



Sustainability at the ITOCHU Group

Sustainability

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.

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



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

Our Sustainable History and Value Creation Model

8 Division Companies

Textile

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

Machinery

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

Metals & Minerals

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

Energy & Chemicals

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

Food

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

General Products & Realty

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

ICT & Financial Business

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

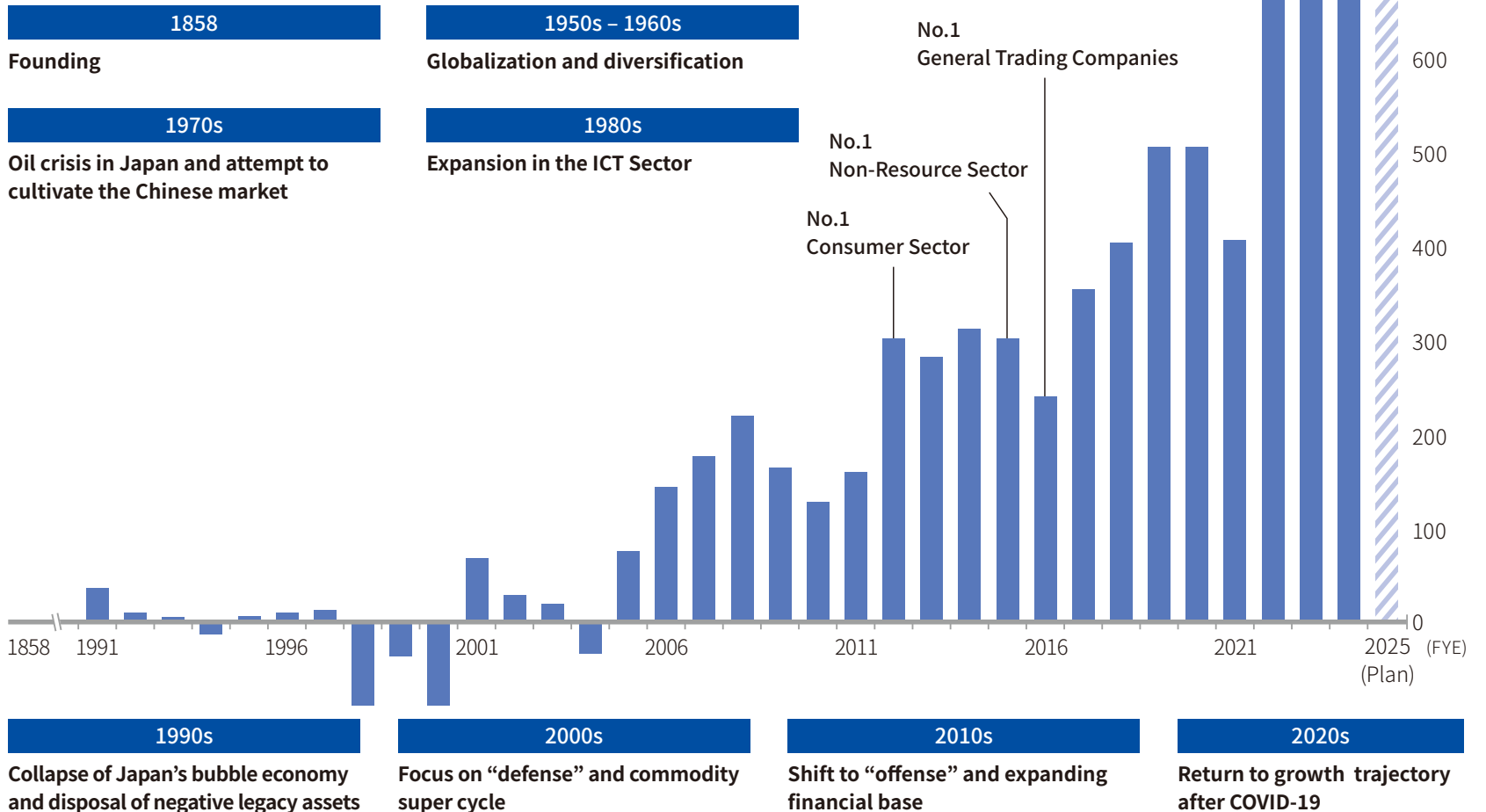
The 8th

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

Consolidated Net Profit Growth

Steadily Improving Earning Power

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



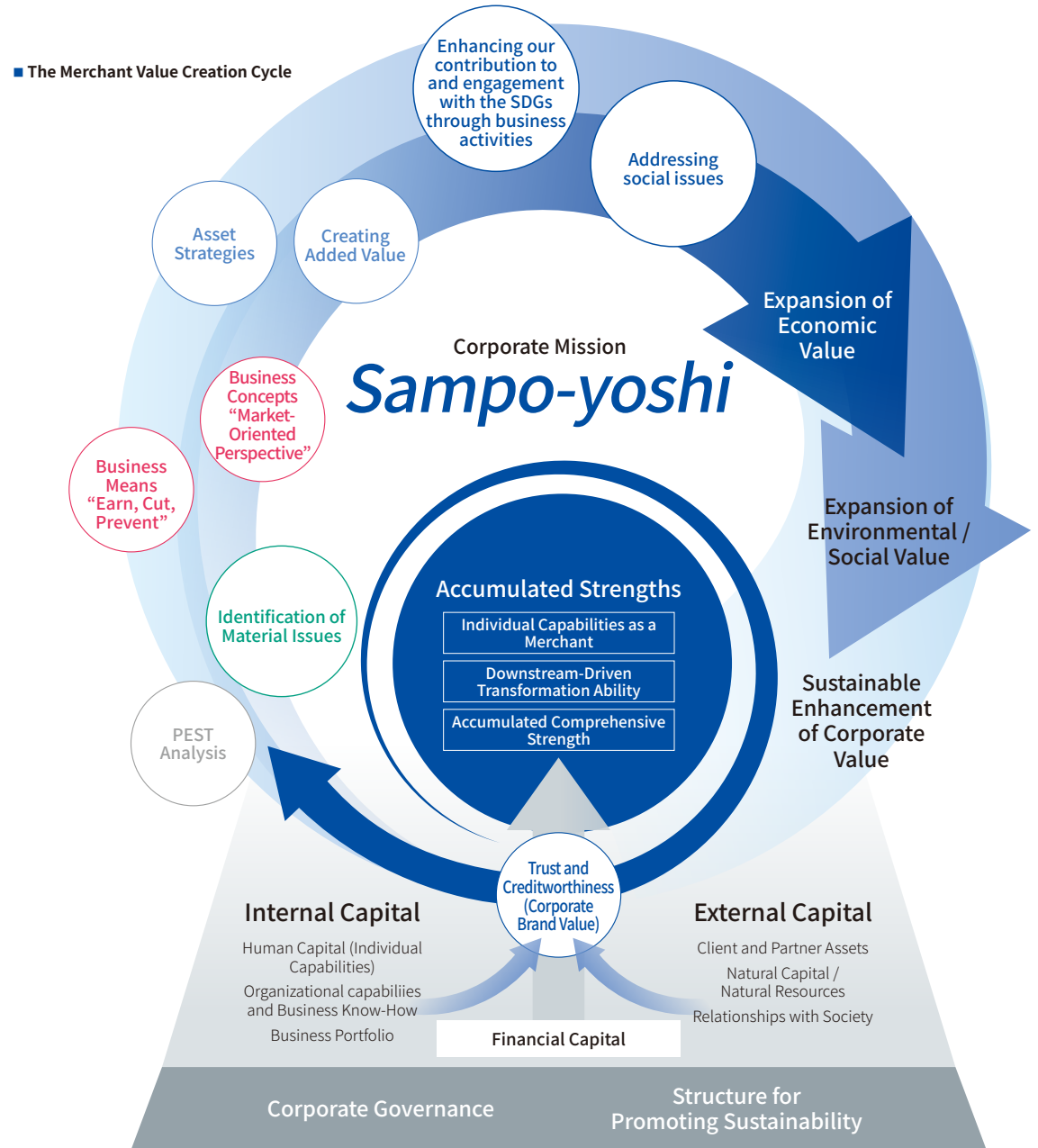
Our Sustainable History and Value Creation Model

Sampo-yoshi Capitalism 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.



Policy & Basic Approach

Sustainability Policy

The ITOCHU Group Sustainability Policy

ITOCHU Group, conducting business globally under the spirit of “*Sampo-yoshi*,” 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 adaptation, 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

Policy & Basic Approach

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.

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.

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 long-term.

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.

SUSTAINABLE DEVELOPMENT GOALS



Policy & Basic Approach

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 decision-making.



SUSTAINABLE DEVELOPMENT GOALS



Policy & Basic Approach

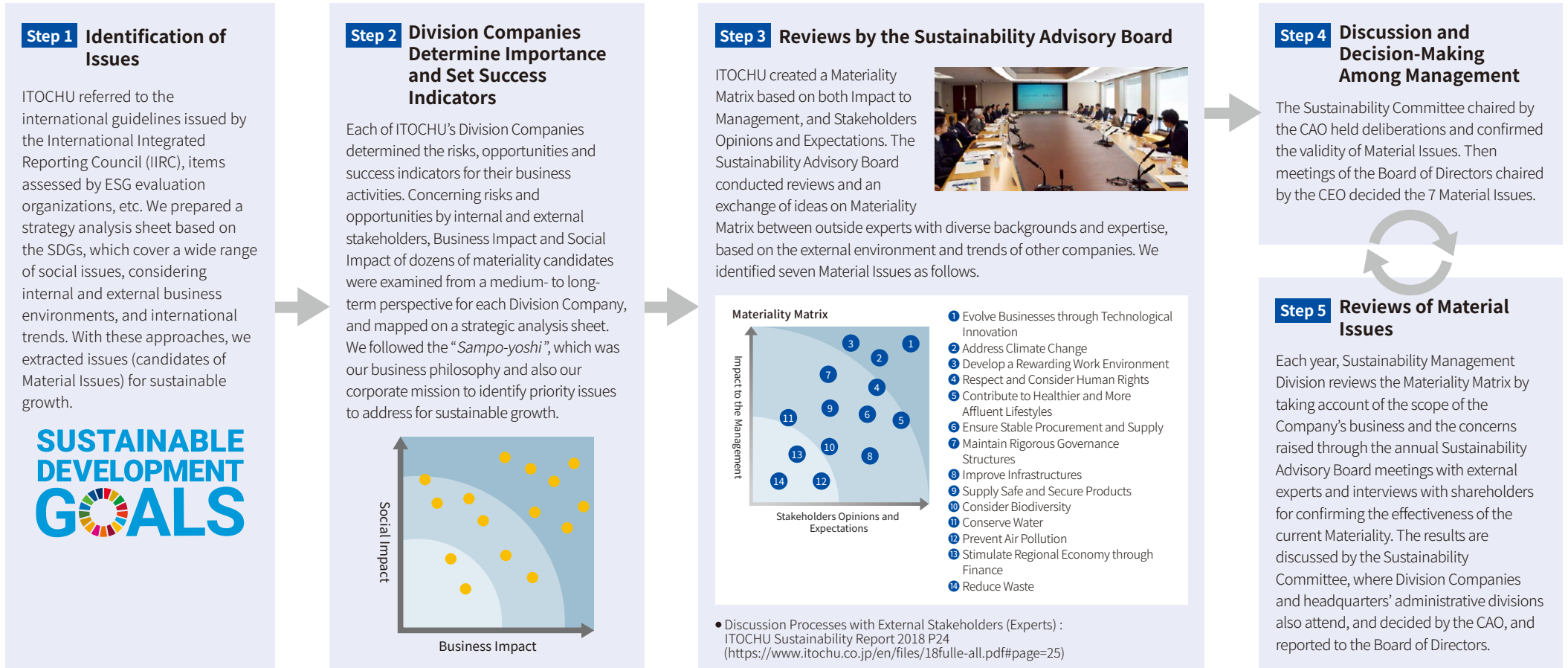
Identification and Review Process for Material Issues

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.



Governance

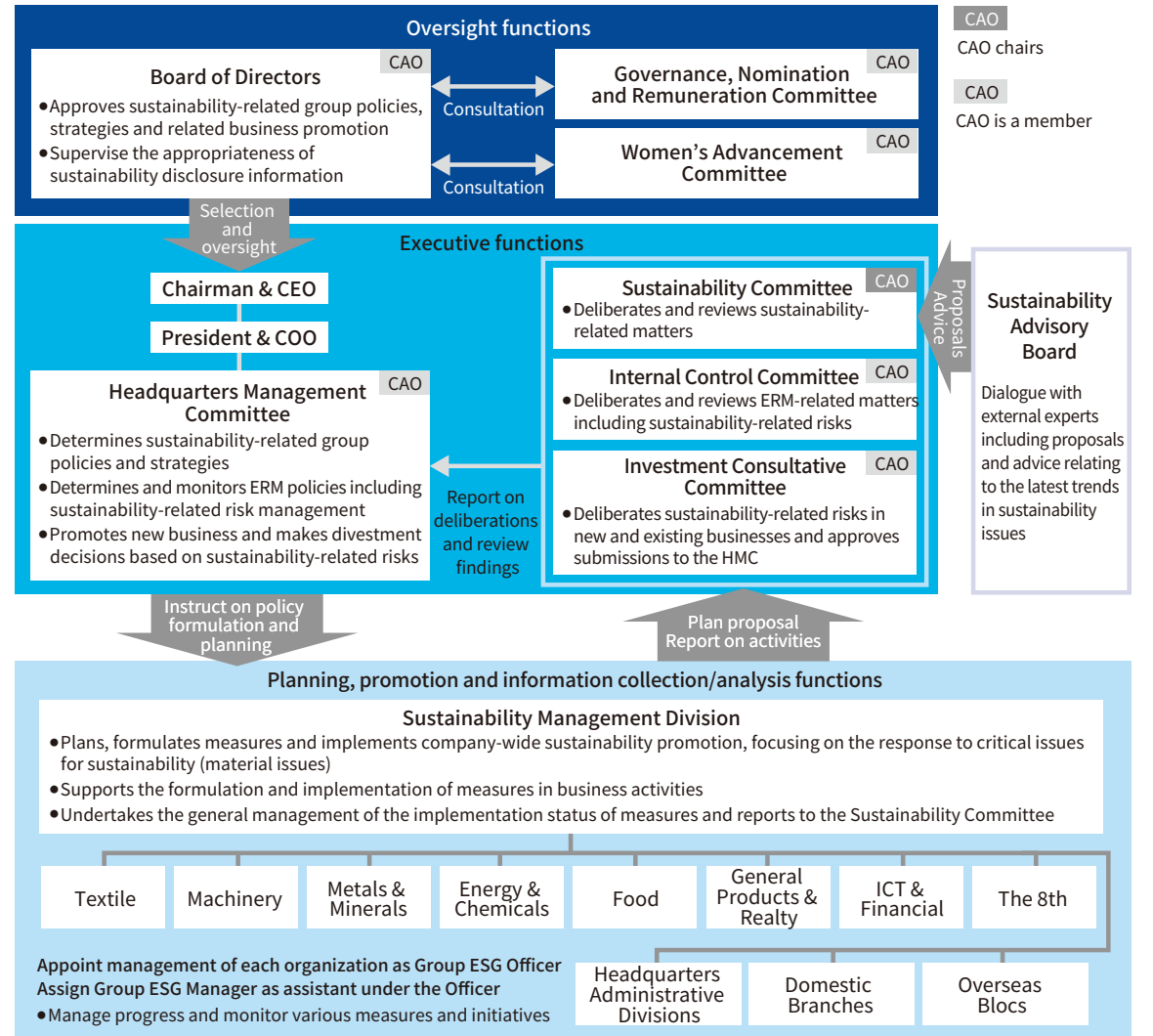
Organization and Systems

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)



Governance

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 decision-making 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.

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

Governance

Sustainability Advisory Board

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

(Job Titles at the Time)

	<p>Natural Capital・Biodiversity・TNFD</p> <p>Sustainability Advisory Board Members</p> <ul style="list-style-type: none"> Ms.Naoko Hamashima Office for Mainstreaming Biodiversity, Biodiversity Policy Division, Nature Conservation Bureau, Ministry of the Environment Ms.Kaori Fujita 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. <p>ITOCHU Members</p> <ul style="list-style-type: none"> Fumihiko Kobayashi Member of the Board, Executive Vice President, Chief Administrative Officer Ryoma Omuro General Manager, Planning & Administration Department, Textile Company Toshio Okudera General Manager, Planning & Administration Department, Machinery Company Osamu Tano General Manager, Planning & Administration Department, Metals & Minerals Company Hajime Sakanashi General Manager, Planning & Administration Department, Energy & Chemicals Company 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)
FYE 2024	
	<p>Supply Chains and Human Rights</p> <p>External Lecturer</p> <ul style="list-style-type: none"> Mr. Ken Toyoda Director for Business and Human Rights Policy, Ministry of Economy, Trade and Industry <p>Sustainability Advisory Board Members</p> <ul style="list-style-type: none"> Ms. Tomoyo 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
FYE 2023	
	<p>Carbon Credits</p> <p>Sustainability Advisory Board Members</p> <ul style="list-style-type: none"> Mr. Fumihiko Kajikawa Director, Environmental Economy Office, Ministry of Economy, Trade and Industry Ms. Yukari Takamura Professor of Institute for Future Initiatives, The University of Tokyo Mr. Hidemi Tomita Managing Director, LRQA Sustainability K.K.
FYE 2022	
	<p>Response to Climate Change</p> <p>Sustainability Advisory Board Members</p> <ul style="list-style-type: none"> Ms. Yukari Takamura Professor of Institute for Future Initiatives, The University of Tokyo Ms. Fuyumi Naito Director of Decarbonized Business Promotion Office, Climate Change Policy Division, Global Environment Bureau/ Chief Sustainability Officer, Ministry of the Environment Mr. Hidemi Tomita Director, Lloyd's Register Japan K.K.
FYE 2021	
	<p>Sustainable Business Direction in a Circular Economy</p> <p>Sustainability Advisory Board Members</p> <ul style="list-style-type: none"> Mr. Eiji Hosoda Professor of Business Administration and Information Science, Chubu University, Professor Emeritus, Keio University Ms. Mami Fukuchi Associate Professor of Graduate School of Interdisciplinary Information Studies, The University of Tokyo Mr. Hidemi Tomita Director, Lloyd's Register Japan K.K.
FYE 2020	

Governance

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.

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

Strategies

Flow of Sustainability Promotion

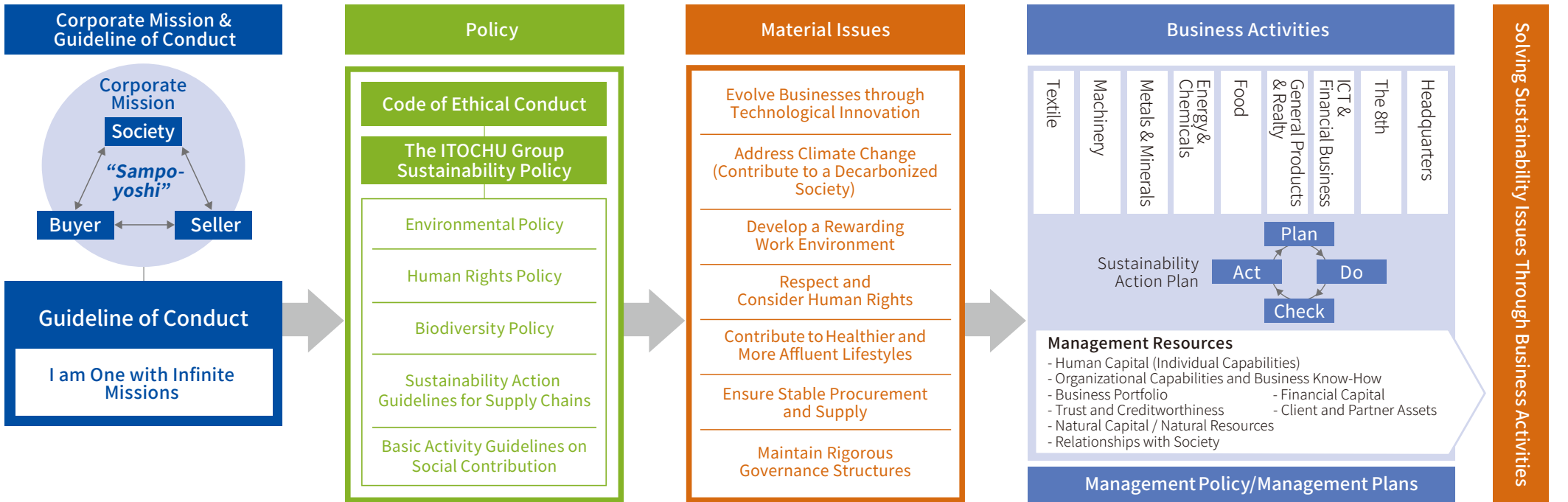
ITOCHU Group has established the ITOCHU Group Sustainability Policy based on its corporate mission and changes in the external environment. We work to promote initiatives that contribute to sustainability in a structured and systematic manner. Specifically, we incorporate the Group's Material Issues 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







Strategies

Risks and Opportunities for Each Material Issue

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

Strategies

Social Impacts of Each Material Issue

Material Issue	Impact Classification	Impact Description
 Evolve Businesses through Technological Innovation	Innovation	<ul style="list-style-type: none"> Promote DX, and improve productivity and operational efficiency of the entire industry. Leverage new technologies (such as Fintech, IoT, AI, and remote technology, etc.) and business models, and promote the creation of new businesses and the provision of innovative services utilizing consumer contact points.
	 Address Climate Change (Contribute to a Decarbonized Society)	<p>GHG Emissions</p> <ul style="list-style-type: none"> Comply with the Japanese government's target, achieve "virtually zero" GHG emissions by 2050. Furthermore, aim for "zero offset" by 2040 through the active promotion of businesses that reduce emissions, and contribute to reducing the impact of climate change. <p>Climate Change Opportunities</p> <ul style="list-style-type: none"> Promote integrated projects including the development, operation, and fuel supply of ammonia-fueled vessels, and contribute to net zero emissions of GHGs in the marine and shipping sectors. Develop, own, and operate renewable energy power plants so as to realize a stable supply of renewable energy, and contribute to mitigating the effect of climate change. Provide a stable supply of AI storage batteries that help optimize the balance of power supply in household regions and contribute to mitigating the effect of climate change. Promote sales of electric vehicles (EVs) and hybrid vehicles (HVs), and contribute to global warming countermeasures in the transportation sector. Promote environmentally friendly energy use in regional heat supply, and contribute to mitigating the effect of climate change. <p>Climate Change Adaptation</p> <ul style="list-style-type: none"> Diversify origin and development of local industries so as to hedge weather risks, and reduce the impact of extreme weather and global warming in food, forestry sectors. <p>Transition Risk</p> <ul style="list-style-type: none"> Promote efforts to completely withdraw from fuel coal mine interests, and contribute to mitigating the effect of climate change. Work with specialized companies on resource development projects that take into account GHG reduction (Transition Fuel), and contribute to mitigating the effect of climate change. <p>Capital Introduction</p> <ul style="list-style-type: none"> Continue to invest in the development of technologies that contribute to the reduction of greenhouse gas emissions, such as CCS (CO₂ storage) and CCU (CO₂ utilization), and contribute to mitigating the effect of climate change. Promote businesses related to the stable supply of materials necessary for the production and supply of fuels such as hydrogen and ammonia, raw materials such as nickel and PGM, and storage batteries, and contribute to mitigating the effects of climate change. Expand the use of sustainable by-products as an alternative to cement, which is indispensable for civil engineering and construction, and contribute to mitigating the effect of climate change. <p>Pollution Prevention and Resource Recycling</p> <ul style="list-style-type: none"> Work with local specialized companies in Europe and the Middle East, promote waste disposal and waste power generation projects, and contribute to mitigating the effect of climate change. <p>Water Resources</p> <ul style="list-style-type: none"> Work with local specialized companies mainly in Europe and the Middle East, promote water treatment business, and promote effective use of water resources and contribute to reducing the environmental impact.
 Develop a Rewarding Work Environment	Labor Practices	<ul style="list-style-type: none"> Prohibit all forms of discrimination, create an environment in which employees with childcare, nursing care, or illness can also play an active role, and support the activities of diverse human resources. Enhance occupational health services and health & safety management system, and promote employees' health and safety. Penetrate labor standards, work style reform, enhancing employee benefits, and promote improvement of labor productivity and employee engagement. Develop training programs for all levels from a global perspective, develop and utilize personnel systems based on management by objectives, and promote the development of excellent human resources.
	 Respect and Consider Human Rights	Labor Practices
Mining		<ul style="list-style-type: none"> Give due consideration to the environment, health and occupational safety (EHS) and coexistence with local residents, and promote sustainable mining operations. Contribute to medical care and education for local communities in the areas where we operate our mines.
Forest		<ul style="list-style-type: none"> Improve supply chain transparency in the procurement of raw materials for wood, palm oil, natural rubber, food, etc., and prevent negative impacts on forests, the environment and local residents.
Supply Chain		<ul style="list-style-type: none"> Continuously conduct surveys on human rights, society, and the environment of new businesses, business investments and major suppliers, and reduce negative impacts of human rights, society and the environment throughout the value chain. Conduct human rights due diligence, and reduce negative human rights, society and environment throughout the value chain.
Community Contribution		<ul style="list-style-type: none"> Promote social contribution activities for local communities, and realize a symbiotic community where sports and cultural exchange are possible.

Strategies

Social Impacts of Each Material Issue

Material Issue	Impact Classification	Impact Description
 Contribute to Healthier and More Affluent Lifestyles	Food Safety	<ul style="list-style-type: none"> • Select and concentrate on suppliers to ensure stable procurement of safe and secure food products, and provide safe products to our customers. • Work with suppliers, provide products with food information and nutritional balance, and contribute to the promotion of people's health.
	Medical Health	<ul style="list-style-type: none"> • Provide advanced medical equipment and advanced medical services, develop safe pharmaceuticals and other product, and contribute to the improvement of people's health.
	Retail Finance	<ul style="list-style-type: none"> • Expand financial services that support people who need financing for their daily lives and business continuity (low-income people, etc.), and contribute to a healthy and prosperous life.
 Ensure Stable Procurement and Supply	Forest	<ul style="list-style-type: none"> • Increase supply chain transparency in the procurement of raw materials for wood, palm oil, natural rubber, food, fiber, etc., and prevent negative impacts on forests, the environment and local residents.
	Plastic	<ul style="list-style-type: none"> • Work with brand owners, supply environmental-friendly materials such as bioplastics, establish recycling and reuse programs, and contribute to solving social problems such as marine plastics and waste plastics.
	Electric Power, Mining, Oil and Gas Fields	<ul style="list-style-type: none"> • Reduce impacts on biodiversity through ESG risk assessment focusing on biodiversity in investment projects (electric power, mines, oil and gas fields, etc.).
	Stable Supply of Resources	<ul style="list-style-type: none"> • Diversify production areas to hedge weather risks, cultivate new production areas through the development of local industries, and contribute to the stable supply of agricultural products. • Work with key partners, maintain a value chain of mining resources and next-generation fuels (hydrogen and ammonia) that reinforces existing achievements, and contribute to the stable supply of resources.
	Supply Chain	<ul style="list-style-type: none"> • Strengthen communication on the respect for human rights and environmental management with major suppliers of natural resources, and prevent negative impacts of suppliers on the economy, environment, and people. • Further expand and increase the handling of sustainable materials, and contribute to the stable supply of textile products.
	Pollution Prevention and Resource Recycling	<ul style="list-style-type: none"> • Contribute to the promotion of the effective use of resources and the reduction of adverse environmental impact in our own offices and business activities such as waste disposal and food. • Comply with relevant chemicals laws and regulations, and minimize the adverse effects on human health, the environment and the stable supply of chemicals.
	Water Resources	<ul style="list-style-type: none"> • Promote the efficient use of water in our own offices and business activities, promote water treatment projects in water-stressed areas, and contribute to the promotion of effective use of water resources and reduction of environmental impact.
 Maintain Rigorous Governance Structures	Governance	<ul style="list-style-type: none"> • Provide highly effective supervision of management, increase the transparency of decision-making, ensure appropriate and efficient business execution, and meet the expectations of our stakeholders through sustainable growth. • Establish a group risk management system, maintain continuous performance, and meet the expectations of our stakeholders. • Further foster awareness among employees that compliance at all times constitutes a contribution to the company and society, and mitigate adverse impacts on the economy (competition practices, procurement practices, etc.

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.

Metrics and Targets

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 (Industry, Innovation and Infrastructure)	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.	<ul style="list-style-type: none"> • 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 (Affordable and Clean Energy), 13 (Climate Action), 15 (Life on Land)	<ul style="list-style-type: none"> • Climate Change Opportunities • Innovation 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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.




Metrics and Targets

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
Machinery Company		<ul style="list-style-type: none"> Climate Change Opportunities Innovation 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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	 	<ul style="list-style-type: none"> Climate Change Opportunities Capital Introduction Innovation 	Taking countermeasures against climate change	<ul style="list-style-type: none"> Resource recycling business Mining business Environmental business Materials-related business 	<ul style="list-style-type: none"> We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials. 	<ul style="list-style-type: none"> Take the lead in developing recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, 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). 	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 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 into Australia-based MCI, who possesses mineral carbonation technologies. We are promoting the technology for the Japanese market. In July 2022, we signed an MOU with TAISEI CORPORATION to verify the use of this calcium carbonate as raw materials for concrete. Together with HIF Global, JFE Steel, and Mitsui O.S.K. Lines, Ltd., we agreed to jointly conduct a wide-ranging feasibility study covering on establishment of a comprehensive supply chain for synthetic fuel (e-fuel), to transport CO₂ from Japan to Australia to produce e-fuel. Agreement was signed with KOKO Networks, a Climate Technology Company Operating in Kenya, to support the generation of high quality carbon credits. In order to expand emissions credits trading, we formed a business partnership with CF Partners, a UK-based company engaging in the sale of emissions credits in Europe. We decided to withdraw from thermal coal mine interests with a perspective of strengthening contribution and initiatives to SDGs. We already divested our Drummond mine interests in Colombia that had accounted for the majority of the ITOCHU's thermal coal interests and also divested Ravensworth North coal mine interests in Australia producing both thermal and coking coal. Steadily promoted aluminum trade business that contributes to automobile weight reduction and electrification. We have traded approx. 500,000 tons in FYE 2024, and promoted sales of environmentally friendly raw materials for aluminum.

Metrics and Targets

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
Metals & Minerals Company		Innovation	Development of DX-related businesses	<ul style="list-style-type: none"> Mining business Resource-related business Logistics business 	We will contribute to improving business efficiency and eliminating concerns about skilled worker availability while fully considering the health and safety of on-site employees.	<ul style="list-style-type: none"> Promote an increase in efficiency of mine operations and facility management utilizing digital transformation. Promote conversion to the automatic operation of mining equipments such as underground mining equipments and dump trucks. 	Promote initiatives that contribute to an improvement in the health and safety of employees at operation sites and in the overall business efficiency.	<ul style="list-style-type: none"> We signed a memorandum to collaborate in decarbonization and digital transformation with Companhia Siderúrgica Nacional [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		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.	<ul style="list-style-type: none"> 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		Innovation	Next-generation business development	Consumer related business	We will aim to create innovative services and new business by integrating assets and new technologies of the ITOCHU Group.	Increase contact with consumers by promoting the retail business in our initiatives to understand consumer behaviors, and combine the wide range of products, functions, and expertise of the Group to create unique new value that will be profitable for consumers and communal society.	Aim to develop new businesses and cultivate new customers by taking full advantage of the business foundations possessed by the ITOCHU Group.	<ul style="list-style-type: none"> We 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.

Metrics and Targets

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 2050.

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.

Address Climate Change (Contribute to a Decarbonized Society): Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	7 13	Climate Change Opportunities	Taking countermeasures against climate change	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	<ul style="list-style-type: none"> 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.
Machinery Company	7 13	<ul style="list-style-type: none"> Climate Change Opportunities Innovation 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Climate Change Opportunities Innovation 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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.

Metrics and Targets

Address Climate Change (Contribute to a Decarbonized Society): Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company	 	<ul style="list-style-type: none"> Water Resources Pollution Prevention and Resource Recycling 	Improving water and sanitation infrastructures	Water and environmental projects	We will contribute to improve the sanitary conditions, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water and waste.	Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and reduce the burden on the environment.	Expand the investment portfolio in the water and environment field which contribute to social demands for the environment and the promotion of a circular economy.	<p>Water Field</p> <ul style="list-style-type: none"> We are promoting seawater desalination business in Australia and Oman. <p>Environmental Field</p> <ul style="list-style-type: none"> 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	 	<ul style="list-style-type: none"> Climate Change Opportunities Capital Introduction Innovation 	Taking countermeasures against climate change	<ul style="list-style-type: none"> Resource recycling business Mining business Environmental business Materials-related business 	<ul style="list-style-type: none"> We will realize stable resource supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to climate change issues through businesses that help to reduce greenhouse gases (e.g., lighter-weight vehicles and electric vehicles (EVs)) and the stable supply of essential materials. 	<ul style="list-style-type: none"> Take the lead in developing recycling-orientated business. Promote initiatives for the social implementation of hydrogen and ammonia, 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). 	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 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 into Australia-based MCI, who possesses mineral carbonation technologies. We are promoting the technology for the Japanese market. In July 2022, we signed an MOU with TAISEI CORPORATION to verify the use of this calcium carbonate as raw materials for concrete. Together with HIF Global, JFE Steel, and Mitsui O.S.K. Lines, Ltd., we agreed to jointly conduct a wide-ranging feasibility study covering on establishment of a comprehensive supply chain for synthetic fuel (e-fuel), to transport CO₂ from Japan to Australia to produce e-fuel. Agreement was signed with KOKO Networks, a Climate Technology Company Operating in Kenya, to support the generation of high quality carbon credits. In order to expand emissions credits trading, we formed a business partnership with CF Partners, a UK-based company engaging in the sale of emissions credits in Europe. We decided to withdraw from thermal coal mine interests with a perspective of strengthening contribution and initiatives to SDGs. We already divested our Drummond mine interests in Colombia that had accounted for the majority of the ITOCHU's thermal coal interests and also divested Ravensworth North coal mine interests in Australia producing both thermal and coking coal. Steadily promoted aluminum trade business that contributes to automobile weight reduction and electrification. We have traded approx. 500,000 tons in FYE 2024, and promoted sales of environmentally friendly raw materials for aluminum.

Metrics and Targets









Address Climate Change (Contribute to a Decarbonized Society): Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company	13 Climate Action	<ul style="list-style-type: none"> Transition Risk Stable Supply of Resources 	Stably supplying energy taking into account climate change and the environment	Oil/gas interests and liquefied natural gas (LNG) projects	We will produce resources (transition fuels) taking into account a reduction in greenhouse gases. We will provide a stable supply of energy to contribute to the development of industry and the construction of infrastructure.	Work on resource development projects in collaboration with superior partners who have advanced technical capabilities and abundant experience.	Pursue opportunities to participate in gas projects with a relatively low environmental burden in fossil fuels and as raw material source of the low-carbon fuel while keeping in mind the stable supply of energy in the transition phase toward the realization of a sustainable society.	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 Affordable and Clean Energy	Climate Change Opportunities	Energy use that takes into consideration local communities and the environment	District heating and cooling	We will promote initiatives toward environmentally friendly regional energy use.	Communicate appropriately with neighboring stakeholders in the Jingu Gaien district.	Maintain the stable operations of district heating and cooling in the Jingu Gaien district and promote the 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 Affordable and Clean Energy	Climate Change Opportunities	Efforts to optimally and continuously supply renewable energy	<ul style="list-style-type: none"> Energy Storage System Power & Environmental Solution 	<ul style="list-style-type: none"> We will continue to stably supply the Energy Storage System that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our Energy Storage System business chain and establish a circular model through the battery recycling business in particular. 	We will continue to sell Energy Storage System equipped with optimal charging/discharging software based on machine learning (AI) and we will establish a recycling and reuse business with repurposed batteries from EV.	<ul style="list-style-type: none"> Number of storage batteries sold. Use of recycled and reused batteries. 	<ul style="list-style-type: none"> 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 Affordable and Clean Energy, 13 Climate Action	<ul style="list-style-type: none"> Stable Supply of Resources Capital Introduction 	Working on new fuel initiatives toward the realization of a carbon-neutral society / recycling-orientated low-carbon society	<ul style="list-style-type: none"> 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.	<p>Hydrogen and Ammonia</p> <ul style="list-style-type: none"> 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. <p>Renewable Diesel (RD) and Sustainable Aviation Fuel (SAF)</p> <ul style="list-style-type: none"> 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. <p>New Energy</p> <ul style="list-style-type: none"> 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.

Metrics and Targets



Address Climate Change (Contribute to a Decarbonized Society): Action Plans

Division Company	SDGs Targets	Impact Classification	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Energy & Chemicals Company		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		Climate Change Opportunities	Working on initiatives to optimally and continually supply renewable energy	Renewable energy independent power producers (IPPs) / renewable energy-related materials procurement / dispersed power source initiatives	<ul style="list-style-type: none"> We will realize a stable supply of renewable energies through the development, ownership and operation of renewable energy power plants (solar power, biomass and wind power). We will stimulate renewable energy power generation inside and outside of Japan through renewable energy-related materials procurement. We will realize a world where renewable energy is commonplace by spreading solar power generation as an independent power source that does not rely on the power grid through the deployment of solar power dispersed power sources. 	Expand the scale of our renewable energy assets with the stable operation and new development of renewable energy plants and establish dispersed power sources in Japan with a focus on the conversion to virtual power plants (VPP).	<ul style="list-style-type: none"> Scale of our renewable energy assets Scale of our dispersed power sources 	<ul style="list-style-type: none"> We have expanded the third party-owned distributed power supply using renewable energy, by operating approximately 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	 	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.	<ul style="list-style-type: none"> Situation of operation of biogas plant at Dole Philippines. Status of introduction of other clean energy sources, etc. 	<ul style="list-style-type: none"> 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	 	Forest	Using sustainable forest resources	<ul style="list-style-type: none"> Pulp Woodchips Wood products & materials 	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In FYE 2024, 100% of our Pulp, Woodchips and Wood Products & Materials transactions were handled as certified material or were intensively managed.
General Products & Realty Company	 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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.

Metrics and Targets

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.

Results

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	Labor Practices	Improving operating efficiency and preventing long working hours through work style reform	Human resources affairs	We will aim to improve labor productivity and employee engagement by promoting varied work styles.	<ul style="list-style-type: none"> Conduct regular monitoring of employees' work situations. Conduct employee engagement survey. Promote the percentage of taking employee acquiring paid leave. 	<ul style="list-style-type: none"> Compliance to labor laws. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. Paid leave acquisition rate at 70% or higher. 	<ul style="list-style-type: none"> Conducted monitoring of employee's working hours and working environment so as to prevent unpaid overtime work. The positive answer rate to the "employee engagement" in employment survey; 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	Labor Practices	Improving the health of employees	Human resources affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	<ul style="list-style-type: none"> Reach the percentage of employees who receive regular medical checkups in Japan to 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote support system for balancing cancer care and work. Encourage support for smoking cessation treatment. Continue to provide special programs for employees at a high risk for lifestyle-related diseases. Conduct stress check every year. 	<ul style="list-style-type: none"> Percentage of employees who receive regular medical checkups in Japan: 100%. Percentage of employees who receive specific health guidance: 55%. Rate of employees found to have a high level of stress in the stress check at 5% or lower. 	<ul style="list-style-type: none"> Percentage of employees who receive regular medical checkups in Japan: 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	Labor Practices	Sustainable development of employees' capabilities	Human resources affairs	We will develop training programs on a global basis and provide opportunities to learn proactively that respond to the changing times and business needs with a market-oriented mindset to foster employees who can constantly change their business to meet their needs while inheriting the corporate philosophy. We will also utilize training programs to continuously produce excellent human resources.	<ul style="list-style-type: none"> Continue to develop and provide training programs at all jobs levels. Continue and enhance overseas deployment of interns and language trainees. Offer diverse career path options and experience in diverse work through regular rotation. Foster career awareness among employees by enhancing personnel assessments, career vision training, career counselling systems and other programs/systems. 	<ul style="list-style-type: none"> Annual training-related expenses exceeding one billion yen. The number of employees who joined human development program (cumulative total number) 50,000 or more. Percentage of career-track employees who are deployed overseas in their first eight years at the company at 80% or higher. 	<ul style="list-style-type: none"> Annual training-related expenses forecast: 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, 8, 10	Labor Practices	Creating an environment that allows diverse human resources to exercise their potential	Human resources affairs	We will prohibit all types of discrimination, including those based on race, gender, religion, nationality and age, and respect human rights. We will accept diverse values and create an environment where each employee maximize their ability with flexible working style and other supports.	<ul style="list-style-type: none"> Continue fair and equitable recruitment and promotion. Create a work environment in which employees accept and leverage diverse values. In anticipation of an increase in dual-income couples, enhance support for balancing childcare, nursing care, fertility treatment and similar circumstances with work (including utilization of flexible working style). Promote understanding and acceptance of LGBTQ and other sexual minority employees (e.g., employee education). Give reasonable consideration to the work environment of employees with disabilities. 	<ul style="list-style-type: none"> Achieve the following plans by Year 2030. <ol style="list-style-type: none"> Female board of directors (including executive officers) as a percentage: 30%. Achieve the following plans by FYE 2026. <ol style="list-style-type: none"> 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%. Percentage of male employees who take childcare leave: 100%. Achieve the following plans by FYE 2025. <ol style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Achieved the following plans by the end of FYE 2024. <ol style="list-style-type: none"> 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 managerial positions: 9% as of March 2024. Percentage of male employees who take childcare leave: 53% as of March 2024. 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. <ul style="list-style-type: none"> 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).

Metrics and Targets



Respect and Consider Human Rights

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	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	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, 15	<ul style="list-style-type: none"> • Mining • Electric Power • Mining • Oil and Gas Fields 	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	<ul style="list-style-type: none"> • We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. • We will improve local infrastructure such as medical care and education. 	<ul style="list-style-type: none"> • Ensure the thorough application of the EHS guidelines and employee education. • Contribute to local communities through activities for improving medical care, education and infrastructure. 	<ul style="list-style-type: none"> • Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. • EHS seminar attendance rate: 100%. • Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. • Donations to medical care and education, and building infrastructure in local communities. • Carry out CSR activities in all existing and operating projects to be possessed in long term (100%). 	<ul style="list-style-type: none"> • We held internal EHS (environment, health and occupational safety) 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.

Metrics and Targets



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	 	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	<ul style="list-style-type: none"> We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries. 	<ul style="list-style-type: none"> Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. <p>2030</p> <ul style="list-style-type: none"> Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil. 	<ul style="list-style-type: none"> Coffee beans: 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% <p>Support Achievements to Each Producing Country (Qualitative)</p> <ul style="list-style-type: none"> Coffee Beans: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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	  	<ul style="list-style-type: none"> Forest Stable Supply of Resources 	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	<ul style="list-style-type: none"> Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone. 	<ul style="list-style-type: none"> Employment: 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	 	Supply Chain	Responsible Fisheries Procurement	Fresh food field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	Promote procurement in accordance with the supplier's own code of conduct in the country of origin of the tuna.	Develop a tuna procurement policy and promote procurement of products and certified products that comply with the policy.	<ul style="list-style-type: none"> We have acquired the MSC fisheries certification for six fishing vessels as of July 2022. We have obtained MSC fisheries certification for an additional 19 fishing vessels in June 2023.

Metrics and Targets



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
General Products & Realty Company	8 12	Forest Supply Chain	Realization of sustainable supply of natural rubber	Natural Rubber	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative "PROJECT TREEO (https://project-tree-natural-rubber.com/)". 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	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.	<ul style="list-style-type: none"> 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 3 8 12	Food Safety	<ul style="list-style-type: none"> Address Climate Change Develop a Rewarding Work Environment Respect and Consider Human Rights Contribute to Healthier and More Affluent Lifestyles Stable food procurement and supply 	DENBA products and related business	We will contribute to the reduction of food loss by utilizing freshness preservation technology.	Retain food freshness and reduce consumption of edible oil through promotion of DENBA products.	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 Minamihon Total Logistics Service as a pilot project.







Metrics and Targets

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		Medical Health	Promoting good health among people	Pharmaceutical products	We will contribute to improve people's health and working environment through accelerating the development of pharmaceuticals and other products in fields with significant needs including cancer-related fields.	Actively promoting to support the development and marketing of new pharmaceutical and generics.	Aim to accelerate the deployment of pharmaceuticals on the market, obtain early approvals for new pharmaceutical, generics and other products of which we are engaged in supporting the development and place them on the market.	<ul style="list-style-type: none"> Continuing to 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		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		Innovation	Next-generation business development	Business incubation through venture investments, focusing on FinTech, IoT, AI and Remote technologies	Challenge to create new businesses by utilizing cutting-edge innovations and service models in the FinTech, IoT, AI and Remote technology sectors.	Seek opportunities to invest in and partnership with various startups, so as to develop new businesses.	Realization of new services and businesses.	Continuing 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		Medical Health	Promoting good health among the people	<ul style="list-style-type: none"> Support pharmaceutical development projects Preventative healthcare-related business Medical healthcare IT business Sales of Cutting-Edge medical devices and provision of medical services 	<ul style="list-style-type: none"> We will provide value-added services for pharmaceuticals and medical sites, and will contribute to the improvement of people's quality of life (QOL) by utilizing cutting-edge ICT tools. We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly. 	<ul style="list-style-type: none"> We will optimize healthcare utilizing medical data. Promote sales of advanced medical devices, and the business of supporting the operation of designated regional cancer care hospitals. 	<ul style="list-style-type: none"> Realization of new services and business development relating to medical data. Expansion of existing business. Increase the penetration of advanced medical devices in Japan. 	<p>MRI-guided radiation therapy systems</p> <ul style="list-style-type: none"> 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. <p>Scalp cooling therapy system for cancer patients</p> <ul style="list-style-type: none"> Currently installed at 79 facilities, with a total of 2,900 patients using the system.
ICT & Financial Business Company		Retail Finance	Providing financial services	Domestic and overseas retail finance business	We work on expanding and creating the retail financial market and providing financial services to individuals to contribute to enriching people's lives.	Increase the number of customers and loan balance by expanding and creating the retail financial market.	The number of customers and loan balance.	<ul style="list-style-type: none"> 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.








Metrics and Targets

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		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.	<ul style="list-style-type: none"> 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		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		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.	<ul style="list-style-type: none"> 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	 	<ul style="list-style-type: none"> Mining Electric Power Mining Oil and Gas Fields 	Sustainable mine development that pays continuous careful attention to the risks in occupational safety and health and environmental risks, and that contributes to local communities' well-being	Mining business	<ul style="list-style-type: none"> We will promote sustainable development of natural resources by fully committing to EHS (environment, health, occupational safety) and harmonious coexistence with local communities in areas which our mines operate. We will improve local infrastructure such as medical care and education. 	<ul style="list-style-type: none"> Ensure the thorough application of the EHS guidelines and employee education. Contribute to local communities through activities for improving medical care, education and infrastructure. 	<ul style="list-style-type: none"> Implementation of annual internal seminars to ensure our employees are fully aware of the EHS guidelines. EHS seminar attendance rate: 100%. Rate of checks implemented on EHS compliance in existing and operating projects to be possessed in long term and new mining business: 100%. Donations to medical care and education, and building infrastructure in local communities. Carry out CSR activities in all existing and operating projects to be possessed in long term (100%). 	<ul style="list-style-type: none"> We held internal EHS (environment, health and occupational safety) 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		Plastic	Efforts leading to solutions to social problems	Plastic-related environmental response	We will contribute to solving social problems (e.g., marine plastics and waste plastics) that urgently require measures with a plastic-related environmental response.	Supply environmental materials and establish a recycling/reuse program in collaboration with brand owners.	Build a recycling-oriented-model by enhancing our handling of environmental materials and establishing a recycling/reuse program.	<ul style="list-style-type: none"> 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.

Metrics and Targets

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	 	<ul style="list-style-type: none"> Stable Supply of Resources Capital Introduction 	Working on new fuel initiatives toward the realization of a carbon-neutral society / recycling-orientated low-carbon society	<ul style="list-style-type: none"> 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 greenhouse gases emitted from aircraft and large vehicles that are difficult to convert from internal combustion engines.	Build a new fuel value chain to be able to realize production, efficient transportation and supply by utilizing collaboration with superior partners and our track record in development and trading.	<p>Hydrogen and Ammonia</p> <ul style="list-style-type: none"> 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. <p>Renewable Diesel (RD) and Sustainable Aviation Fuel (SAF)</p> <ul style="list-style-type: none"> 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. <p>New Energy</p> <ul style="list-style-type: none"> 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	 	Supply Chain	Establishing a supply chain reflecting consideration for human rights and the environment	Provisions field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	<ul style="list-style-type: none"> We will promote procurement compliant with supplier-specific codes of conduct in coffee bean and cacao bean producing countries. We will strengthen the handling of oil certified by the RSPO - a third-party certification organization for palm oil. We will support the establishment of a promotion and distribution system in Japan for MSPO/ISPO in cooperation with domestic industrial associations. The aim of this is to encourage the use of certified oil systems in producing countries. 	<ul style="list-style-type: none"> Coffee beans: Promotion of procurement of products compliant with supplier-specific codes of conduct or certified products based on our procurement policy. Cacao beans: Promotion of procurement of products compliant with supplier-specific codes of conduct (sustainable products) based on our procurement policy. Palm oil: Procurement of palm oil based on our procurement policy. Promotion of the disclosure of the set KPI indicators and supplier information. <p>2030</p> <ul style="list-style-type: none"> Coffee beans: Aim for a 50% switch to sustainable coffee beans. Cacao beans: Aim for a 100% switch to sustainable coffee beans. Aim for a 100% switch to sustainable palm oil. 	<ul style="list-style-type: none"> Coffee beans: 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 <ul style="list-style-type: none"> Palm Oils 29% Oleo Chemical Products 72% <p>Support Achievements to Each Producing Country (Qualitative)</p> <ul style="list-style-type: none"> Coffee Beans: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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	  	<ul style="list-style-type: none"> Forest Stable Supply of Resources 	Establishing a supply chain reflecting consideration for human rights and the environment	Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will diversify producing areas to disperse weather risks in our Dole business. In addition, we will develop new producing areas to expand employment and improve the living environment through the growth of local industries.	<ul style="list-style-type: none"> Cultivate pineapples in Sierra Leone to develop a producing area followed by the development program in the Philippines. Start the commercial production and export of pineapple processed foods in Sierra Leone. 	<ul style="list-style-type: none"> Employment: 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.

Metrics and Targets



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 (Economic Growth) 14 (Life Below Water)	Supply Chain	Responsible Fisheries Procurement	Fresh food field	We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.	Promote procurement in accordance with the supplier's own code of conduct in the country of origin of the tuna.	Develop a tuna procurement policy and promote procurement of products and certified products that comply with the policy.	<ul style="list-style-type: none"> 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 Company	12 (Responsible Consumption and Production)	Pollution Prevention and Resource Recycling	Supply and use of environmentally friendly resources and materials	Fresh food field	Through the reduction of food loss, we will contribute to the promote the effective use of the resources and reduce the environmental impacts.	The company will brand and commercialize the out-of-spec Dole bananas discarded in Japan and Philippines as Mottainai bananas and distribute them in the market again.	<ul style="list-style-type: none"> Reduction of waste at the production site (Philippines) Reuse of discarded bananas (Japan) 	<ul style="list-style-type: none"> Reuse of discarded bananas (Philippines): 19,953MT in FYE 2024. Reuse of discarded bananas (Japan): 910MT in FYE 2024.
			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 (Responsible Consumption and Production) 15 (Life on Land)	Forest	Using sustainable forest resources	<ul style="list-style-type: none"> Pulp Woodchips Wood products & materials 	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	We handle certified or high-level management confirmed materials.	Ensure a 100% handling ratio of certified or high-level management confirmed materials.	In FYE 2024, 100% of our Pulp, Woodchips and Wood Products & Materials transactions were handled as certified material or were intensively managed.
General Products & Realty Company	8 (Economic Growth) 12 (Responsible Consumption and Production)	<ul style="list-style-type: none"> Forest Supply Chain 	Realization of sustainable supply of natural rubber	Natural Rubber	<ul style="list-style-type: none"> We will 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. 	<ul style="list-style-type: none"> We will establish a traceability system to make uncertain raw material procurement supply chain transparent. We will achieve our commitment through the sustainability activity of our unique initiative "PROJECT TREE (https://project-tree-natural-rubber.com/)". 	<ul style="list-style-type: none"> We aim to procure raw materials with traceability and sustainability ensured in 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. 	<ul style="list-style-type: none"> 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 (Responsible Consumption and Production) 13 (Climate Action)	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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 (Responsible Consumption and Production)	Pollution Prevention and Resource Recycling	Provide products/services that support the realization of a sustainable lifestyle.	Reuse / Recycling Business	Contribute to the development of a sustainable society by making most of limited resources through the distribution of used mobile phones and tablets in the Japanese market.	<ul style="list-style-type: none"> Expand supply channels in order to realize a sustainable and stable procurement of resources. Reinforce promotional activities in order to raise the awareness of secondhand mobile phones/tablets. 	<ul style="list-style-type: none"> Expand product variation and supply channels. Expand distribution outlets. 	<ul style="list-style-type: none"> 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.

Metrics and Targets



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		Governance	Maintaining and reinforcing a governance system for achieving sustainable growth	Corporate governance	We will implement highly effective supervision over the management from an independent and objective standpoint and ensure the appropriate and efficient execution of business operations by improving the transparency of our decision-making, aiming to our sustainable growth as well as the medium- and long-term improvement of our corporate value.	<ul style="list-style-type: none"> Appoint several outside Directors, who have a high level of independence that fulfills our independence criteria and are expected to contribute to the company management with a high level of knowledge in their respective fields. Maintain a highly transparent and objective Directors' and officers' remuneration system, which can increase their motivation to contribute to our medium- and long-term improvement of our company's performance and the improvement of our corporate value. 	Continue to implement measures to strengthen the supervising function of the Board of Directors, through an annual evaluation of the Board of Directors.	<ul style="list-style-type: none"> 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 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		Governance	Ensuring compliance	Compliance	We will make employees more aware that ensuring compliance at any time is our contribution to the company and society.	Recognizing attitude of employees identifying issues and ensuring action plans to tackle the issues through periodic compliance attitude survey and direct communications.	Continuous direct communication with employees through face-to-face training programs whose contents shall be updated along with monitoring the measures according to risks, expectations from society and issues on site which will change with the time.	<ul style="list-style-type: none"> In the period of 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-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: <ul style="list-style-type: none"> For ITOCHU Corporation: 3,291 employees (who all watched the training video) Group companies: 75 companies, 15,964 persons
Headquarters		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).

Collaboration with Outside Initiatives

Participation in Initiatives

We participate in the following initiatives to promote sustainability.

Involvement in the United Nations Global Compact

In April 2009, ITOCHU Corporation joined the United Nations Global Compact, a global initiative to achieve sustainable growth for the international community. ITOCHU will fulfill our corporate mission of “*Sampo-yoshi*” in accordance with the United Nations Global Compact’s 10 principles covering human rights, labor, environment and anti-corruption.



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

The Ten Principles of the United Nations Global Compact

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

Work with Global Compact Network Japan

ITOCHU is the corporate director of Global Compact Network Japan (GCNJ), the local network for the United Nations Global Compact in Japan. 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 change.

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

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.

Collaboration with Outside Initiatives

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/>)

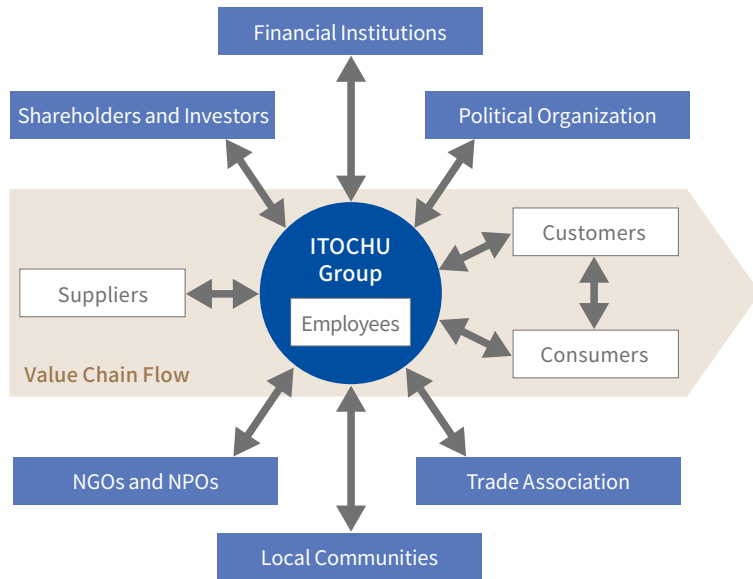
Collaboration with Outside Initiatives

Stakeholder Engagement

Policy & Basic Approach

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

• 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.	<ul style="list-style-type: none"> • 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 Customers PDF 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.	<ul style="list-style-type: none"> • General meeting of shareholders • Financial results briefings • Field-specific briefings • Briefings for individual investors • Provision of information through the 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 • Individual engagement with investors
Political Organizations, and Associations	As Needed	We aim for the settlement of social issues and the sustainable development of the international community. We do this by complying with various relevant laws and ordinances formulated by government agencies and local governments in Japan and overseas. In addition, we promote business in cooperation with government agencies, local governments and industry groups.	<ul style="list-style-type: none"> • Participation in the government, the ministries related committees and councils • Activity through the trade association (Japan Business Federation, Japan Foreign Trade Council)
Local Communities, NGOs, and NPOs	As Needed	We understand that our business activities affect local communities. Accordingly, we contribute to the sound and sustainable development of local communities. We do this by aiming to solve social issues in communities such as the creation of jobs, development of infrastructure, improvements in living standards and development of the educational environment. We strive to solve social issues through dialogue and collaboration with NPOs and NGOs.	<ul style="list-style-type: none"> • Social contribution activities and volunteer activities • Sustainability Advisory Boards • Dialogue with residents of areas around project sites • Regular communication with NGOs and NPOs • Support for the dissemination of information by NGOs, NPOs and local communities
Employees	As Needed	<p>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.</p> <p>We work to foster an organizational culture in which diverse human resources create opportunity of self-development and social contribution through their work.</p>	<ul style="list-style-type: none"> • 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

Collaboration with Outside Initiatives

FYE 2024: The Expense of Associations and Social Contribution

(Unit: 1 million yen)

Trade Association, Economic Association, Other Association	91	Social Contribution (Donation)	636 (117)
Political Association	32		
Total	123		

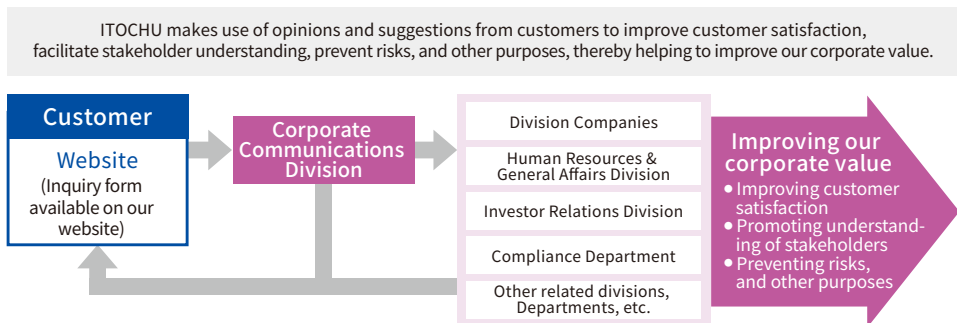
Major Donation Cases in FYE 2024

(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.



Third Party Opinion

Sustainability issues surrounding companies are extremely wide-ranging. 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 TNGD 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.

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.



Hidemi Tomita
CEO
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