business and power business. It is important and indispensable presence for the Group in order to build a stable profit based both in Japan and overseas. In addition, ITOCHU ENEX CO., LTD., utilizing ITOCHU Group's extensive domestic and international network, promotes initiatives in the new energy field based on the SDGs, and carries out the fuel supply businesses for our Group companies. ITOCHU and ITOCHU ENEX CO., LTD., as business partners, are mutually contributing to the enhancement of corporate value. ITOCHU ENEX CO., LTD. is a Group company that was listed on a securities exchange and holding it as a listed subsidiary is fully rational when considering the aforementioned merits and demerits of remaining listed on a securities exchange.
ITOCHU-SHOKUHIN Co., Ltd.	The principal and main business of ITOCHU-SHOKUHIN Co., Ltd. is the sale and distribution of alcoholic beverages and processed foods. Based on its existence, ITOCHU secures stable contact points with various domestic retailers, and maximizes profit in the food distribution field by utilizing this sales channel. In addition, by utilizing our Group's diverse customer base and knowledge in implementing the growth strategy of ITOCHU-SHOKUHIN Co., Ltd., such as contribution to customers through creating sales floors which utilize digital transformation (DX), etc., ITOCHU is contributing to the expansion and evolution of the services provided by ITOCHU-SHOKUHIN Co., Ltd. Accordingly, ITOCHU and ITOCHU SHOKUHIN Co., Ltd. are in a mutually beneficial relationship as business partners to enhance corporate value. ITOCHU SHOKUHIN Co., Ltd. is a Group company that was listed on a securities exchange and maintaining this holding as a listed subsidiary is fully rational in consideration of the aforementioned merits and demerits of remaining listed on a securities exchange.
C.I. TAKIRON Corporation	C.I. TAKIRON Corporation is positioned as a core enterprise in the Group's plastic resin business, due to its advanced technological capabilities and large-scale production capacity. C.I.TAKIRON Corporation utilizes ITOCHU Group's extensive domestic and international network for overseas expansion of C.I.TAKIRON Corporation's film business, stable procurement of competitive raw materials, and expansion of sales of C.I.TAKIRON Corporation's various products. ITOCHU and C.I.TAKIRON Corporation, as business partners, are mutually contributing to enhancing corporate value. C.I. TAKIRON Corporation is a Group company that was listed on a securities exchange and maintaining this holding as a listed subsidiary is fully rational in consideration of the aforementioned merits and demerits of remaining listed on a securities exchange. We also consider the fact that because it has reliability and influence due to being a listed company, alliance proposals meeting such frontline needs as manufacturing technologies and logistics are directly brought to C.I. TAKIRON Corporation, effectively building collaborative relationships with other companies.
Prima Meat Packers, Ltd.	he main and principal business of Prima Meat Packers, Ltd. is to sell meat and processed livestock products, and it assumes an important role in supplying final products in ITOCHU Group's livestock value chain. Prima Meat Packers, Ltd. utilizes ITOCHU Group's extensive domestic and international network to ensure a stable supply of high-quality imported raw materials for its core products and to jointly develop pork brands with overseas partners in our Group. As business partners, ITOCHU and Prima Meat Packers, Ltd. have a mutually beneficial relationship to enhance corporate value. A business relationship on the premise of pursuing mutual economic rationality has been established and maintained. In addition, Prima Meat Packers, Ltd. has become a subsidiary of ITOCHU as the Company incrementally acquired more shares. Because it is a listed company, synergy with ITOCHU will be pursued while further solidifying its value chain by conducting a broad range of trade with other companies. Continuing to hold Prima Meat Packers, Ltd. as a listed subsidiary is fully rational when considering the aforementioned merits and demerits of remaining listed on a securities exchange.

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Policies Related to Ensuring the Effectiveness of the Governance System of Listed Subsidiaries

ITOCHU respects the autonomy of these listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality. In particular, with the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries and in order to secure the independent decision-making of these listed subsidiaries, we request these listed subsidiaries to set up an effective governance structure under which functions of their independent Outside Directors are well assured. Each of the above-mentioned subsidiaries has established and maintained an effective governance system, including the appointment of certain number of Outside Directors and the establishment of an independent advisory committee to the Board of Directors, and a special committee where transactions or actions which may conflict with the interest of the controlling shareholder are deliberated and studied. ITOCHU will continue to encourage listed subsidiaries to further improve their governance structure, taking into account the Corporate Governance Code issued by the Tokyo Stock Exchange.

In addition, while seeking synergies by strengthening cooperation with each listed subsidiary, in conducting transactions with each listed subsidiary, fair and appropriate terms and conditions are determined by taking into account market prices, etc., on the premise of pursuing economic rationality with each other. Further, ITOCHU fully respects the decision of the advisory committee to the Board of Directors, which has the function of nomination, in exercising voting rights regarding the selection or removal of independent directors or nomination process of independent directors of our listed subsidiaries.

The policies related to ensuring the effectiveness of the governance systems of each listed subsidiary are as follows:

Company	The policies related to ensuring the effectiveness of the governance systems
ITOCHU ENEX CO., LTD.	ITOCHU ENEX CO., LTD. has established terms and conditions related to transactions and acts with ITOCHU. These are similar to ITOCHU ENEX CO., LTD.'s general terms and conditions, taking into account market prices. In addition, regarding significant transactions and acts that cannot reference market prices, ITOCHU ENEX CO., LTD. ensures the propriety of transactions by receiving approval from its Board of Directors, which includes Outside Directors and Audit & Supervisory Board Members, after conducting deliberations and studies at a specialized committee, which comprises independent Outside Directors and others who possess independence.
ITOCHU-SHOKUHIN Co., Ltd.	Inter-Group transactions are based on the principle of economic rationality. ITOCHU-SHOKUHIN Co., Ltd. provides sufficiently competitive functions and food products while being evaluated by each Group company, and independence is assured. In addition, matters related to significant conflicts of interest are deliberated and studied by the Governance Committee, which has a majority of independent Outside Directors as members of the advisory body to its Board of Directors.
C.I. TAKIRON Corporation	C.I. TAKIRON Corporation has established a governance committee, which has a majority of independent Outside Directors as members, as an advisory body to its Board of Directors. The committee monitors conflicts of interest with controlling shareholders from the perspective of protecting minority shareholders.
Prima Meat Packers, Ltd.	Prima Meat Packers, Ltd. has ensured independence from ITOCHU by having a majority of independent Outside Directors.

Agreements Related to Content that Should Be Listed as the Approach and Policies Related to Group Management

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ITOCHU has not concluded capital and business alliance agreements or agreements related to Group management with any listed subsidiary

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Significance of Holding Listed Affiliates

As of June 21, 2024, ITOCHU holds investments in multiple affiliates.

The merits of listed affiliates remaining listed include expansion of business partners based on our name recognition, creditworthiness and independence; the expansion of synergies within the Group; and securing excellent human resources, as well as maintaining and enhancing employee motivation.

However, the demerits of holding each company as a listed affiliate include the external outflow of economic profit; the restriction of the Group's execution of management and strategies arising from the necessity of considering minority shareholders; the difficulty in acquiring data; and the cost of remaining listed on a securities exchange.

In the Group's management, the significance of holding each listed affiliate includes leveraging the Group's sales channels to expand sales, utilizing ITOCHU's expertise in the management of specific industries and overseas expansion, and enhancing competitiveness through alliances between other Group companies, and managing businesses as a member of the Group is considered beneficial to enhancing corporate value for both ITOCHU and each listed affiliate. The significance of holding each listed affiliate is as follows and considering the aforementioned merits of maintaining the listing on a securities exchange, we believe holding each of these companies as listed affiliates is fully rational.

Company	Significance of Holdings
DESCENTE LTD.	DESCENTE LTD.'s mainstay sports apparel brands are DESCENTE, Le Coq Sportif, and Munsingwear. Because it has built a stable earnings base in one of ITOCHU's key fields, sports-related business, DESCENTE LTD. occupies an important and indispensable position for the Company. DESCENTE LTD. has solidified its position as a premium brand, especially the DESCENTE brand, and aims to maximize profit by helping build a platform for production, logistics, and DX and utilizing the Company's human resources, manufacturing, and expertise. ITOCHU and DESCENTE LTD. are in a mutually beneficial relationship as business partners to enhance corporate value. Since acquiring shares in the listed company DESCENTE LTD. in 1984, the Company has incrementally increased its share.
JAMCO Corporation	The principal and main business of JAMCO Corporation is the manufacture of aircraft interiors. JAMCO Corporation is positioned as a core enterprise in ITOCHU's private aircraft business, which has the world's top market share for lavatories and galleys for large-scale aircraft. In some of its marketing efforts, JAMCO Corporation utilizes the Group's extensive network. ITOCHU and JAMCO Corporation are in a mutually beneficial relationship as business partners to enhance corporate value. JAMCO Corporation is a Group company that was listed on a securities exchange after considering the merits of being listed.
Tokyo Century Corporation	Tokyo Century Corporation operates a wide variety of businesses, including business investment, across its five business fields, starting with its traditional field of domestic leases and going on to encompass auto mobility, specialty (including aircraft, ships, and real estate), environmental infrastructure, and international business. Tokyo Century Corporation and ITOCHU have a collaborative relationship in a wide range of fields, including information, environmental energy, and such machinery fields as automobiles, construction machinery, and aircraft. Both companies are expanding their mutual businesses in part by offering joint proposals and providing joint funding to promising candidates in new business fields. Accordingly, ITOCHU and Tokyo Century Corporation are in a mutually beneficial relationship as business partners to enhance corporate value. Tokyo Century Corporation was created through the merger of one of ITOCHU's listed Group companies and another listed company.
Hitachi Construction Machinery Co., Ltd.	Hitachi Construction Machinery Co., Ltd. is working to expand its businesses, including finance business, rental business, and used equipment sales in addition to the sale of new construction machinery. Hitachi Construction Machinery Co., Ltd. has had various kinds of business relationships in part through the joint expansion of the finance business and export trade. Hitachi Construction Machinery Co., Ltd. has an important and indispensable position as ITOCHU builds a stable earnings base in the construction business. In addition, Hitachi Construction Machinery Co., Ltd. utilizes ITOCHU's extensive network and promotes collaboration in a wide range of business fields and various regions, including the United States. ITOCHU and Hitachi Construction Machinery Co., Ltd. are in a mutually beneficial relationship as business partners to enhance corporate value. In conjunction with the dissolution of its former North America joint venture, Hitachi Construction Machinery Co., Ltd. reconstructed its sales and service network, ended its relationship as a listed subsidiary of Hitachi, Ltd., and executed a capital alliance as a business partner.
WELLNEO SUGAR Co., Ltd.	WELLNEO SUGAR Co., Ltd. is a holding company with ITOCHU as a major shareholder, created in January 2023 by the merger of Nissin Sugar Co., Ltd., which is listed on the Prime Market of the Tokyo Stock Exchange, and ITOCHU SUGAR CO., LTD., which is a wholly owned subsidiary of ITOCHU, in order to address the diversification in sugar demand and changes in Japan's demographics. ITOCHU SUGAR CO., LTD., which boasts one of the most efficient sugar manufacturing operations in Japan, and Nisshin Sugar Co., Ltd., which boasts high brand awareness in major metropolitan areas, including Tokyo and Osaka, have a business foundation comprising around 30% of the market share in Japan, and WELLNEO SUGAR Co., Ltd. occupies an important and indispensable position in ITOCHU. WELLNEO SUGAR Co., Ltd. is expected to further demonstrating sales synergy utilizing the ITOCHU Group's intermediate distribution and downstream network as well as providing the Company's overseas raw material procurement function, which is top class among general trading companies. ITOCHU and WELLNEO SUGAR Co., Ltd. are in a mutually beneficial relationship as business partners to enhance corporate value. WELLNEO SUGAR Co., Ltd. was created through a share exchange between one of ITOCHU's Group companies and another listed company.
Japan Foods Co., Ltd.	nce its founding in 1976, Japan Foods Co., Ltd. has cemented its place as a manufacturing capabilities by conducting appropriate capital investment. With the Group, Japan Foods Co., Ltd. aims to better upgrade facilities, secure human resources, and develop new businesses by utilizing the Group's extensive network in addition to enhancing its delivery transactions for concentrated beverage raw materials, commissioned production, and sales of products. ITOCHU and Japan Foods Co., Ltd. are in a mutually beneficial relationship as business partners to enhance corporate value. Japan Foods Co., Ltd. is a Group company that was listed on a securities exchange after considering the merits of being listed.
FUJI OIL HOLDINGS INC.	FUJI OIL HOLDINGS INC. develops, manufactures, and sells food products, including those made with plant-based oils, cacao, and soy beans. FUJI OIL HOLDINGS INC. has an important position in ITOCHU's portfolio because, in the development of plant-based ingredients, it boasts unique technological capabilities accumulated since its founding, a shift to high value added businesses, and global operations. In addition to the joint promotion of the oil business in the United States, ITOCHU and FUJI OIL HOLDINGS INC. utilize the Group's network in the stable procurement of raw materials, sale of products, and personnel exchanges. ITOCHU and FUJI OIL HOLDINGS INC. are in a mutually beneficial relationship as business partners to enhance corporate value. FUJI OIL HOLDINGS INC. is a Group company that was listed on a securities exchange after considering the merits of being listed.

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Company	Significance of Holdings
CENTURY 21 REAL ESTATE OF JAPAN LTD.	The principal and main business of CENTURY 21 REAL ESTATE OF JAPAN LTD. is the franchising of real estate agencies, and it has around 1,000 stores that participate in franchises serving as customer contact points. It assumes an important role in the Group building a stable earnings base in the real estate business. In addition, CENTURY 21 REAL ESTATE OF JAPAN LTD. utilizes the Group's extensive network to enhance services to customers and participating stores. ITOCHU and CENTURY 21 REAL ESTATE OF JAPAN LTD. are in a mutually beneficial relationship as business partners to enhance corporate value. CENTURY 21 REAL ESTATE OF JAPAN LTD. is a Group company that was listed on a securities exchange after considering the merits of being listed.
Paraca Inc.	The principal and main business of Paraca Inc. is the operation and management of parking lots. It operates and manages parking lots comprising around 37,000 parking spaces across Japan. It assumes an important role in building the Company's construction and real estate business value chain and creating a stable earnings base. Paraca Inc. utilizes the Group's extensive network to expand the parking lot business. ITOCHU and Paraca Inc. are in a mutually beneficial relationship as business partners to enhance corporate value. Since starting a capital and business alliance, ITOCHU made Paraca Inc. an affiliate by acquiring additional shares of the company after confirming that the relationship will help mutually enhance corporate value.
Nalnet Communications Inc.	Nalnet Communications Inc. operates a business for commissioned maintenance of leased vehicles, which is handled at its more than 11,000 maintenance shops across Japan. ITOCHU expects to conduct tire sales to the automotive maintenance shop network centered on Nalnet Communications Inc. and expects to utilize the vehicle maintenance functions in this network in the used vehicle sales business, which is forecast to expand going forward. Because of this, ITOCHU and Nalnet Communications Inc. are in a mutually beneficial relationship as business partners to enhance corporate value. Nalnet Communications Inc. was listed in line with the exit scenario for other shareholders at one of ITOCHU's Group companies.
BELLSYSTEM24 Holdings, Inc.	BELLSYSTEM24 Holdings, Inc. assumes an important role in elevating the customer experience in ITOCHU's digital businesses. Its principal and main business is the operation of contact centers and the provision of BPO services in the form of solutions to business issues. BELLSYSTEM24 Holdings, Inc. are in a mutually beneficial relationship as business partners to enhance corporate value. BELLSYSTEM24 Holdings, Inc. was listed in line with the exit scenario for other shareholders at one of ITOCHU's Group companies.
WingArc1st Inc.	WingArc1st Inc. assumes an important role in developing and operating IT systems in ITOCHU's digital businesses. Its principal and main business is the development and sale of software and cloud services related to the creation of business forms, the management of documents, and data utilization. In the expansion of its customer base and the creation of new businesses utilizing proprietary solutions, WingArc1st Inc. not only utilizes the Group's extensive domestic and international network, it also supports the Group's DX in such ways as adapting to the Electronic Books Maintenance Act. ITOCHU and WingArc1st Inc. are in a mutually beneficial relationship as business partners to enhance corporate value. WingArc1st Inc. was listed in line with the exit scenario for other shareholders at one of ITOCHU's Group companies.
SKY Perfect JSAT Holdings Inc.	SKY Perfect JSAT Holdings Inc. assumes an important role in strengthening space, satellite, and media-related businesses in ITOCHU's data and telecommunications field. Its principal and main business is the space business, which is centered on satellite telecommunication services, and the media business, which provides the pay TV channel SKY Perfect JSAT Holdings Inc. aligns with the Group's extensive domestic and international network in the construction of new businesses in the media field, which utilizes content and solutions, and in the space and satellite field, which utilizes satellite imagery and data. ITOCHU and SKY Perfect JSAT Holdings Inc. are in a mutually beneficial relationship as business partners to enhance corporate value. SKY Perfect JSAT Holdings Inc. is a listed company that was established by a business merger through the share transfer of the two listed companies SKY Perfect Communications Inc. and JSAT Corporation. ITOCHU has been a shareholder in both companies since their founding and, with Fuji Media Holdings, Inc., jointly established ITC Partners, Inc. (now ITOCHU Fuji Partners, Inc. (IFP)). By investing the shares of SKY Perfect JSAT Holdings Inc. exceeded 20%, making it an affiliate of IFP.
Orient Corporation	Orient Corporation operates a wide range of businesses, including loans, credit cards, and guarantor for rent and financial settlements; is an important partner in ITOCHU's retail financing business; and utilizes the Group's network in commercialization surveys for overseas expansion. In addition, Orient Corporation works to expand its business through investment in fintech companies and is considering collaboration with ITOCHU in these efforts. Accordingly, ITOCHU and Orient Corporation are in a mutually beneficial relationship as business partners to enhance corporate value. The investment in Orient Corporation was for the purpose of strengthening the retail financing business and accomplished by acquiring shares from existing shareholders and a third-party allocation of shares.

Affiliates Listed in Overseas Markets

ITOCHU holds investments in multiple listed affiliates overseas as well. The reasons for investing in listed affiliates overseas are as follows.

- Strategic business and capital alliances with powerful local listed companies
- Responding to laws and regulations for specific industries in relevant countries
- Responding to transaction conditions with state-run companies
- Enhancing creditworthiness in countries where businesses are operated

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Agreements Related to Content that Should Be Listed as Approaches and Policies Related to Group Management with Low Risk of Conflict of Interests between ITOCHU and Minority Shareholders as well as Measures Related to Ensuring the Effectiveness of the Governance Systems of Listed Affiliates

Regarding listed affiliates, ITOCHU is careful to ensure there are no conflicts of interest in transactions with relevant companies and takes action based on listed subsidiaries as needed in light of the actual situation of each company, including capital relationships and transaction status. Please reference the following information for details related to each listed affiliate (the scope is the same as the companies specified in the section above regarding the significance of holding listed affiliates).

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Company	Significance of Holdings
DESCENTE LTD.	DESCENTE LTD. is taking measures to ensure independence from ITOCHU, such as increasing the number of independent Outside Directors. ITOCHU and DESCENTE LTD. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
JAMCO Corporation	JAMCO Corporation is also an affiliate of ANA Holdings, Inc. The sales activities of JAMCO Corporation are all based on receiving orders, including direct transactions with ANA Holdings, Inc., in a competitive environment with other companies in Japan and overseas, and its relationship with ITOCHU does not benefit the Company's sales transactions. ITOCHU and JAMCO Corporation have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
Tokyo Century Corporation	Tokyo Century Corporation has a sales transaction relationship with ITOCHU and Group companies. Each transaction is conducted based on Tokyo Century Corporation's own judgment after conducting individual negotiations with each company on the same basis as any general business partner, so the Company does not place restrictions on business, ensures a certain level of independence, and takes appropriate action to ensure there is no negative impact on the profit of minority shareholders. ITOCHU and Tokyo Century Corporation have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
Hitachi Construction Machinery Co., Ltd.	ITOCHU invests in Hitachi Construction Machinery Co., Ltd. through HCJI Holdings Ltd. (HCJI), which is a joint venture with Japan Industry Partners, Inc. (JIP). The Company believes there is low risk of conflicts of interests with minority shareholders of ITOCHU and Hitachi Construction Machinery Co., Ltd. because their business content is not in a competitive relationship and Hidemi Moue, who is the Representative Director & President of HCJI and the Director & CEO of JIP, is dispatched as a director to Hitachi Construction Machinery Co., Ltd (as of June 21, 2024). HCJI and Hitachi Construction Machinery Co., Ltd. there is low risk of conflicts of interests with minority shareholders of ITOCHU and Hitachi Construction Machinery Co., Ltd. through HCJI and the Director & CEO of JIP, is dispatched as a director to Hitachi Construction Machinery Co., Ltd. (as of June 21, 2024). HCJI and Hitachi Construction Machinery Co., Ltd. as of June 21, 2024).
WELLNEO SUGAR Co., Ltd.	ITOCHU, WELLNEO SUGAR Co., Ltd., and Sumitomo Corporation, which is a shareholder of WELLNEO SUGAR Co., Ltd., have concluded a capital and business alliance agreement. In this agreement, the basic policy is to ensure the independence of the management of WELLNEO SUGAR Co., Ltd., and the signers agree to respect WELLNEO SUGAR Co., Ltd.'s independence, autonomy, and relationships with existing business partners as well as the adoption and implementation of measures needed to execute business from the perspective of WELLNEO SUGAR Co., Ltd.'s Board of Directors aim of creating shareholder profit. WELLNEO SUGAR Co., Ltd. was created through a share exchange between one of ITOCHU's Group companies and another listed company.
Japan Foods Co., Ltd.	ITOCHU, Japan Foods Co., Ltd. and its group companies have an ongoing relationship for purchasing raw materials and selling products, but the transaction percentage is insignificant and the Company does not impose business restrictions, ensuring independence. ITOCHU and Japan Foods Co., Ltd. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
FUJI OIL HOLDINGS INC.	When FUJI OIL HOLDINGS INC. has new transactions (¥1.0 billion or more annually) with the Group or business alliance conditions determined to be important to ITOCHU, both companies discuss the fairness of the matter from the perspective of protecting minority shareholders, and the matter is deliberated and resolved by its Board of Directors to ensure the transparency and fairness of assessments. ITOCHU and FUJI OIL HOLDINGS INC. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
CENTURY 21 REAL ESTATE OF JAPAN LTD.	Real estate agency franchises, which is the principal and main business of CENTURY 21 REAL ESTATE OF JAPAN LTD., do not have ongoing transactions with ITOCHU or the Group, and the relationship with CENTURY 21 REAL ESTATE OF JAPAN LTD. does not benefit the sales transactions of ITOCHU and its Group companies. ITOCHU and CENTURY 21 REAL ESTATE OF JAPAN LTD. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
Paraca Inc.	Paraca Inc. has built a highly transparent governance system, selecting independent Outside Directors for four of its seven directors (as of June 21, 2024), ensuring a majority. ITOCHU and Paraca Inc. have concluded a capital and business alliance agreement.
Nalnet Communications Inc.	When conducting individual sales transactions with ITOCHU and Group companies, Nalnet Communications Inc. conducts each transaction based on its own judgment after conducting individual negotiations with each company like with any general business partner, so the Company does not place restrictions on business, ensures a certain level of independence, and takes appropriate action to ensure there is no negative impact on the profit of minority shareholders. ITOCHU and Nalnet Communications Inc. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
BELLSYSTEM24 Holdings, Inc.	The ITOCHU Group and TOPPAN Holdings Group, which is the second largest shareholder, have been identified as affiliated parties that possess significant influence on the BELLSYSTEM24 Holdings, Inc 's financial and business decision making. Rules related to the management of transactions with affiliated parties have been established and are enforced in line with standards that were established for transactions that need and do not need approval from the Board of Directors depending on the scale and characteristics. In addition, regardless of whether approval from the Board of Directors is needed, approval for ongoing transactions with affiliated parties is sought from the Board of Directors at the beginning of every fiscal year, and with that approval, monitoring is conducted related to the fairness of transactions by the Board of Directors. ITOCHU and BELLSYSTEM24 Holdings, Inc. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management. BELLSYSTEM24 Holdings, Inc. was listed in line with the exit scenario for other shareholders at one of ITOCHU's Group companies.
WingArc1st Inc.	As a preliminary advisory body for approving transactions with affiliated parties, special committee rules put in place by WingArc1st Inc. provide for the establishment, when necessary, of a special committee to be comprised of Outside Directors and personnel who is not a director dispatched from ITOCHU, upon their appointment by Outside Directors following discussion. In this way, management independence and transparency are assured, and management-related supervisory functions are strengthened. ITOCHU and WingArc1st Inc. have concluded a capital and business alliance agreement.
SKY Perfect JSAT Holdings Inc.	Regarding transactions with major shareholders, SKY Perfect JSAT Holdings Inc. always holds preliminary deliberations to ensure there is no negative impact on shareholder profit and conducts the transactions after confirming they are rational. ITOCHU and SKY Perfect JSAT Holdings Inc. have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.
Orient Corporation	Orient Corporation strengthened appropriate disclosures of affiliated party transactions after enhancing initiatives from the perspective of focusing on protecting independence from major shareholders and shareholder profits. ITOCHU and Orient Corporation have not concluded an agreement related to content that should be listed as the approach and policies related to Group management.

Risk Management

Compliance

Corporate Governance

Basic Policy Regarding the Internal Control System and its Operational Status

The Company has established the following internal control systems, which are necessary to ensure that executive officers' implementation of duties are in compliance with laws and statutory regulations and the Articles of Incorporation and ensure the appropriateness of other operations. Below is a summary of the

Basic Policy regarding the Internal Control System and its Operational Status as of June 21, 2024. ("Basic Policy regarding the Internal Control System" was approved by Board of Directors on April 19, 2006, and the latest revision was made on May 8, 2024).

Basic Policy Regarding the Internal Control System

 System to Ensure Compliance by Directors and Employees to Laws, Regulations and the Articles of Incorporation

(1) Corporate Governance

- 1. As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the directors.
- 2. Each director is to carry out such director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
- 3. ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decisionmaking. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative directors.
- **4.** The corporate auditors are to oversee the performance of the directors based on the "Board of Corporate Auditors Regulations" and "Auditors' Auditing Standards."

(2) Compliance

- 1. Directors and other executives and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct.
- 2. ITOCHU is to designate a representative director as the chief officer responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" is to be created to further enhance our compliance system.

(3) Internal Control to Ensure Reliability of Financial Reporting

- ITOCHU is to have in place internal regulations concerning commercial transactions
 management and accounting, and is to create the position of CFO to ensure the reliability
 of financial reporting.
- 2. ITOCHU is to establish the Disclosure Committee and regularly review and improve the development and implementation status of the internal control systems to ensure the reliability of financial reporting.

(4) Internal Audits

ITOCHU is to establish the Audit Division under the direct control of the President and Chief Executive Officer. The Audit Division is to regularly implement internal audits of all aspects of business operations based on the "Audit Regulations." Such internal audits are to examine compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as, among other matters, the appropriateness of the procedures and nature of the exercise of duties and responsibilities.

2. System for the Storage and Preservation of Information Related to Director Duties

The directors are to appropriately store and preserve important documents and related materials concerning the performance of their duties, including the minutes of the General Meeting of Shareholders, in accordance with the "Information Management Regulations," the "Document Management Rules" and other internal regulations. All documents and information so stored and preserved are to be subject to inspection by the directors and auditors at any time. Further, the Company will establish departments responsible for the timely disclosure of important corporate information and other information. At the same time, directors will rapidly and comprehensively gather information that requires disclosure and implement timely and appropriate disclosure in compliance with laws and statutory regulations.

Risk Management

Compliance

Corporate Governance

3. Regulations Concerning the Management of the Risk of Loss and Other Relevant Risk Management System

To adequately address the various risks associated with our business operations, such as market risk, credit risk, country risk, investment risk, and environmental and social risks, ITOCHU is to establish internal committees and responsible departments, and is to develop the necessary risk management system and risk management techniques, for example establishing a full range of management regulations, investment criteria, risk limits and transaction limits, and developing reporting and monitoring systems, and managing company-wide as well as matter-specific risks. Furthermore, ITOCHU is to regularly review the effectiveness of the risk management system.

4. System to Ensure Efficient Performance of Directors

(1) The HMC and Other Internal Committees

The HMC as a supporting body to the President and Chief Executive Officer, and a number of other internal committees, are to facilitate the proper and agile decision-making by the President and Chief Executive Officer and the Board of Directors.

(2) Division Company System

Under the Division Company System, the position of Division Company president is to be created at each Company, and each Company is to manage its business autonomously in accordance with laws and regulations, the Articles of Incorporation, and internal regulations. Furthermore, each Company is to establish its own numerical targets, and regularly evaluate its performance by comparing against such numerical targets.

(3) Clearly Define the Scope of Authority and Responsibilities

In order to ensure the appropriateness and efficiency of the performance of the management, ITOCHU is to develop internal regulations to clearly define the scope of authority and responsibilities of each corporate officer and divisional manager.

5. System to Ensure the Adequacy of Operations of the ITOCHU Group (Consisting of ITOCHU and Its Subsidiaries)

(1) Subsidiary Management and Reporting System

1. ITOCHU is to establish a department that oversees all the subsidiaries. Furthermore, relevant departments within ITOCHU are to exercise jurisdiction over their responsible subsidiaries, and provide managerial guidance to such subsidiaries in accordance with the

- internal regulations concerning consolidated company management. In principle, ITOCHU is to send directors and corporate auditors to each subsidiary to ensure the adequacy of the subsidiary's operations.
- 2. With respect to subsidiaries that ITOCHU owns indirectly through its directly-owned subsidiaries, ITOCHU is to strive to ensure the adequacy of operations by such indirectly-owned subsidiaries in accordance with this Basic Policy by way of, in principle, causing directly-owned subsidiaries to provide managerial guidance to indirectly-owned subsidiaries.
- **3.** With respect to important matters on the management of subsidiaries, ITOCHU is to, in principle, agree and specify with each subsidiary what matters will require the prior approval of or reporting to ITOCHU, as appropriate, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted.

(2) Rules and Other Systems to Manage the Risk of Loss at Subsidiaries

ITOCHU is to identify the subsidiaries which shall be subject to ITOCHU's Group-wide risk management in respect of each risk category, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted. In addition, ITOCHU is to periodically review the effectiveness of such Group-wide management system.

(3) System to Ensure the Efficient Performance of Duties by Directors, etc. of Subsidiaries

ITOCHU is to formulate a management plan on a consolidated basis and undertake managerial guidance of subsidiaries in order to attain the said management plan as well as to provide support to subsidiaries such as provision of group financing from ITOCHU.

(4) System to Ensure Compliance by Directors, etc. and Employees of Subsidiaries to Laws, Regulations and the Articles of Incorporation

- 1. In principle, ITOCHU is to send directors and corporate auditors to each subsidiary and strive to ensure that the performance of duties of directors, etc. and employees of a subsidiary complies with laws and regulations and the Articles of Incorporation of such subsidiary through supervision and audit of the performance of duties at the subsidiary by the said directors and auditors sent from ITOCHU.
- 2. ITOCHU is to provide guidance to its subsidiaries for the purpose of implementing a compliance system under the "ITOCHU Group Compliance Program" and to perform periodic monitoring and review of the implementation status of the relevant matters as well as providing education and training at subsidiaries whenever necessary for the purpose of securing compliance by the entire ITOCHU Group.
- **3.** All of the operations and activities of the subsidiaries are to be subject to internal audits by the Audit Division.

Risk Management

Compliance

Corporate Governance

Matters Concerning Supporting Personnel to Corporate Auditors, Independence
of Such Personnel from the Directors and Ensuring the Effectiveness of
Instructions to Such Personnel

ITOCHU is to establish the Corporate Auditors' Office under the direct jurisdiction of the Board of Corporate Auditors and is to put in place full-time employees with the sole responsibility of supporting the work of the corporate auditors. The supervisory authority over such employees is to belong exclusively to the corporate auditors, and evaluation of such employees is to be carried out by the corporate auditor designated by the Board of Corporate Auditors. Any transfer orders or disciplinary actions relating to such employees are to require prior approval by such corporate auditor.

7. System for Reporting by Directors and Employees to Corporate Auditors

(1) Attendance at Important Meetings

The corporate auditors are to attend meetings of the Board of Directors, the HMC meetings, and other important meetings, and interview the directors and other relevant persons regarding the performance of their duties. In addition, the corporate auditors are to have the right to inspect all relevant materials.

(2) Reporting System

- 1. The directors and corporate officers are to regularly report to the corporate auditors about their performance. Furthermore, in addition to the matters required by laws and regulations, the directors and corporate officers are to report all the decisions that could have a major impact on the finance or business of ITOCHU to the corporate auditors immediately after such decisions are made.
- 2. Employees are to have the right to report directly to the corporate auditors any matters that could cause serious damage to ITOCHU.
- **3.** In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of directors and employees who have reported to the corporate auditors and to ensure thorough familiarization with this prohibition.

 System for Reporting by Directors, Corporate Auditors and Employees of Subsidiaries or by a Person who Received a Report from Them to Corporate Auditors

(1) Reporting System

- **1.** The directors and corporate auditors of subsidiaries may report directly to the corporate auditors of ITOCHU any matters that could cause serious damage to the said subsidiary.
- **2.** A department that oversees compliance is to periodically report to the corporate auditors of ITOCHU a summary of matters that could cause serious damage to a subsidiary that were reported by the officers and employees of the said subsidiary.
- **3.** In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of persons who have reported to the corporate auditors under the provisions listed above and to ensure full familiarization with this prohibition.
- Matters Concerning Policy on Procedures for Prepayment or Refund of Expenses
 Arising in Relation to Performance of Duties of Corporate Auditors and Processing
 of Expenses or Obligations Arising in Relation to the Performance of Other Duties

When a corporate auditor claims prepayment, etc. from ITOCHU in relation to the performance of duties under Article 388 of the Companies Act, ITOCHU is to process the relevant expense or claim promptly upon confirmation by the responsible department.

10. Other Relevant Systems to Ensure the Proper Functioning of Audits

(1) Coordination with the Corporate Auditors by the Audit Division

The Audit Division is to maintain close communication and coordination with the corporate auditors with respect to matters such as formulation of the internal audit plan for each business year, and internal audit results.

(2) Retaining External Experts

When deemed necessary, the corporate auditors are to independently retain outside experts for the implementation of an audit.

Risk Management

Compliance

Corporate Governance

Overview of the Operational Status of Internal Control System

For the proper operation of internal control systems, ITOCHU has adopted a system by which it further segments items stipulated by the Basic Policy into more detailed confirmatory items in respect of each fiscal year, and, after setting the department in charge of each of these confirmatory items, conducts checks of the construction and the operational status of internal control systems by each department (and by other related internal committees) at the Internal Control Committee meetings held each half year. As of FYE 2024, the Internal Control Committee is chaired by Chief Strategy Officer with the Corporate Planning & Administration Division as secretariat, and consists of Chief Administrative Officer, Chief Financial Officer, General Manager of Internal Audit Division, and an external expert (attorney) as members. Corporate Auditors also attend and voice opinions every time.

At its meetings, the Internal Control Committee verifies the content of checklists summarizing achievement status, issues, etc. for each of the above confirmatory items, as submitted by the departments in charge of each. It also confirms the construction and operational status of internal control systems by verifying the content of individual reports from the departments in charge, with respect to important matters such as systems to ensure the reliability of financial reporting, compliance systems, systems to manage the risk of losses, and the construction and operational status of internal control systems in the ITOCHU Group. The results of deliberations by the Internal Control Committee are reported twice per year to the HMC and the Board of Directors, the latter of which conducts a full-year evaluation of the construction and operational status of internal control systems.

Regarding the meetings of main internal committees related to internal control in FYE 2024, the Internal Control Committee met 2 times, the Compliance Committee 2 times, and the ALM Committee 14 times.

ITOCHU's internal control systems are constructed on the base of the ITOCHU Group, consisting of ITOCHU Corporation and its subsidiaries, and the operational status of the Group base internal control systems, and the construction and operational status of internal control systems in subsidiaries, are reported regularly to the Internal Control Committee.

ITOCHU intends to revise and improve these internal control systems tirelessly in order to build systems that are even more appropriate and efficient. Further, a meeting of the Board of Directors convened on May 8, 2024 evaluated the development and implementation status of each item enumerated in the Basic Policy regarding the Internal Control System for FYE 2024 and confirmed that there were no significant deficiencies or defects.

Initiatives to Further Enhance the Reliability of Financial Reporting

We have established an internal system in order to further enhance the reliability of our consolidated financial reporting. The designing and implementing of internal control are periodically assessed to keep making appropriate improvements. Specifically, a Chief Responsible for Internal Control has been appointed in each organization to design and implement internal control. The Internal Audit Division evaluates the effectiveness of internal control and provides feedback to each organization to ensure the continuous improvement. Overall management of these initiatives is conducted by the Internal Audit Division, and important matters are determined through deliberations in the Disclosure Committee chaired by the CFO. In this way, we are working to reinforce the companywide internal control system.

Strengthening Risk Management on a Group Basis, Including Subsidiaries

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis.

Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems. As part of such efforts, the ALM Committee protects the ITOCHU Group's assets through deliberations on Group balance sheet management as well as analysis and management of risk.

Process for Investments

1 Investment Decisions Thorough Verification of the Appropriateness of the Business Plan Screening of business plans at the time of new investment (including sensitivity analysis)

Purpose of Investment / **Growth Strategies**

Risk Analysis

Appropriateness of the Business Plan (Acquisition Price) Application of Investment Criteria Establishment of Exit

Conditions

Status of Internal Control

- Advance preparation of countermeasures for downward divergence from plan (including establishment of exit measures)

Investment Criteria

- Investment efficiency in accordance with Net Present Value (NPV*) based on investee's free cash flows
- Cash inflows into ITOCHU, such as dividends received and earnings from trade activities
- Scale of investee's earnings
- *NPV calculations utilize hurdle rates set by country and industry sector

- Last three-year cumulative consolidated net profit is negative
- Cumulative Consolidated Investment Return is significantly below the original projection.
- Last three-year cumulative Value Added (Return minus Cost of Equity) is negative.

2 Monitoring

- Implementation of review one year after investment
- Implementation of periodic review once a year for all business investments
- Reevaluation of policies from qualitative (strategic significance, etc.) and quantitative (scale of earnings, investment efficiency, etc.) perspectives
- Formulation of improvement measures for operating companies with issues in the areas of deficits, dividends received, or operating cash flows
- Follow up throughout the year on policies and issue-improvement measures formulated in operating company periodic reviews



• To strengthen financial position, promote replacement of low-efficiency assets that meet exit criteria, in consideration of the cost of capital and other factors, and of businesses that have lost strategic holding significance

Evaluation by Society

Corporate Governance

Risk Management

Compliance

Corporate Governance

Managing Concentrated Risks

We also manage overall country risk exposure to non-industrialized countries and manage individual country risk based on internal country rating standards. Country limits are deliberated by the Asset Liability Management (ALM) Committee and approved by the HMC.

Business Continuity Plan

ITOCHU Corporation has established a Business Continuity Plan (BCP) to ensure that in the event of unforeseen emergencies, including major earthquakes and other natural disasters, pandemics, terrorism, major accidents, and cyber-attacks and security incidents, important business will not be interrupted, or will resume as quickly as possible if there is an interruption. The BCP applies to the entire ITOCHU Group and is supplemented with individual BCPs set by individual business and administrative divisions. Content revisions, together with internal education and training sessions, are undertaken regularly.

In preparation for unexpected major disasters, the BCP describes four stages: 1) Emergency response and initial recovery; 2) BCP invocation; 3) Operational recovery; and 4) Full recovery. The BCP specifies the commander and response protocols for each stage. ITOCHU has also implemented a crisis management system for outbreaks of infectious diseases, including COVID-19. This system, which prioritizes the safety of employees and the prevention of the spread of infection, allows us to continue critical operations while avoiding risks even during periods of high infection spread, in order to contribute to the stability of daily life by maintaining supply chains in each sector.



Risk Management



Risk Management

Policy and Basic Concept

The ITOCHU Group is exposed to various risks due to its wide range of business natures, such as market, credit, and investment risks. These risks include unpredictable uncertainties and may have significant effects on the ITOCHU Group's future financial position and business performance.

Compliance

We acknowledge risk management as a key management issue. Therefore, we have established our basic risk management policy and develop necessary risk management systems and techniques based on the concept of the COSO-ERM framework.

Evaluation by Society

Targets and Action Plan

Risks	Opportunities
Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control.	Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.

Materiality	SDGs Targets	Impact Classification	Issues to address	Business area	Commitment	Specific approach	Performance indicators	Degree of Progress
Maintain Rigorous Governance Structures	16 MAG. RODA Be grade Bertaling Schalas	Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Risk management	to manage the risk of loss and ensure the appropriateness of our	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.	PDCA cycle, including development and implementation of action plans by the departments responsible for risk	We reviewed the progress of the action plans of the FYE 2024 submitted by each risk management responsible divisions. Including all issues dealt during the period, we reported to the Internal Control Committee that Itochu's internal risk management system is active, which was held in October 2023 (review of the first half of FYE 2024), and in April 2024 (review of the second half of FYE 2024, and the action plans for FYE 2025).

Risk Management

Compliance

Risk Management

Structures and Systems

Risk Management Structure

Risks associated to business operations are managed under oversight from the board of directors, within the responsibilities mandated to our division companies, Headquarters Management Committee (HMC), and relevant committees.

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis. Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems and the managing officer for each risk reports on results and findings to the board of directors.

At the Group level, ITOCHU's structural approach to risk management is overseen by the President and Chief Operating Officer (COO) and the Board of Directors and aims to ensure timely and sound executive decision making. The HMC, which is chaired by the President and COO and comprised of the Chairman and Chief Executive Officer (CEO) and other executives appointed by the President and COO, is the committee that sits at the highest level regarding our risk management system. Subsequent committees that report up to the HMC, also referred to as Principal Internal Committees, which include the Internal Control Committee, Disclosure Committee, ALM Committee, Compliance Committee, Sustainability Committee, and Investment Consultative Committee, are responsible for identifying and addressing risks and incidents in their respective fields.

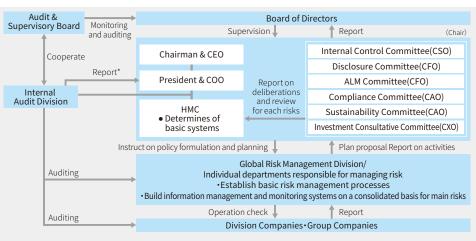
The Sustainability Committee, one of the Principal Internal Committees introduced above, is tasked to promote sustainability in the ITOCHU Group's company-wide risk management. The Committee manages operational ESG risks such as human rights risks, health and safety risks, climate risks, and natural disaster risks, as well as ESG risks related to investments. The Committee cooperates with other Committees as necessary and makes decisions on policies and initiatives to address ESG risks and operational improvements to further mainstream sustainability concerns in our risk management culture. Activities and findings are compiled by the Committee and reported to the Board of Directors annually.

At the individual Company level, each Company's President reports to the Division Company Management Committee (DMC), an advisory body to the Companies. The DMC deliberates on important issues such as those regarding investments, lending, assurance, and business management that have the potential to substantially impact the management of each company. If the risks identified or escalated exceed beyond the responsibilities mandated to the DMC, depending on the gravity of the risk and upon deliberation with other committees as necessary, risk issues may be escalated to the HMC and/or the Board of Directors.

ITOCHU is a company with Audit & Supervisory Board Members and endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. Auditors are therefore independent from the Committees within our risk management structure, including the HMC, but do attend Committees to perform their monitoring/supervising responsibilities. The Internal Audit Division, which serves as the organization's internal audit system under the direct control of the President & COO, is responsible for internal audits and conducts independent audits of departments, division companies, and group companies responsible for risk management. The audit results are reported directly to the Chairman & CEO and President & COO, as well as to the Executive Officers' meetings where Members of the Board and Audit & Supervisory Board Members are present, thereby establishing a dual reporting line. The Division also cooperates with the Audit & Supervisory Board to ensure the effectiveness of internal auditing.

Evaluation by Society

■ Risk Management Governance Structural Chart (As of June 21, 2024)



- * Internal Audit Division reports directly to Chairman & CEO and President & COO, and to Executive Officers' meetings where Members of the Board and Audit & Supervisory Board Members are present
- Overview of ITOCHU Group's main internal committees (P198)
- Reason for Appointment as Outside Directors (P191)

Risk Management

Evaluation by Society



Risk Management

Response to Significant Risks for ITOCHU

We are responding to major risks by building information management and monitoring systems at each department responsible for managing these risks on a consolidated basis.

Compliance

Risk Item	Responsible Department (Managing Officer)	Leading Risks	Risk Mitigation Measures		
Compliance Risks	Legal Division (CAO)	Risks relating to compliance with various laws, ordinances and regulations	Compliance officers in each organization (including companies) manage risks and give guidance on them based on the ITOCHU Group Compliance Program.		
Legal Risks (Excluding Compliance Risks) Legal Division (CAO)		Risks from various regulatory restrictions and changes to laws, risks incurred from regulatory tightening and deregulation, risks incurred due to different administration and interpretation of legal systems, and risk of losses (compensation liability etc.) occurring due to disputes (lawsuits and complaints)	Mitigate the risk of losses expanding by checking contracts and other paperwork in advance in relation to conflicts (lawsuits and complaints). Raise awareness about risks from changes to laws and ordinances by holding various courses. Respond to those risks by accepting inquiries on a case-by-case basis.		
Risks Associated with Trade Security Policy Management	Legal Division (CAO)	Risks relating to compliance with the Foreign Exchange and Foreign Trade Act (security-related) and risks relating to international security such as the legal regulations and sanctions of other countries	Export Control & Sanctions Department performs centralized management. Perform appropriate management and give guidance in cooperation with the Export Control Program Officers in each company or department.		
Risks Associated with Customs	Legal Division (CAO)	Risks relating to compliance with the three customs acts (Customs Act, Customs Tariff Act and Act on Temporary Measures Concerning Customs)	Conduct in-house monitoring, provide training, accept inquiries on a daily basis, ensure employees and officers are aware of laws and ordinances, and hold periodic report briefings on customs in line with import customs clearance management and customs management manuals, and export customs clearance management manuals.		
Country Risks	Global Risk Management Division (CFO)	Risk of losses occurring due to the actions of nations themselves or the environment in which those nations have been placed	The Global Risk Management Division periodically aggregates the country risk exposure and discloses it as the outstanding balance of investments, loans and guarantees by major country.		
Commodity Price Risks (Specific, Important Product)	Global Risk Management Division (CFO)	Risk of losses occurring due to product market price fluctuations	Set monetary amount limits, quantity limits and period loss limits. Periodically review compliance with those limits.		
Credit Risks	Global Risk Management Division (CFO)	Risk of losses occurring due to default on debts in contracts with associated companies	Set credit amounts for each associated company and transaction type. In principle, review the credit amounts annually.		
Investment Risks	Global Risk Management Division (CFO)	Risks relating to new investment execution and existing business monitoring and exit decision-making	Make decisions on new investments based on investment standards. Periodically monitor existing investments. Promote asset replacement by applying the EXIT selection standards on investments not worth holding.		
Stock Price Risks	Global Risk Management Division (CFO)	Risk of losses occurring due to stock price fluctuations	Periodically grasp and monitor the amount of impact on consolidated shareholder's equity due to stock price fluctuations.		
Foreign Exchange Rate Risks	Finance Division (CFO)	Risk of losses occurring due to foreign exchange rate fluctuations	Mitigate risks through hedge transactions using futures exchange contracts and other derivatives.		
Interest Rate Risks	Finance Division (CFO)	Risk of losses occurring due to interest rate fluctuations	Mitigate interest rate fluctuation risks by grasping the interest rate mismatch amount.		
Financing Risks	Finance Division (CFO)	Risk that it will no longer be possible to raise financing smoothly due to turmoil in the financial markets	Ensure sufficient liquidity by using cash and deposits and commitment lines. At the same time, mitigate risks by diversifying financing sources and methods.		
Information System and Security Risks	IT & Digital Strategy Division (CXO)	Risks relating to non-operation of information systems caused by natural disasters and man-made disasters (terror etc.), computer equipment and network equipment failures, and program, operation and procedure mistakes Risks relating to information leaks, falsification and destruction due to unauthorized access to information systems from inside and outside the company	Monitor the application and compliance of information security guidelines and cybersecurity frameworks. ITOCHU Cyber & Intelligence Inc. strengthens defense systems and raises awareness through training.		
Labor Management Risks	Human Resources & General Affairs Division (CAO)	Risks which may occur in labor management (long working hours, unpaid overtime, etc.)	Company and Headquarters human resources and general affairs staff summarize on-site inquiries and reports and then communicate them to the Human Resources and General Affair Division. Appropriately respond in consultation with legal advisors as necessary.		
Human Resources Risks	Human Resources & General Affairs Division (CAO)	Risks arising from shortfalls and outflow and securing management and operational human resources	Secure diverse human resources. Continuously develop abilities including by cooperation between ITOCHU and group companies. Place the right people in the right place by developing a rewarding working environment.		
Risks Associated with the Appropriateness of Financial Reporting	General Accounting Control Division (CFO)	Risks relating to securing reliability in financial reporting by preparing and disclosing appropriate financial reports	Appoint a person in charge of collecting information on the new establishment, revision and abolition of accounting standards. Disseminate that information by issuing notifications, and posting on the Intranet and sending emails.		
Risks Associated with Internal Control	General Accounting Control Division (CFO)	Risk of incidents and fraud occurring due to employees and officers not performing operations in line with the rules and manuals relating to accounting	Monitor internal control operations.		
Environmental and Social Risks	Sustainability Management Division (CAO)	Risks relating to compliance of environmental and social related laws and ordinances and promotion of key issues in sustainability	Plan a system to grasp environmental and social risks in our company and value chains when starting and continuing trades and business investment operations, and to monitor the status of the response to those risks. Monitor in cooperation with other departments as appropriate.		

Risk Management

Compliance

Risk Management

Emerging Risks

The ITOCHU Group's business environment is changing, and uncertainties are increasing. Through PEST analysis, we fully assess risks and opportunities in the context of macroenvironmental factors—such as economic recession risks, geopolitical risks, and environmental and social risks—and build an even stronger competitive edge by implementing flexible measures and transforming businesses in response to changes in the times and the business environment.

Please refer to the PEST analysis in our Integrated Report (https://www.itochu.co.jp/en/files/ar2024E_37.pdf).



Initiatives

Risk Management Method

We conduct the following management throughout the year to build a PDCA cycle. We periodically move through the risk management cycle. Through these efforts, we are mitigating and preventing increasingly complex and diversifying risks.

- 1. Plan: The departments responsible for managing the major risks formulate action plans to prevent and mitigate those risks every year. They then comprehensively identify potential risks. After that, the Internal Control Committee discusses the risks which should be tackled and management policies. The CSO then approves those policies.
- 2. Do: Take measures based on the management policies.
- 3. Check: Compile the status of measures and the following term's action plans every six months. Report the status and action plans to the Internal Control Committee.
- 4. Action: Take improvement measures and additional measures.

Risk Capital Management*1 and Management of Concentration Risk

Strict Management of Risk Assets

Our basic operational policy involves first calculating risk assets based on the maximum amount of possible future losses from all assets on the balance sheet including investments and all off-balance-sheet transactions. Second, we manage the amount of risk assets within the limits of our risk buffer (Total shareholders' equity + Non-controlling interests). As we promote investments that will lead to evolve existing business moving forward, we will work to maintain risk assets within the limits of our risk buffer, conduct strict risk management, and further strengthen our financial position.

Risk Assets and Risk Buffer*2



^{*1} The cost of shareholders' equity set at 8%

^{*2} Risk Buffer = Total shareholders' equity + Non-controlling interests

Risk Management

Risk Management

Business Investment Management

■ Fundamental Approach

Along with strategic business alliances, business investment is an important means of creating new businesses. To actively promote strategic investments in areas of strength in a timely manner, we choose the optimal structure from a wide range of methods, such as establishing a wholly owned subsidiary, implementing joint investment with partners, and participating in management through M&As or converting to a consolidated subsidiary.

Compliance

In principle, we hold investments continuously. After making each investment, we work to maximize the investee's corporate value and to expand trading profit and dividends received by fully utilizing our Groupwide capabilities. Given such considerations as larger-scale investments in recent years, we are rigorously screening the appropriateness of the business plan and acquisition price. For existing investments, to increase investment earnings and to exit quickly from low-efficiency assets, we are further strengthening monitoring procedures, centered on instituting more rigorous exit criteria and thoroughly implementing periodic investment review.

Decision-Making Process for New Investments

A multilayered decision-making process that achieves quick decision-making by giving a certain level of discretion to the Division Companies while striving to pursue investment return and curb investment risk. Regarding investment risks, the risk appetite is determined by considering factors such as market growth and stability, the impact on our company's performance, and the feasibility of risk management.

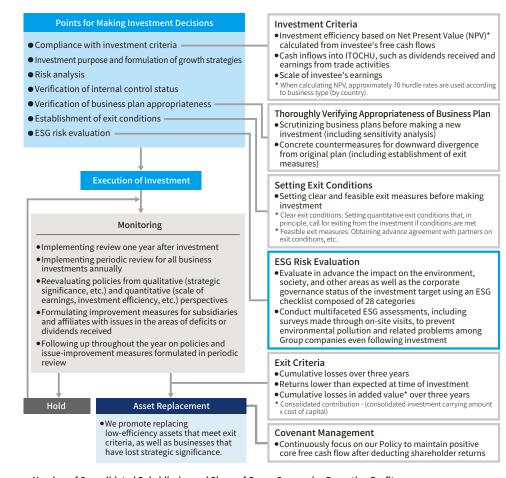


Business Investment Process

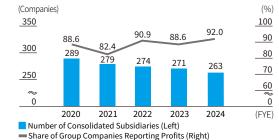
Starting with the impact of COVID-19, the business environment changed dramatically.

Against this background, we steadily implemented strategic investment at the right time and divested businesses which are less efficient or past the peak.

At the same time, we strictly implemented various processes, including the verification of the validity of business plans at the time of investment decisions, and meticulously monitored those decisions after investing. This allowed us to maintain a high ratio of profit-making group companies at 92.0% in FYE 2024.



■ Number of Consolidated Subsidiaries and Share of Group Companies Reporting Profits



Risk Management

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Risk Management

Security Risk Management

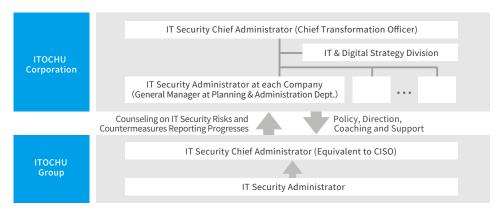
■ Policy and Basic Concept

The ITOCHU Group has established a code of conduct for all members of the Board and employees regarding the handling of information, and views maintaining a high level of security as a key factor in addressing information security risks. Additionally, we have established an Information Security Policy (https://www.itochu.co.jp/en/security/index.html). All officers and employees strive to properly handle, manage, protect, and maintain information in accordance with the policy.

Compliance

Structures and Systems

The Chief Transformation Officer (CXO) holds overall responsibility for digitalization strategy and information security measures in the ITOCHU Group and chairs the IT Strategy Committee. The IT Strategy Committee deliberates policies, regulations and information security strategy, monitors the management situation, and reports to the Board of Directors as appropriate, ensuring a high level of information security.



Name	Chairman	Objectives
IT Strategy Committee	Chief Transformation Officer (CXO)	Deliberates regarding IT and digital strategy (Annual IT Strategic Plan, etc.) Reviews policies and measures for information security

I Initiatives

ITOCHU has formulated a company-wide information strategy for digital transformation (DX) and datadriven management and is aiming for IT-based management. In order to ensure a high level of information security that supports these management foundations, we continue to take thorough measures for crisis management, including the establishment of security guidelines, the expansion of security infrastructure, and the strengthening of technical security measures against malware, etc.

We routinely collect the latest information regarding potential cyber threats by analyzing system logs and malware. Additionally, when incidents do occur, we respond instantly by investigating their causes, discussing possible countermeasures, and restoring services. This is done by the ITOCHU Computer Emergency Readiness, Response & Recovery Team (ITCCERT) –a cybersecurity team whose members are senior cybersecurity analysts. As a framework for cybersecurity governance in the ITOCHU Group companies, "ITOCHU Group Cybersecurity Framework", which is constituted of regulations, systems and processes, was rolled out in 2022. In addition, ITOCHU Cyber & Intelligence Inc. was established in February 2023 to provide the Cybersecurity Countermeasure Programs to Group companies, thereby ensuring sustainable and practical operations for the framework. We also provide training programs to develop technicians proficient in cybersecurity, including at Group companies. There are only a few cases in Japan where companies are working as actively as we are to develop systems and respond to information security risks. Moving forward, we plan to maintain these initiatives and make enhancements where necessary to ensure sustainable growth that is free from cyber threats.

We periodically engage in the training programs listed below to maintain and improve our information security program.

- We provide trainings to all employees on how to identify and respond to targeted e-mail attacks twice a year
- All global employees including those in group companies are subject to a mandatory, simultaneous e-learning course on information security, which is held every three years.
- Several times a year, the ITCCERT leads an internal cybersecurity workshop for ITOCHU Group companies.
- Policies regarding information security and the management of personal information are required to be communicated to employees upon hiring. If amendments or updates are made to these policies, all executives and employees receive a notification of the changes made. Employees are also updated on such amendments in their periodic e-learning trainings.
- We conduct a drill on Business Continuity Plans once a year. In addition, exercises to evaluate and test security measures are conducted by a third-party at least once a year.

Business Continuity Plan

Please refer to P212 for details.

Risk Management

Compliance

Compliance

Policy and Basic Concept

- All officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct based on high ethical values.
- ITOCHU is to designate a representative director as the Chief Officer for Compliance (Member of the Board CAO) responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" Is to be created to further enhance our compliance system.

Evaluation by Society

Targets and Action Plan

Risks	Opportunities
Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control.	Improvement of transparency in decision-making, appropriate response to changes and establishment of a stable basis of growth enabled by the establishment of a firm governance system.

Materiality	SDGs Targets	Impact Classification	Issues to address	Business area	Commitment	Specific approach	Performance indicators	Degree of Progress
Maintain Rigorous Governance Structures	16 PAGE SUPPLES	Governance	Ensuring compliance	Compliance	We will make employees more aware that ensuring compliance at any time is our contribution to the company and society.	Recognizing attitude of employees identifying issues and ensuring action plans to tackle the issues through periodic compliance attitude survey and direct communications.	Continuous direct communication with employees through face-to-face training programs whose contents shall be updated along with monitoring the measures according to risks, expectations from society and issues on site which will change with the time.	 In the period of April-May 2023, we conducted "Monitor and Review" of the ITOCHU Group's compliance system of for FYE 2023, which covered a total of 433 organizations, including all organizations at the headquarter, all domestic branches, overseas blocks, and ITOCHU Corporation's Group companies, and their sub-subsidiaries. The purpose is to understand and promote the status of the compliance system in each organization. In the period of Aug-Sept 2023, we conducted a compliance awareness survey of approximately 56,000 executives and employees (including contract employees and temporary employees) of ITOCHU Corporation and 242 ITOCHU Group companies in Japan and overseas (with approximately 55,000 respondents) in order to improve the compliance system of the ITOCHU Group and prevent the occurrence of compliance incidents. In the period of Dec 2023-Feb 2024, we identified compliance-related cases occurred in ITOCHU Group companies, for which recurrence prevention measures were formulated in FYE 2023 and monitoring was thought to be highly necessary. As a result of the monitoring on the implementation status of the formulated measures, we confirmed that they were properly implemented. In the period of Jan-Feb 2024, 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. (Number of the participants: 4,271) The status of our periodical on-site compliance training seminars in FYE 2024 is as follows: For ITOCHU Corporation: 3,291 employees (who all watched the training video) Group companies: 75 companies, 15,964 persons

Risk Management

Compliance

Structures and Systems

ITOCHU Group's Compliance System

The ITOCHU Group has a system for compliance through the Compliance Department within the Legal Division. The Compliance Department suggests policies and measures to foster compliance throughout the entire Group and appoints compliance officers in each division within ITOCHU Corporation, overseas offices and major Group companies worldwide (including consolidated subsidiaries and some equity method associated companies; hereafter, the "companies subject to compliance management").

Compliance

The Compliance Committee is chaired by the CAO, and consists of two external members and the leaders of the relevant administrative divisions and sales divisions as internal members. The Compliance Committee's meetings are held two times a year, in principle. It deliberates on matters related to compliance as a permanent executive committee. The most recent meeting was held on March 6, 2024.

The ITOCHU Group Compliance Program sets out policies to establish compliance systems to enable each division within ITOCHU Corporation, overseas offices and companies subject to compliance management to ensure compliance taking into consideration their business characteristics, operational formats and legal systems in the regions in which they are located. The status of the effectiveness and operation of the compliance system laid out in the Compliance Program is reviewed every year through the monitor and review process considering the recent trends in legislation and society. The results of this monitor and review process are reported to the Compliance Committee for deliberation, along with information about compliance incident trends and other compliance-related matters. The CAO, as the Chief Compliance Officer, reports matters reported to and deliberated by the Compliance Committee to the Board of Directors.

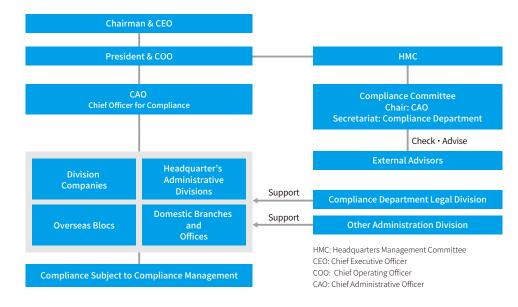
In addition, compliance-related incidents that are discovered within each division of ITOCHU Corporation, overseas offices and the companies subject to compliance management are reported to the CAO and the corporate auditors, and serious compliance-related incidents are reported to the Board of Directors, as appropriate. Directors of ITOCHU Corporation and its Group companies are obligated to report any compliance issues, such as significant violations of laws, regulations, or the Articles of Incorporation, to the Corporate Auditors of their respective companies.

Across the Group, as for key organizations such as overseas offices and companies subject to compliance management, we are implementing activities with a focus on constant improvement and enhancement of our compliance structure. For example, while we focus on in-person training, we have been proactively utilizing on-line training as well to provide training using compliance incidents that have actually occurred in our training materials.

Furthermore, based on our experience with former compliance incidents and the findings of the monitor and review process, we are formulating individual compliance reinforcement measures for each organization, and these measures are steadily being implemented.

In addition, to ensure compliance throughout the Group, ITOCHU Corporation confirms in writing that all employees have complied—and will continue to comply—with laws, regulations, and other rules, at individual performance evaluations each fiscal year.

The Audit Division of ITOCHU Corporation conducts compliance audits to verify whether the ITOCHU Group's compliance system is functioning properly as a part of its periodical audits of each ITOCHU organization (including the Group companies they are responsible for) and overseas blocs to check the status of the development and operation of the compliance system within the organizations and overseas blocs, as appropriate.



Risk Management

Compliance

Compliance

Internal Reporting System (Hotline)

ITOCHU Corporation has formulated Internal Reporting Regulations (also known as a hotline) and instructed the installment of similar hotlines at companies subject to compliance management. In addition to protecting whistleblowers through the hotline, we have defined mechanisms to properly handle the reported cases. This initiative is reinforcing ITOCHU's compliance efforts by supporting the prompt discovery and rectification of any incidents of corruption, including bribery. The status of the operation of the whistleblowing system is reported to the Compliance Committee on a regular basis.

ITOCHU Corporation has established multiple whistleblowing hotlines both in Japan and overseas (including external whistleblowing contacts utilizing dedicated personnel and external lawyers) and accepts reports from the officers and employees of ITOCHU Corporation, workers dispatched to ITOCHU Corporation from companies with which ITOCHU Corporation has entered into worker dispatch contracts (dispatched employees), employees of the Group companies, etc. In addition, it prohibits retaliation and other disadvantageous treatment of whistleblowers and allows whistleblowers to provide information anonymously.

The number of internal reports received by ITOCHU Corporation's whistleblowing hotlines during the past three years are shown in the table below.

	FYE2022	FYE2023	FYE2024	
Number of Reports	86	98	113	

Initiatives

Implementation of Compliance Training

ITOCHU Corporation provides ongoing education and training on compliance to ensure that each and every officer and employee understands and complies with applicable laws, regulations, social norms, etc. based on a high ethical standard.

On-Site Compliance Training

We conduct On-Site Compliance Training for all officers and employees of ITOCHU Corporation every year. This training, which is intended to raise compliance awareness and prevent the occurrence of any compliance incidents, uses actual incidents of compliance violations as training materials while also focusing on the following points.

- Raising awareness of compliance with laws that need to be observed in the course of business.
- Raising a awareness of compliance on a wide-range of topics, including Anti-Corruption and Antimonopoly Acts.
- Raising awareness of prevention of human rights violations such as power harassment and sexual harassment.

In FYE2024, ITOCHU Corporation provided video trainings, and 3,291 officers and employees participated in these trainings.

Group companies implemented their own compliance training programs for officers and employees as appropriate for their operational formats, and ITOCHU Corporation also conducted on-site Compliance training sessions for officers and employees of major Group companies in Japan. In FYE2024, 15,964 employees from 75 companies participated in the trainings in the form of in-person training, or webinars or through videos, depending on the individual company's situation.

We have also converted our Compliance Handbook—which provides advice on compliance (in Q&A format) for each potential work setting where employees might face compliance issues and advises what actions to take to prevent such issues—into a digital format, making it available for all ITOCHU Group officers and employees to refer to, even when working from home.



Compliance Awareness Survey

The ITOCHU Group conducts a Compliance Awareness Survey every two years with all Group officers and employees, which confirms the level of understanding of the ITOCHU Mission, and assists with the implementation of specific initiatives. In FYE2024, the eighth year of the survey, we conducted a survey of 56,090 Group officers and employees and received responses from 54,938 of them (97.9% response rate). The conclusions drawn from the analysis of the findings are presented as feedback to each organization and reflected in efforts to improve the compliance system. We are planning to conduct our next Compliance Awareness Survey in FYE2026.

Risk Management

Compliance

Compliance

Bolstering Measures to Fight Corruption

The ITOCHU Group has established the ITOCHU Group Anti-Corruption Policy based on the Corporate Ethics Code of Conduct. It prohibits the provision of money and goods, entertainment, convenience and other profits to public officials and officers and employees of private entities, in Japan or overseas, for the purpose of gaining an illegal advantage.

ITOCHU Group Anti-Corruption Policy

1. ITOCHU Group Anti-Corruption 1 Policy

The ITOCHU Group ensures the implementation of the compliance principles, that is, legal compliance, and recognizes that it must continue to be an organization with acceptable standards in a modern society. We have no tolerance for any gain obtained through illegal means.

To address the risk of bribery and corruption, the ITOCHU Group has established rules that cover, among others, application and approval procedures and recording methods. These rules describe behaviors that are commonly found in scenarios where bribery or corruption take place, and instruct the strict observance of those rules. The rules were established based on "Regulations Concerning the Prohibition of Giving Illicit Benefit," as well as four related guidelines about public officers, foreign public officers, business partners, and investments generally.

[ITOCHU Group Anti-Corruption Policy]

- No money, entertainment, gifts, or anything of value shall be given to any public or quasi-public official inside or outside of Japan, to obtain illicit gains.
- No money, entertainment, gifts, or anything of value shall be given to any director, officer or employee of any private entity, to obtain illicit gains.
- 2. Requests for All Partners

In order for the ITOCHU Group to implement the above anti-corruption policies, the ITOCHU Group requires the cooperation of all of its business partners and investment partners. When engaging with business partners, co-investors and targets of investments (collectively "Partners"), the ITOCHU Group is required by its internal rules to conduct due diligence on, and to enter into contracts containing anti-bribery provisions with such Partners.

On behalf of the ITOCHU Group we thank you for your understanding and cooperation.

April 1, 2020

Masahiro Okafuji

ITOCHU Corporation

Chairman & Chief Executive Officer

The U.S. Foreign Corrupt Practices Act (U.S. FCPA) and the U.K. Bribery Act 2010 are evidence of the global trend towards the tightening of legislation against bribery. In line with this trend, ITOCHU Corporation has strengthened its determination to fight these corrupt practices and strictly operates within the framework of the Regulation Concerning the Prohibition of Giving Illicit Profit and its three related guidelines (i.e., guidelines regarding public officers, agents and consultants, and foreign public officers). Accordingly, our internal rules prohibit all employees from giving any improper advantage to Japanese or foreign civil servants or people in equivalent positions. In December 2015, we revised "The guideline regarding agents and consultants" which is now part of "The guideline regarding business partners". In this revised guideline, we have expanded its scope of application, and intensified the measures to fight corruption by establishing an investment guideline, which is designed to carefully check investment projects from the perspective of risk of bribery.

"The Regulation Concerning the Prohibition of Giving Illicit Profit" specifically forbids any payment (regardless of the amount of money) aimed at facilitating ordinary administrative services and any other improper advantages; and commercial bribery, which covers any improper advantage given to business partners in the private sector. Our internal rules also prohibit officers and employees from receiving improper advantages from business partners in the private sector, deeming such acts to be a mix of business with personal affairs (e.g., conflicts of interest).

"The guidelines regarding public officers and foreign public officers" include guides for decisions and judgments on business entertainment and gift-giving to public officers and foreign public officers, under which we review cases on an individual basis.

"The guideline regarding business partners" clarifies the process for comprehensive checks and stipulates the process of entering into new contracts and renewals of existing contracts with business partners who will provide services to ITOCHU Corporation (including agents and consultants). Concerning overseas business partners, we use the Corruption Perceptions Index (CPI) published by Transparency International as one of our risk identification criteria.

In contracts where there is a possibility of a risk of bribery, including ones with business partners, we include an article prohibiting bribery, setting out the prohibition against improper payments (bribery or the provision of improper advantages) and clearly stating that such contracts may be terminated immediately if the anti-bribery and anti-corruption provisions are breached.

"The investment guideline" includes specific provisions on the implementation of due diligence and procedures to obtain the confirmation letter from the viewpoint of preventing corruption, which are to be used for deliberations on investment projects.

In the training provided to officers, employees and others, we strive to raise awareness and instill an understanding of the ITOCHU Group Anti-Corruption Policy, the Regulation Concerning the Prohibition of Giving Illicit Profit and four related guidelines. We make sure that the regulation and guidelines are reflected in our personnel's daily work to prevent corruption, including the provision of improper advantages. We also provide specialized training on bribery for organizations for which there is a possibility of involvement in businesses or regions where the risk of bribery is particularly high. We also manage our political contributions, charitable activities, and sponsorship activities by referring to internal rules to ensure that they do not constitute corruption, and by following our internally specified routes of application for the approval of donations and sponsorship to ensure that such activities are socially just and meet ethical standards

^{*} Corruption: Making use of a position of power or authority for personal profit, including acts such as embezzlement, fraud, and money

Risk Management



Compliance

The annual monitor and review process—which is mentioned in the ITOCHU Group's Compliance System above—includes checks on business-related entertainment and gift-giving to both domestic and foreign public officials; as well as on the appointment and renewal of contracts with agents and consultants by organizations within ITOCHU Corporation, overseas offices, and companies subject to compliance management.

Compliance

In FYE2024 there were no cases in which ITOCHU Corporation was accused of acts of corruption, and no fine or administrative penalty charge was paid.

Measures to Fight Collusive Bidding and Cartels

In recent years, there have been many reports of suspected cartel activities in markets around the world. In response, to prevent involvement in any illicit transactions, ITOCHU Corporation has established the Basic Regulations in compliance with, among others, the Antimonopoly Act, and established subordinate regulations consisting of the Standard on Prevention of Cartels and Collusive Bidding, the Guidelines for Compliance with the Antimonopoly Act in Competition Between Multiple Organizations, and the Guidelines on Compliance with the Antimonopoly Act in Relation to Price Pass-Throughs. We have also established an Antimonopoly Act Compliance Manual, and the easy reference documents "A Must-Read! 51 Q&A about the Antimonopoly Act" (the last revision was published in August 2017) and "The 29 Frequent Misunderstandings about the Antimonopoly Act." We also take further measures to ensure that all employees are made aware of the Antimonopoly Act compliance requirements, through the monitor and review process and various training programs as well as the Antimonopoly Act Desk in the Legal Division which was set up to cater to queries from our employees.

Following the four cease and desist orders received from the Japan Fair Trade Commission in FYE2018 and FYE2019, ITOCHU Corporation passed resolutions regarding the matters related to the orders at the Board of Directors meetings and published notifications and thoroughly publicized the contents of the resolutions of the Board of Directors.

TAX

Policy and Basic Concept

ITOCHU Corporation and its subsidiaries ("the ITOCHU Group") have established the ITOCHU Group Tax Policy, which represents its basic attitude and code of conduct towards tax practice, and strive to maintain and improve tax compliance by complying with the Policy. It is committed to fully comply with and follow the significance and spirit of all applicable Tax Rules, not to engage in transactions that are intended to evade taxes such as shift of income from jurisdictions with economic activities and value creation to tax havens, and to make appropriate tax payments.

ITOCHU Group Tax Policy

The ITOCHU Group has established a Basic Policy to comply with all applicable tax laws, rules, regulations, and tax treaties (collectively, "Tax Rules") of each country and region where the ITOCHU Group conducts business. The ITOCHU Group is committed to uphold the interests of all its stakeholders, including all of the local communities in countries and regions where the ITOCHU Group conducts business, as well as the ITOCHU Group's shareholders, creditors, business partners, and employees.

Evaluation by Society

1. Basic Policy - Compliance with Tax Rules

The ITOCHU Group is committed to manage its business operations fully complying with and following the significance and spirit of all applicable Tax Rules, not to engage in transactions that are intended to evade taxes, and to make appropriate tax payments based on income earned from its business activities.

2. Tax Cost Management

In accordance with the Basic Policy, the ITOCHU Group strives to achieve effective tax cost management by eliminating double taxation and utilizing the favorable Tax Rules of each country or region.

3. Establishing and Maintaining Relationships of Mutual Trust and Fairness with Tax Authorities

The ITOCHU Group strives to disclose information in an accurate, timely and appropriate manner to ensure overall transparency of the ITOCHU Group's tax matters and to establish and maintain a relationship of mutual trust and fairness with all tax authorities by making sincere response and engaging in constructive discussions, to ensure proper and fair taxation.

Established in December 2017 Revised in April 2023

Structure and System

ITOCHU Corporation's CFO supervises the General Accounting and Control Division of ITOCHU, which is responsible for overall tax management including tax risk management, and oversees the appropriate tax payments. ITOCHU CFO also reports to the Board of Directors on the status of the execution of duties related to tax matters.

Executive Officer in charge: Tsuyoshi Hachimura, Member of the Board, Executive Vice President CFO In accordance with the ITOCHU Group Tax Policy, the ITOCHU Group sets forth the basic action items to be performed and standards for business operations in the ITOCHU Group Tax Rules, and to appropriately implement the Rules, ITOCHU CFO has been appointed as the person ultimately responsible for Rules throughout the entire group, and General Manager of General Accounting Control Division of ITOCHU has been appointed as the person responsible for the management and the operation of the Rules throughout the entire group. In order for the ITOCHU Group to make appropriate tax payments, each department of the ITOCHU Group, in accordance with the Rules, acquires necessary tax knowledge, considers appropriate tax treatment of transactions, and makes appropriate tax filings.

Risk Management

Compliance

Compliance

Measures for Intellectual Property

To prevent infringements on intellectual property rights held by third parties in businesses directly affecting such rights, as well as in the ordinary course of business, ITOCHU implements measures to call attention to the issue by holding seminars for officers and employees and by establishing internal rules, regulations and manuals, that conform to applicable laws and regulations. We also define and apply internal rules to protect employees' inventions and work, and rules for application, renewal, etc. of rights to properly manage and handle intellectual property rights that constitute property of the companies.

Basic Policy on Product Safety

ITOCHU Corporation has prepared a product safety manual for each internal company to assure safety. The manuals are based on its policy of observing obligations stipulated by laws related to the safety of the products it handles, and providing safe and secure products to its customers. We are going to continue with efforts to assure the provision of safe and secure products through in-house education, institution of ad-hoc units assigned to product safety, establishment of information relay routes, and response in the event of product accidents, while revising arrangements in these aspects as necessary.

Measures for Comprehensive Import and Export Control

To ensure appropriate and efficient trading, which is the main pillar of our activities as a general trading company, ITOCHU Corporation is continuously enhancing and improving its import and export controls. The Japanese government maintains strict trade-security under the Foreign Exchange and Foreign Trade Act in order to prevent the proliferation of weapons of mass destruction and conventional weapons. We have implemented a strict internal comprehensive trade-security control program so as to observe laws and regulations. Our internal program covers not only Japanese laws and regulations but also global security risks such as U.S. sanctions to ensure that we do not take part in business transactions that threaten international peace and security. Accordingly, ITOCHU recognizes that, as a responsible member of the global business community, we need to manage carefully potential risks associated with business operations in certain locations. In response to the growing importance of the corporate governance associated with global security risk, we have implemented corporate policies, procedures, and internal reporting structures to ensure that we perform rigorous, security-minded due diligence for global projects and transactions. The Compliance Program of ITOCHU is annually submitted to the Ministry of Economy, Trade and Industry of Japan as a company that has developed export control and an excellent management system. In addition, to properly conduct customs procedures for import and export, including import (payment of customs duty) declaration, we conduct internal customs examination

(monitoring), provide training for clearing and customs valuation control, and take a host of other measures under the internal control/management provisions and regulations, thereby ensuring full compliance with customs procedures, etc. We have also been providing information needed for developing new businesses, by providing training on Economic Partnership Agreements (EPAs), which will be used more widely by sales sections in the future. These measures have led to the director-general of Yokohama Customs certifying ITOCHU as an Authorized Economic Operator (AEO) (both Authorized Exporter and Authorized Importer), a title given to operators with outstanding compliance systems and security control.

Basic Policy and Efforts against Antisocial Forces

ITOCHU Corporation makes it a basic policy to block any relationship or transaction with anti-social forces that threaten public order and safety. ITOCHU has established and strengthened the internal systems necessary to achieve this by providing education and awareness-raising activities to officers and employees on a regular basis and ensuring prior confirmation that counterparties of transactions do not fall under anti-social forces such as full investigation of new transactions.

Insider Trading Regulations

To prevent violations of insider trading regulations by its officers and employees, ITOCHU Corporation has established internal rules regarding the restriction of insider trading and conducts regular training, so as to ensure due compliance with these rules. In particular, we operate the Guidelines regarding the Reporting and Management of Insider Information, for handling important facts obtained from investment portfolio companies and transaction partners / suppliers (or other entities with which ITOCHU has a capital or contractual relationship).

Risk Management



Compliance

Perspectives on Information Management

ITOCHU Corporation has formulated "Information Security Policy (https://www.itochu.co.jp/en/security/ index.html)" to provide guidance for all officers and employees on how to handle information with high security level. In addition, the "Information Management Regulations" for all officers and employees have also been established to set high level of information security, thereby providing a code of conduct to ensure the appropriate management of the information that is necessary in our activities. Specifically, we have established rules and standards regarding personal information management, document management and IT security to protect personal information and other confidential information and prevent their leakage.

Compliance

Approach to Personal Information Protection

Recognizing that the appropriate management and protection of personal information is one of our responsibilities to society, we have established the "Personal Information Protection Policy." We have also established the "Personal Information Management Regulations" for all officers and employees to establish rules regarding the appointment of person responsible for the management of personal information and the appropriate acquisition, use, provision, management and disposal of personal information. When any violation of laws or regulations related to personal information protection or company rules is identified, we take strict measures, including disciplinary actions, in accordance with our employment rules.

Furthermore, the ITOCHU Group Compliance Program, determined by the CAO who is the Chief Officer for Compliance, includes guidelines for dealing with the Act on the Protection of Personal Information as supplementary rules for the compliance program, and it stipulates response policies in the event of a leakage or the disclosure of personal information.

Monitor & Review Surveys on Personal Information Management

The ITOCHU Group regularly conducts monitor and review surveys on personal information management of ITOCHU Corporation and companies subject to compliance management, under the supervision of the Corporate Planning & Administration Division, IT & Digital Strategy Division, and the Legal Division. In the twelfth survey, which was conducted in FYE2024, the survey on personal information management systems of ITOCHU Corporation and 136 companies subject to compliance management was conducted from September to December 2023. Based on the results of the checks, we are determined to persist with the activities to encourage continued improvements at ITOCHU Corporation and its Group companies. At the same time, we have established a system and a support system for our operations using the advice and assistance of external lawyers.

Response to Compliance Incidents (Violations)

If any violation of laws, regulations or internal rules, including anti-corruption measures, is discovered or there is a risk of a violation occurring within any of the divisions within ITOCHU Corporation, its overseas offices or the companies subject to compliance management, the compliance officer in that organization will take the lead in addressing the matter, including internal investigations and identification of cause and measures to prevent recurrence, in accordance with the prescribed standards and procedures. Compliance-related incidents are reported to the CAO through the Compliance Department from the time they are discovered until the end of the incident is reported.

In addition, for serious compliance incidents that require consideration from a company-wide perspective, necessary investigations will be conducted at the direction of the CAO or at the request of the Compliance Department to clarify the facts and take appropriate action in accordance with the company regulations.

For officers and employees involved in violations of laws and regulations, including bribery, ITOCHU Corporation will verify whether or not internal disciplinary action is necessary in light of the internal regulations of each company (work rules, etc.) and, if necessary, after consulting and deliberating with related departments and experts inside and outside the company, we will take appropriate disciplinary action in accordance with the standards and procedures set out in the internal regulations.

ITOCHU Corporation considers the need to respond to, report to, and disclose to external parties, and takes appropriate action as necessary.

ITOCHU Corporation did not have any serious compliance violations (including cases related to the handling of customer personal information) requiring external disclosure in FYE2024.

Sustainable Finance

ITOCHU Group, conducting business globally under the spirit of "Sampo-yoshi" ("good for the seller, good for the buyer, good for society"), our founding spirit and Corporate Mission, considers that addressing global environmental and social issues is one of the top priorities in its management policy. We contribute to the realization of a sustainable society in order to achieve the goals of the ITOCHU Group Corporate Guideline of Conduct, "I am One with Infinite Missions." Our use of sustainable finance for environmental and social issues aims to make the policy of ITOCHU known to various stakeholders and to further promote SDGs related initiatives.

■ Examples of Sustainable Finance Execution

Month of Execution	Contents	Evaluation Agency	Evaluation (at time of implementation)
May 2015	Development Bank of Japan "DBJ Health Management Rating" private placement bond Press Releases (https://www.itochu.co.jp/en/news/press/2015/150518.html)	Development Bank of Japan	"AA" (Highest Rated)
Mar 2021	USD-Denominated Senior Unsecured SDGs Bonds Press Releases (https://www.itochu.co.jp/en/news/press/2021/210324.html)	Vigeo Eiris	"Robust" (Good)
Sep 2023	Sumitomo Mitsui Trust Bank Green Loan Press Releases (https://www.itochu.co.jp/en/csr/news/2023/230929.html)	Japan Credit Rating Agency, Ltd.	"Green1(F)" (Highest Rated)
Mar 2024	Mizuho Bank "Mizuho Human Capital Management Impact Finance." Press Releases (https://www.itochu.co.jp/en/news/press/2024/240325.html)	Mizuho Research & Technologies	"AA" (Highest Rated)

Green Loan

Framework

ITOCHU has established this Green Loan Framework in alignment with the Green Loan Principles, 2023 as administered by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA), and the Loan Syndications and Trading Association (LSTA), as well as the Green Loan Guidelines, 2022 as administered by the Ministry of the Environment of Japan.

Green Loan Framework (https://www.itochu.co.jp/en/csr/pdf/green_loan_framework_en.pdf)



Second Party Opinion

ITOCHU has obtained an external evaluation (second party opinion) from Japan Credit Research Agency, Ltd (JCR) for the conformity of our Framework with principles such as the Green Loan Principles.

- Second Party Opinion (JCR) (https://www.itochu.co.jp/en/csr/pdf/external_evaluation_en.pdf)
- Press relaease (https://www.itochu.co.jp/en/csr/news/2023/230929.html)

SDGs Bond (Sustainability Bond)

Framework

ITOCHU has established this SDGs Bond Framework in alignment with the Green Bond Principles, 2018, the Social Bond Principles, 2020 and the Sustainability Bond Guidelines, 2018 as administered by the International Capital Market Association (ICMA).

Evaluation by Society

SDGs Bond Framework (https://www.itochu.co.jp/en/csr/pdf/sdgs_framework_en.pdf)



ITOCHU has obtained an external evaluation (second party opinion) from Vigeo Eiris (Moody's ESG Solutions) for the conformity of our Framework with principles such as the Sustainability Bond Guidelines.

Second Party Opinion (Vigeo Eiris) (https://www.itochu.co.jp/en/csr/pdf/sdgs_spo_en.pdf)

Reporting

Fund Allocation Report and Impact Report (May 2022)

Funds raised from SDGs bonds issued in March 2021 USD500M have been allocated to qualified projects in accordance with Section 3.2 of the SDGs Bond Framework. In addition, we calculated the impact on the environment and society of qualified projects to which the funds raised were allocated.

Fund Allocation Report and Impact Report (https://www.itochu.co.jp/en/csr/pdf/sdgs_allocation_and_impact_report_en.pdf)



Post-issuance Review (May 2022)

Itochu has obtained a post-issuance review from Moody's ESG Solutions (renamed from Vigeo Eiris) for the fund allocation report and impact report created by us.

Post-issuance Review (https://www.itochu.co.jp/en/csr/pdf/sdgs_independent_review_en.pdf)

Press release (https://www.itochu.co.jp/en/news/press/2021/210324.html)



Inclusion in FTSE4Good Index Series / FTSE Blossom Japan Index / FTSE **Blossom Japan Sector Relative Index**

The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index are both broad ESG indices and are adopted by the Government Pension Investment Fund (GPIF) of Japan as a core ESG benchmark for its passive investments.







FTSE Blossom Japan



FTSF Blossom **Japan Sector** Relative Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that ITOCHU Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Inclusion in MSCI Nihonkabu ESG Select Leaders Index and MSCI Japan **Empowering Women Index (WIN)**

The MSCI Nihonkabu ESG Select Leaders Index is a free float-adjusted market capitalization-weighted index designed to represent the performance of companies that are selected from the MSCI Nihonkabu Investable Market Index (Parent Index) based on Environmental, Social and Governance (ESG) criteria. These criteria exclude constituents based on involvement in specific business activities, as well as ESG ratings and exposure to ESG controversies. The Index construction has a target coverage of 50% by number of securities in each Global Industry Classification Standard (GICS®) sector of the Parent Index by selecting constituents primarily based on criteria including the ESG rating and the company's industry adjusted ESG score.

MSCI Japan Empowering Women Index (WIN) was created as a benchmark for social themes within the framework of ESG by U.S. company MSCI. Index figures are calculated using data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace, with constituents comprised of those companies which earn a high gender diversity score.

We have earned AAA, the highest MSCI ESG Rating, as a first trading company in December 2020, and have maintained this highest rating ever since.



2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN **EMPOWERING WOMEN INDEX (WIN)**

The use by ITOCHU Corporation of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of DCHU Corporation by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI are its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI are its information providers.

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Inclusion in Dow Jones Sustainability World Index / Asia Pacific Index (for 11 Consecutive Years)

ITOCHU Corporation has been selected as a component of the Dow Jones Sustainability World Index (DJSI World), the world's leading sustainability index, and the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), which covers the Asia-Pacific region, for the 11th consecutive year.

The DJSI selects stocks for inclusion based on S&P Global's Corporate Sustainability Assessment, which evaluates and analyzes companies from three perspectives: economy, environment, and society. As an international benchmark for measuring corporate sustainability performance, the DJSI has a significant impact on corporate behavior.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA



S&P Global CSA Score 2023 Top 5% Industry Ranking

ITOCHU Corporation was awarded Top 5% at the S&P Global Corporate Sustainability Assessment (CSA) Score 2023 in the Trading Companies & Distributors sector, winning the recognition of S&P Global, a U.S. financial research institution that evaluates companies making efforts in sustainability and offers information to investors. (As of February 2024)



Inclusion in Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Built with the data and scoring methodology of Equileap, GenDi J is designed to emphasize the stocks of companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. (As of April 2024)



Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Itochu Corporation to use of the Morningstar® Japan ex-REIT Gender Diversity Till Logo ("Logo") to reflect the fact that, for the designated ranking year, Itochu Corporation ranks within the top group of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index³⁴ ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Itochu Corporation solely for informational purposes. Itochu Corporation's use of the Logo should not be construed as an endorsement by Morningstar of Itochu Corporation or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Itochu Corporation. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

Inclusion in S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is a global environmental stock index adopted by Government Pension Investment Fund (GPIF). Using TOPIX as the universe, this index of S&P Dow Jones Indices, the world's leading independent index provider, overweights companies that have high carbon efficiency within their industry as calculated by Trucost on a market value basis and companies that disclose information on greenhouse gas emissions (As of April 2024).



CDP

• CDP Climate Change

CDP Climate Change evaluates corporate action on climate change. In FYE 2024, we scored a A-.



CDP Water evaluates corporate efforts related to water stewardship. In FYE 2024, we scored a A-.



CDP SER evaluates the performance of the CDP Climate Change Questionnaire on governance, targets, Scope 3 emissions, and value chain engagement. In FYE 2024, we scored A-.



Sustainable Finance



Evaluation by Society

Inclusion in SOMPO Sustainability Index (for 13 Consecutive Years)

This index is used as a unique active index in "SOMPO Sustainable Management," for pension funds and institutional investors, which invests widely in ESG-rated companies that SOMPO Asset Management Co., Ltd. started operation in August 2012.



Minister of the Environment Award / Bronze Award in the Environmentally Sustainable Company Category, the Ministry of Environment's 5th ESG Finance Awards Japan

The purpose of this award is to recognize the initiatives of institutional investors, financial institutions, intermediaries, and companies that have made an impact through their proactive efforts in ESG finance or environmental and social business, and to widely publicize these results in order to promote and expand ESG finance.

In the Environmentally Sustainable Company category, our corporate information disclosures were evaluated relative to a variety of operating companies. Despite the challenges trading companies face regarding sustainability issues due to their unique business model, wide range of business areas, and diverse stakeholders, ITOCHU received the prize in recognition of our awareness of environmental issues and high level of disclosure, as well as our efforts to address these issues based on our corporate mission, "Sampoyoshi" (good for the seller, good for the buyer, and good for society).



Grand Prize, the Sustainability category of the Internet IR Awards by Daiwa Investor Relations

This award by Daiwa Investor Relations evaluates the websites of Japanese listed companies. ITOCHU received the top award for our basic policies, approach to social issues, organization, quantitative data, and more in the six main areas of the sustainability category: website, overall policy, environment, society, governance, and support.



Ranked No. 1 in all industries in Gomez ESG Site Rankings 2023 (for 3 Consecutive Years)

The high recognition was given to our ESG information in the evaluation of listed companies for information adequacy of websites on Sustainability. ITOCHU was selected on top of the List of Superior Companies.

The survey process consists of five categories: 1) website ease of use, 2) overall ESG information, 3) Environmental (E) information, 4) Social (S) information, and 5) Governance (G) information. Evaluation criteria are set to assume the use of information by not only shareholders and investors, but a wide range of stakeholders.



New Diversity Management Selection 100

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



Eruboshi Certification (Stage 2)

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





Platinum Kurumin Authorization

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



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

A program recognizing companies that promote exemplary programs with an equal emphasis on work and childcare/nursing care. (Selected in 2017 / Ministry of Health, Labour and Welfare)



○ファミリー・フレンドリー企業部門 平成29年度

Ministerial Award for Women Empowering Companies 2020

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

FYE 2024 Nadeshiko Brand

The aim is to promote investment in companies and to accelerate the pace of initiatives by each company. The initiative introduces listed companies excellent in empowering women as attractive brands for investors who emphasize improving corporate value over the mid-to-long term to achieve that aim. (Selected in 2024 / Ministry of Economy, Trade and Industry and Tokyo Stock Exchange)



Health and Productivity Stock 2024 Health & Productivity Management Outstanding Organization (White 500)

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





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

Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control, sponsored by the Ministry of Health, Labour and Welfare (Selected in February 2018) Company with Outstanding Cancer Control Promotion (Selected in March 2021)

This program recognizes companies that are proactive in taking cancer control measures and which are engaged in comprehensive, advanced cancer control measures. (Ministry of Health, Labour and Welfare)



Tokyo Metropolitan Government award commending companies which implement superior initiatives to help cancer patients balance cancer treatment and work

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



The Best Practice Enterprise

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

Nihon no Jinjibu HR Awards 2018 Award of Excellence in the Corporate Human Resources Category

This is an award system that honors innovators in fields such as human resources, personnel development and labor management. (November 2018)



1st gan-ally-bu Awards

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

Evaluation by Society



 Bustainability at the ITOCHU Groเ Sustainable Finance **Evaluation by Society**



Independent Assurance Report





Independent Assurance Report



Independent Assurance Report

To the President & COO of ITOCHU Corporation

We were engaged by ITOCHU Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★, ◆ and ■ (the "Indicators") for the period from April 1, 2023 to March 31, 2024 included in its ESG Report 2024 (English/PDF version) (the "Report") for the fiscal year ended March 31, 2024.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- . Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Shiga Plant of C.I. TAKIRON Corporation selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kambula Soute Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd. Tokyo, Japan

September 20, 2024

Message from the Sustainability Management Division

We would like to express our gratitude to the readers of ESG Report 2024. Our division is engaged in various initiatives to enhance sustainability at the ITOCHU Group, including business analysis based on climate change and natural capital, initiatives to respect human rights in the value chain, and promotion of measures to contribute to the achievement of the SDGs.

We also proactively disclose ESG (environmental, social, and governance) related information to further enhance the value of the Group's corporate brand and continuously meet our stakeholders' expectations.



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