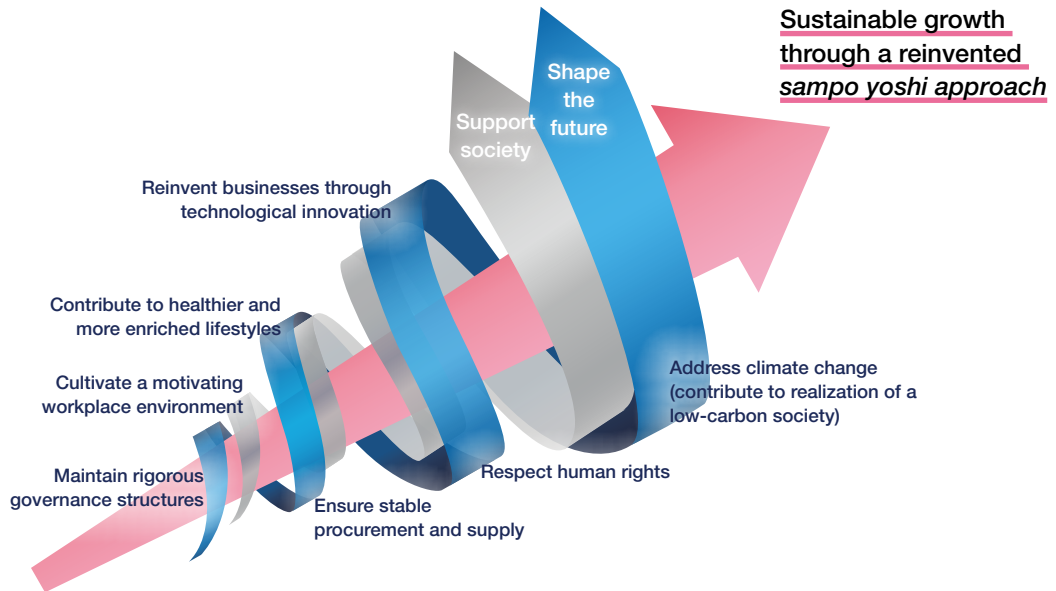


Sustainability

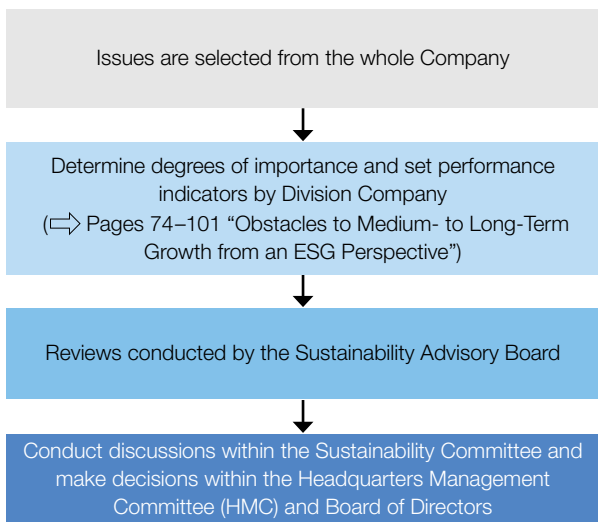
Material Sustainability Issues (Materiality)

In April 2018, ITOCHU put forth materiality that incorporates an ESG perspective. Addressing these issues through its main business will help ITOCHU accomplish the goal of “Brand-new Deal 2020” of achieving ongoing growth through a “reinvented *sampo yoshi*” approach.



Specification and Review of Materiality

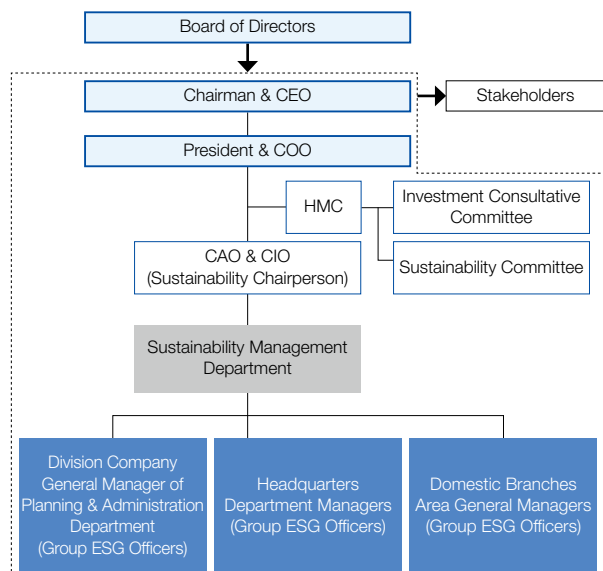
ITOCHU has been conducting regular reviews based on factors such as trends in international society and stakeholder expectations since it first specified materiality as a sustainability issue in 2013. Based on business changes and social circumstances such as the recent adoption of SDGs and the Paris Agreement coming into effect, we specified seven new key issues for sustainability in our new medium-term management plan, which started in FYE 2019.



Please see our sustainability report for more information
<https://www.itochu.co.jp/en/csr/report/>

Sustainability Promotion System

We discussed and made decisions concerning important matters regarding sustainability within the Sustainability Committee. The Board of Directors also makes decisions based on environmental and societal impact. Directors obtain information regarding these impacts through channels such as activity status reports from the Sustainability Committee Chairperson, who is also a member of the Investment Consultative Committee. In order to further execute these decisions, we have established an ESG supervisor and are strengthening and maintaining promotion systems.



Materiality and Examples of Performance Indicators

Materiality	Examples of Performance Indicators	SDGs
<p>Reinvent businesses through technological innovation (⇒ Pages 89, 93, 101) We will create new value by working on new technologies proactively and trying to respond to changes in the industrial structure beyond the framework of existing businesses.</p>	<ul style="list-style-type: none"> Reinvented Business through IoT, AI, and Fintech In FYE 2019, begin trial operations using RPA and AI in the food retail business 	
<p>Address climate change (contribute to realization of a low-carbon society) (⇒ Pages 81, 85, 97) We will strive to adapt to the impact of climate change on business. At the same time, we will work to promote business activities aimed at contributing to realization of low-carbon society and reduce greenhouse gas emissions.</p>	<ul style="list-style-type: none"> In FYE 2021, cultivate a new production area to follow the Philippines in the fresh produce business Aim for a renewable energy ratio of more than 20% (based on equity ownership) by FYE 2031 and reflect this goal in future initiatives 	 
<p>Cultivate a motivating workplace environment (⇒ Pages 60–63) We will create an environment that enables each employee to fully demonstrate their capabilities with pride and motivation by taking advantage of diversity.</p>	<ul style="list-style-type: none"> By FYE 2021, reduce average annual overtime hours by 10% or more compared to before the introduction of the morning-focused working system Reduce turnover due to cancer and long-term illnesses to zero by FYE 2021 	  
<p>Respect human rights (⇒ Page 54) We will take initiatives for the respect and consideration for human rights through our business activities to stabilize our businesses and contribute to the development of local communities.</p>	<ul style="list-style-type: none"> Compliance with societal and environmental maintenance and management standards throughout the entire Group's supply chain Contribute to regional medical care and education in the mining business and work to maintain regional infrastructure 	  
<p>Contribute to healthier and more enriched lifestyles (⇒ Pages 62, 63) We will contribute to realizing a healthy, rich life, aiming to improve the quality of life of all people.</p>	<ul style="list-style-type: none"> Promote proper assignment of food safety inspectors in each sales department By FYE 2021, aim to receive data regarding medical checkups from one million health data management subjects 	  
<p>Ensure stable procurement and supply (⇒ Pages 77, 84, 88) We will work to ensure the effective utilization and stable procurement and supply of resources in accordance with demand in each country, in consideration of biodiversity and other environmental issues, aiming to achieve a recycling-oriented society.</p>	<ul style="list-style-type: none"> Maintain the entire Group's supply chain and make the chain more visible in the textile business by FYE 2024 By FYE 2026, make 100% of the wood we handle in the lumber business either certified wood or wood that was well-managed and can be verified as such 	   
<p>Maintain rigorous governance structures (⇒ Pages 56, 66) The Board of Directors will implement highly effective supervision of management from an independent, objective standpoint and enhance the transparency of decision-making, and we will ensure appropriate, efficient execution of operations.</p>	<ul style="list-style-type: none"> Continuously conduct measures aimed at strengthening the supervisory function of the Board of Directors through each year's Board of Directors' evaluation Monitor various compliance-related measures and continue on-site training, etc. 	

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

Working Toward the Sustainable Development Goals

ITOCHU's initiatives to achieve sustainability through its business activities contribute toward the achievement of the Sustainable Development Goals (SDGs)* adopted by the United Nations in 2015.

* SDGs: In September 2015, UN member nations adopted 17 Sustainable Development Goals to be achieved by 2030. They include eliminating poverty and hunger, supplying clean energy, ensuring decent work and economic growth, creating safe and sustainable cities, and responding to climate change.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD

