



ITOCHU Corporation



ESG Report

2020

Editing Policy

ITOCHU Corporation's Perspectives on Sustainability

ITOCHU Corporation believes that responding to the expectation of society through business activities keeps our Sustainability and further growth. This report presents our initiatives for promotion of Sustainability.

Referenced Guidelines

GRI Standards 2016 issued by Global Sustainability Standards Board (GSSB)
Environmental Reporting Guidelines (2012 version) issued by the Ministry of the Environment of Japan
ISO 26000 (Guidance on social responsibility)

A side-by-side comparison of GRI Standards and the UN Global Compact can be found at:
www.itochu.co.jp/en/csr/report/gri/

Reporting Period

This report principally covers actual data for the fiscal year beginning on April 1, 2019, and ended on March 31, 2020 (FYE 2020). However, some of the most recent information on our activities and initiatives are also included.

Publication Information

Publication: September 2020
Next publication (scheduled): August 2021
Previous publication: August 2019

Reporting Boundary

This report covers ITOCHU Corporation (9 domestic offices and 94 overseas offices) and its major group companies.

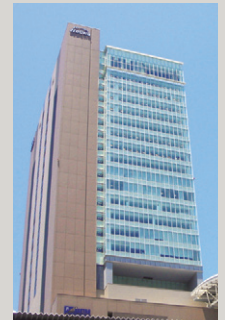
Corporate Profile

Company name	ITOCHU Corporation
Founded	1858
Incorporated	December 1, 1949
Headquarters	
Tokyo	5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo 107-8077, Japan
Osaka	1-3, Umeda 3-chome, Kita-ku, Osaka 530-8448, Japan
Chairman & CEO	Masahiro Okafuji
Common Stock	253,448 million yen
Number of offices	Domestic offices 9 Overseas offices 94
Number of employees*	Consolidated 128,146 Non-consolidated 4,261 (As of March 31, 2020)

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



Tokyo Headquarters



Osaka Headquarters (North Gate Building)

Inquiries

ITOCHU Corporation
Sustainability Management Department
TEL : +81-3-3497-4069
FAX : +81-3-3497-7547
E-mail : csr@itochu.co.jp

Disclosure of Sustainability-related Information

To make information on ITOCHU's sustainability initiatives widely accessible, information is disclosed through the following media.



Corporate Website Sustainability Pages

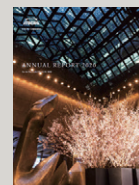
Information is disclosed regarding ITOCHU Corporation's sustainability activities in a format that provides detailed coverage across a wide range of themes. Moreover, information on activities conducted during the current year is disseminated on a timely basis.



ESG Report

Wide-ranging information covered in detail on the website Sustainability pages is published in PDF format as an annual ESG Report. The reports provide an ongoing perspective of ITOCHU's sustainability activities.

www.itochu.co.jp/en/csr/report/



Annual Report

Aimed at investors and other stakeholders, we provide particularly important reporting on ITOCHU's Sustainability activities, along with information such as management results and future growth strategies, in a comprehensive manner from a perspective based on the characteristics of the business activities of a sogo shosha.

www.itochu.co.jp/en/ir/

www.itochu.co.jp/en/csr/

Contents

Editing Policy / Corporate Profile / Contents	1	Sustainability at the ITOCHU Group	
Top Commitment : Chairman & CEO	3	Policy & Basic Approach	7
Top Commitment : President & COO	4	Structure and System	8
Message from Chief Administrative Officer	5	Initiatives	10
		Stakeholder Relations	29

Environment

Environmental Policy	32	Water Resources Conservation	63
Environmental Management	33	Approaches to Conservation of Biodiversity	70
Climate Change	39	ITOCHU's Clean-tech Business	76
Prevention of Pollution and Resource Circulation	54		

Society

Labor Practices	86	Respect and Consideration for Human Rights	127
Employee Training	106	Responsibilities to Customers	135
Occupational Safety and Health Management	113	Sustainability in the Value Chain	146

Governance

Corporate Governance	169	Compliance	204
Risk Management	198		
Evaluation by Society	213		
Independent Assurance Report	216		



Sustainable Growth based on Our Corporate Philosophy of "*Sampo-yoshi*"

ITOCHU has overcome various difficulties such as the oil shocks and the 2008 financial crisis in our history of over 160 years. Since our foundation, we have adhered to the principle of "*Sampo-yoshi*" (good for all three sides, meaning good for the buyer, good for the seller and good for society) – our founding spirit and corporate philosophy. Each one of our employees follows the approach of "I Am One with Infinite Missions" by leveraging the strengths of the consumer and consumer business even in a difficult business environment of economic downturn and simultaneous global recession impacted by the global pandemic. Through our business, we will continue to contribute to the stable continuation of people's lives and live up to the expectations of our stakeholders.

We will advance our work style reform and health management by focusing on the "health" of our employees so that they can deliver the maximum results through elevated motivation and enhanced workplace environment. We will continue to aim to be a company that is trusted and supported by our business partners, shareholders, local communities and other stakeholders in addition to our employees.

ITOCHU's Brand-new Deal 2020 mid-term management plan launched in 2018 was achieved ahead of schedule even under the harsh environment of COVID-19. Our commitment to robust management remains strong.

Member of the Board
Chairman & Chief Executive Officer

A handwritten signature in black ink, appearing to read "M. Okazaki".



***"Sampo-yoshi"* – Returning to Our Founding Spirit**

In our modern age, the overall corporate value of ITOCHU is assessed not only by profit, but also by how much value we create for the environment, society, our employees and our shareholders. Business activities based on our founding spirit and corporate philosophy of *"Sampo-yoshi"* (good for the buyer, good for the seller and good for society) thus remains relevant to the pursuit of ESG and SDGs in the present day. I would like to make 2020 a year in which we return to our founder's roots.

ITOCHU wants to further emphasize what is "good for society," the third aspect of *"Sampo-yoshi."* Responding to current challenges in environmental and social issues presents business opportunities for ITOCHU. The founding spirit of *"Sampo-yoshi"* that we have inherited over 162 years will help us establish a solid profit as well as tackle environmental and social issues including climate change. We will continue our efforts in building a company in which each individual employee can work with a sense of accomplishment and happiness in doing good services for the society.

Member of the Board
President & Chief Operating Officer

A handwritten signature in black ink, appearing to be 'G. Ito', written in a fluid, cursive style.

Message from
Chief Administrative Officer



We will continue to achieve sustainable growth with the spirit of "*Sampo-yoshi*" that we have inherited for over 160 years serving as our corporate philosophy

"Sampo-yoshi" – Our Corporate Philosophy we have inherited throughout our history for over 160 Years

—We will pursue the highest level of productivity in the sector through the adoption of a Human Resources Strategy as a management policy.

We have inherited "*Sampo-yoshi*" (good for the buyer, good for the seller and good for society) for over 160 years since our foundation by Chubei Itoh I – an Ohmi merchant. We will continue to pass down this founding spirit in our future as our corporate philosophy. Since then, we have connected the fruits of the efforts built up by each one of our predecessors without interruption to the present day. This idea is also encapsulated in the Guideline of Conduct "I am one with infinite missions." In recent years, with a small group of capable talent, ITOCHU has been involved in cutthroat competition with other companies, and the importance of the Human Resources Strategy for that has, therefore, increased still further.

ITOCHU's pioneering workstyle reforms, such as the morning-focused working system, have had a significant impact on Japanese society, including the government. The focus of these reforms is the "pursuit of productivity." Our work style reform is not just a pursuit of streamlining to save time, but also increase productivity by hands-on approach. Moreover we aim to increase employee motivation by developing employee skills, supporting the active use of diverse human resources, and promoting health management. For example, the aim of the Support Measure for Balancing Cancer Care and Work introduced in FYE 2018 in accordance with ITOCHU Health Charter is to achieve a work environment in which every employee fighting cancer can continue working without concern while maintaining motivation and challenging work, thus ensuring that individuals and organizations perform at their full potential. Each and every employee working to their heart's content with health and vitality is the foundation for us, which has a small number of employees than other companies in the industry, to producing profits. This is in the interests of all stakeholders in addition to our company. At the same time, I believe that, through our employees' fulfilment of "infinite missions" via our main business, we will be able to fulfil our responsibilities for achievement of the UN Sustainable Development Goals (SDG's).

—We will help solve social issues through our main business, grounded in the "*Sampo-yoshi*" spirit.

"Itinerant trading" is business that only Ohmi merchants could do, consisting of going to lands far away from the Ohmi region and negotiating with only a little sample of cloth and delivering the goods afterwards. The "*Sampo-yoshi*" spirit developed by the Ohmi merchants as they gained the confidence and trust of sellers, buyers and the regions they traded with is also still alive today as a management philosophy that values not only the company's own profit but also business partners, employees, shareholders and various other stakeholders. To demonstrate our intent to honor this approach to the international society, since 2009 we have participated in the UN Global Compact. In April 2018, we formulated a Basic Policy on Promotion of Sustainability as a direction for initiatives based on the ESG perspective and the "*Sampo-yoshi*" spirit. At the same time, in light of the Sustainable Development Goals (SDGs) adopted by the United Nations, the enforcement of the Paris Agreement and the viewpoint of ESG, we have newly identified seven material sustainability issues. Each company has formulated sustainability action plans and accomplishment indicators based on those. This is further strengthening our efforts through our business. In May 2019, we stated our participation with the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) in regards to the particularly pressing issue of efforts on climate change (contribution to a low carbon society).

Our groupwide sustainability promotion measures are planned and promoted by the Sustainability Promotion Department. This is done under the Chief Administrative Officer who serves as the Sustainability Committee Chairperson. Serious matters are discussed and determined by the Sustainability Committee, which is an important internal committee. In addition to the role of chairing the committee, the Sustainability Committee Chairperson attends board meetings, and the HMC and Investment Consultative Committee, and then makes reports to the Board of Directors at these meetings. In this way, the Chairperson is responsible for sustainability management in light of the impact on our environment and society. We have also appointed an ESG officer to all organizations in companies and functions and have put in place a framework for contributing to the realization of a sustainable society through our main business. In addition, by regularly seeking dialogue with stakeholders inside and outside the company, including the Advisory Board, we grasp society's expectations and demands of us and utilize them in the promotion of sustainability.

We will continue to contribute to solving social issues by responding to the trust and expectations from the stakeholders around us through our main business while valuing local sites in the future. We would then like us to translate this into sustainable growth through a reinvented "*Sampo-yoshi*" approach, which is our aim under the Brand-new Deal 2020.

Fumihiko Kobayashi

Member of the Board

Senior Managing Executive Officer

Chief Administrative Officer

Sustainability at the ITOCHU Group

Policy & Basic Approach

The ITOCHU Group Basic Policy on Promotion of Sustainability

ITOCU Group, conducting business globally under the spirit of "*Sampo-yoshi*", the management philosophy of merchants in the Ohmi province of Japan (present-day Shiga Prefecture) which is our Corporate Mission, considers that addressing global environmental and social issues is one of the top priority issues in its management policy. We contribute to the realization of a sustainable society based on the ITOCHU Group Code of Ethic Conduct, in order to achieve the goals of The ITOCHU Group Corporate Guideline of Conduct, "I am One with Infinite Missions."

(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 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 Supply Chain and Business Investment Management to Lead to Sustainable Use of Natural Resources with Respect for Human Rights and Consideration for the Environment

While engaging in business activities, we respect the legal systems of each country and international rules, and strive to prevent the occurrence of environmental pollution and/or human rights and labor issues that threaten our lives. In addition, we give due consideration to the mitigation of and adaption to climate change, the preservation of the global environment, such as through the conservation of biodiversity and ecosystems, and human rights issues.

We endeavor to understand how natural resources are utilized (such as air, water, land, food, minerals, fossil fuels, animals, and plants) and what consideration is given to human rights and labor issues, both in the businesses where we invest and in the supply chains related to the products we handle. We request our business partners to understand and implement our concept of sustainability, and aim to build a sustainable value chain.

(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 sustainability 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.

April 2020

Fumihiko Kobayashi

Member of the Board

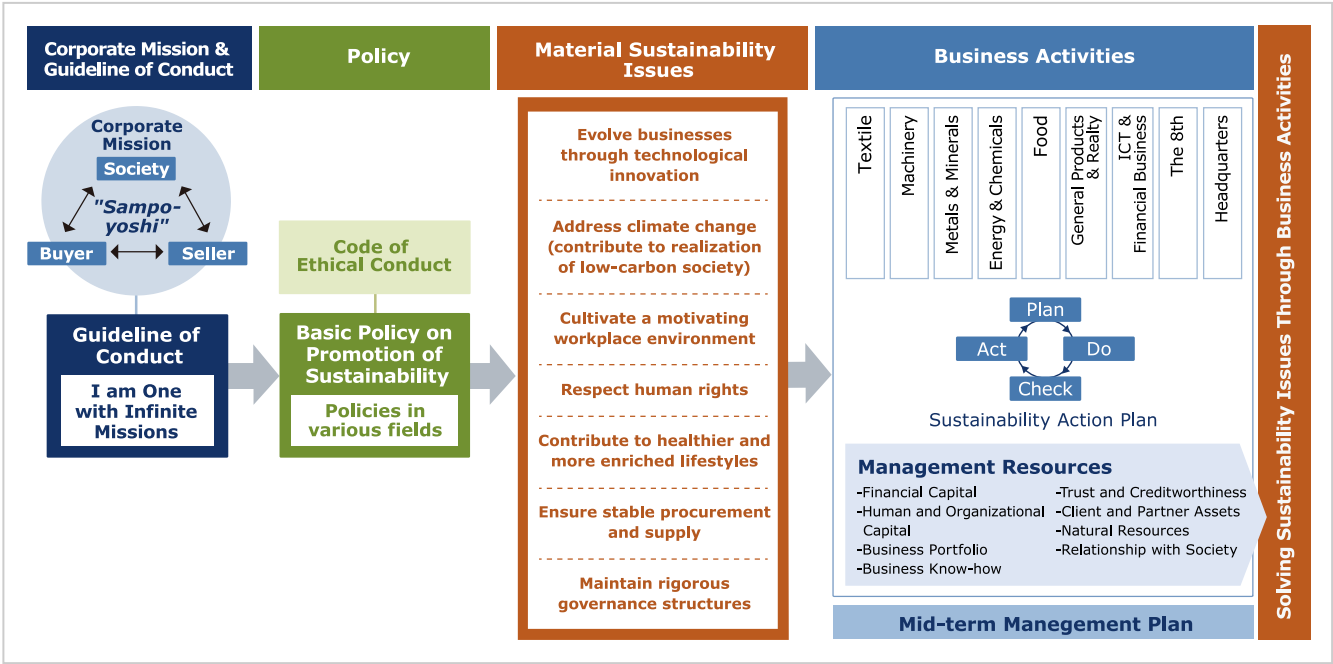
Senior Managing Executive Officer

Chief Administrative Officer

Structure and System

Promoting Sustainability at ITOCHU Corporation

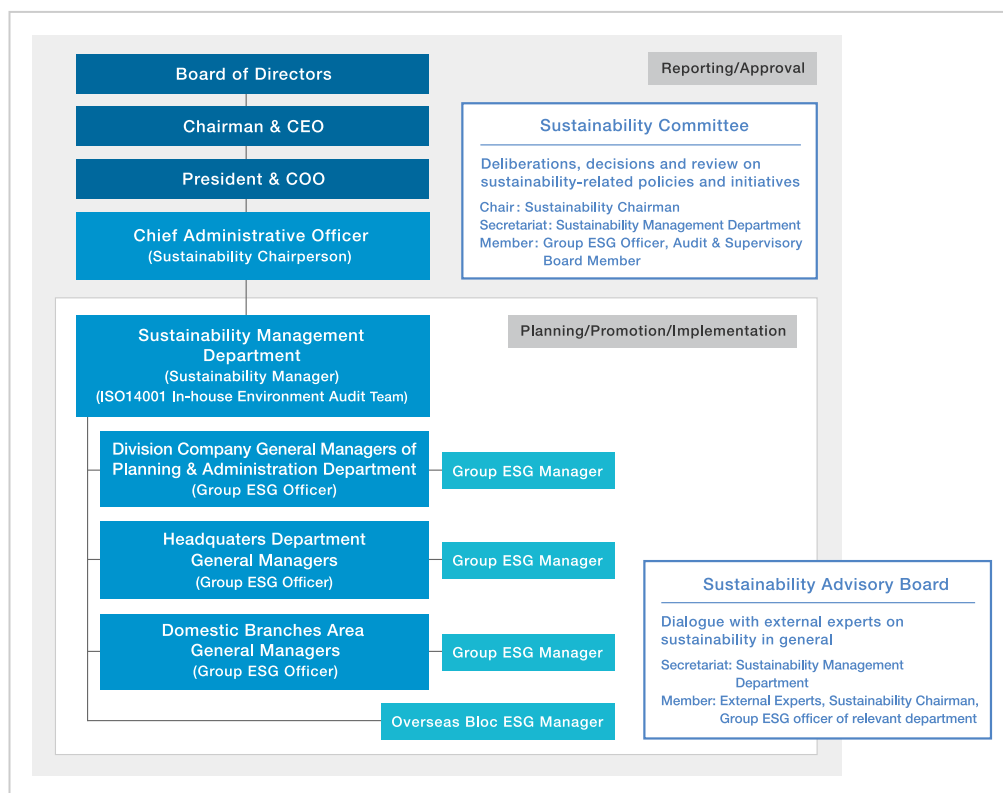
We established the Basic Policy on Promotion of Sustainability (P7) to set ITOCHU Corporation's initiatives to further sustainability in accordance with our corporate mission and the dynamic environment in which we operate. Our implementation of the policy is organized and systematic. In the course of implementation, ITOCHU Corporation determines the critical issues with priority need for a solution, then inserts the material issues into Sustainability Action Plans (P14-22). These plans guide operations in our trading and business investments as we carry out the policies in the mid-term management plan, thus helping to solve the aforementioned issues.



Sustainability Promotion Flow

Structure for Promoting Sustainability

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



Sustainability Promotion Framework (FYE 2021)

FYE 2020 Sustainability Committee

Members	Chair: CAO. Members: General Manager of the Corporate Planning & Administration Division, General Manager of the Corporate Communications Division, General Manager of the Human Resources & General Affairs Division, General Manager of the Legal Division, General Manager of the Sustainability Management Department, General Manager of the Investor Relations Department, General Managers of the Planning & Administration Departments of each Division Company, Corporate Auditors
Primary Purview	<ol style="list-style-type: none"> 1. Revision of ITOCHU Corporate Mission 2. Formulation of the Corporate Ethical Code of Conduct, Revision of policies in line with revision to the corporate mission, Sustainability action plan review, ISO14001 environmental management review, TCFD progress and disclosure contents, SCOPE3 calculation results and next term issues

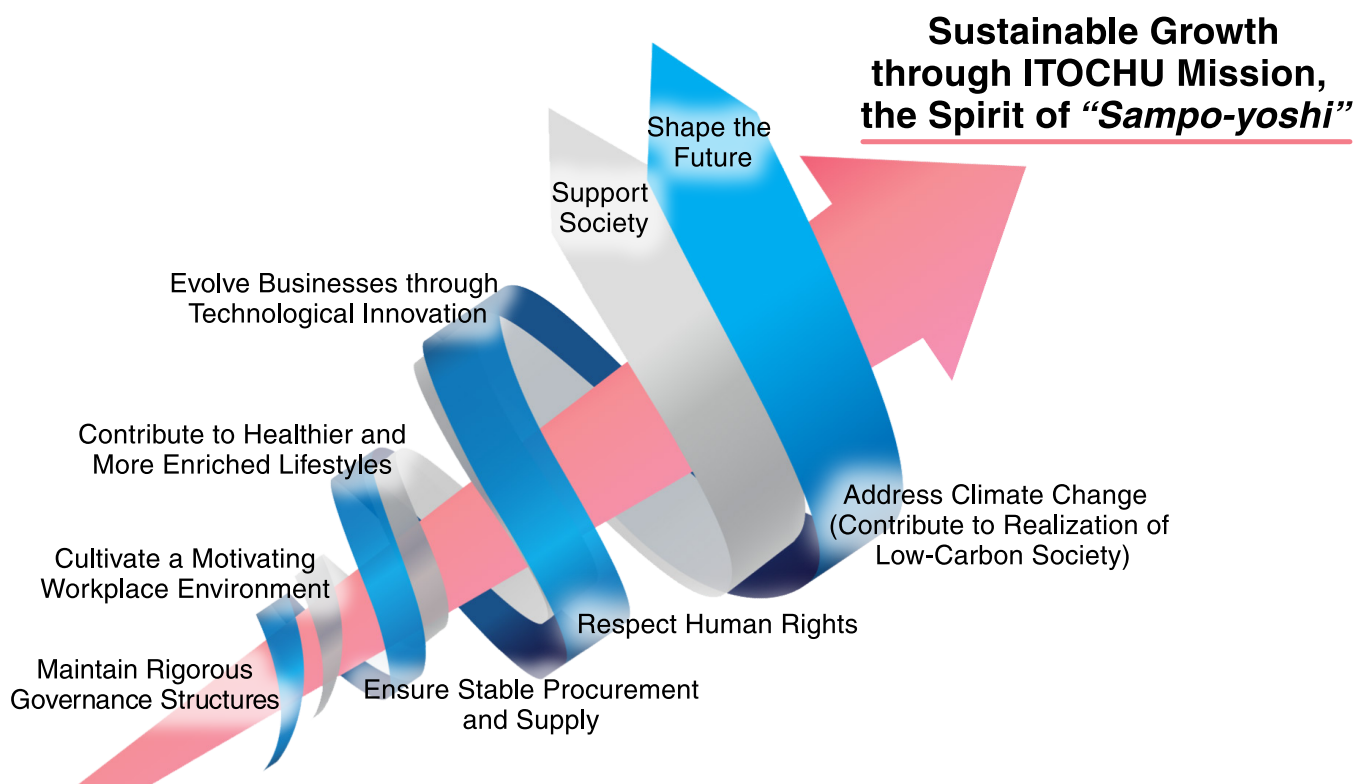
Initiatives: Critical Issues (Material Issues)

In April 2018, ITOCHU put forth material sustainability issues that incorporate an ESG perspective. Addressing these issues through its main business will help ITOCHU accomplish its FYE 2019-2021 Medium-Term Management Plan's goal of achieving ongoing growth through ITOCHU Mission, the spirit of "*Sampo-yoshi*". ITOCHU's sustainability initiatives, which aim to fulfill our responsibilities for the society of today and the future, also contribute 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 (P12)
- Risks and Opportunities Pertaining to Each Material Issue (P13)
- Sustainability Action Plans (P14-22)

Material Sustainability Issues



Evolve Businesses through Technological Innovation



We create new value by proactively exploring new technologies as we adapt to a transforming industrial establishment by venturing beyond the framework of our existing business.

Address Climate Change (Contribute to Realization of Low-Carbon Society)



As we endeavor to adapt to climate change's impact on business, we further business activities that contribute to a low-carbon society and work to reduce greenhouse gas emissions.

Cultivate a Motivating Workplace Environment



We provide a setting where employees are proud and motivated, and where we can leverage diversity so they can fully exhibit their capabilities.

Respect Human Rights



While showing respect and consideration for human rights in our operations, we bring stability to our business and contribute to the development of local communities.

Contribute to Healthier and More Enriched Lifestyles



With the intention of raising quality of life for all people, we help make healthy, bountiful living possible.

Ensure Stable Procurement and Supply



With aspirations for a recycling-oriented society, we give consideration to biodiversity and other important aspects of the environment to engage in effective use and steady procurement and supply of resources in line with their demand in each country.

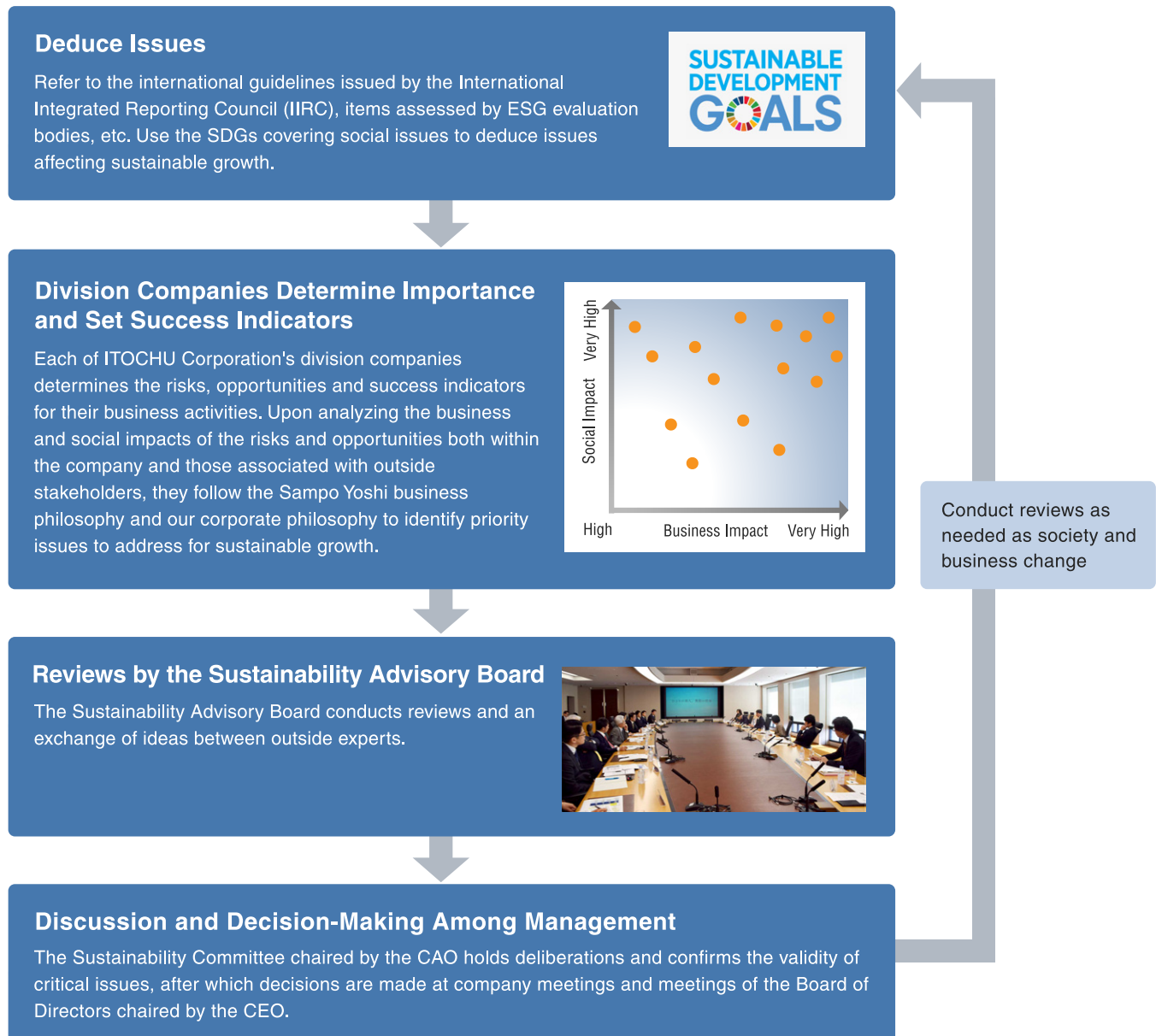
Maintain Rigorous Governance Structures



We ensure proper and efficient execution of operations through the Board of Directors' independent, objective and highly effective oversight of management and highly transparent decision-making.

Initiatives: Identification and Review Process for Material Issues

Since ITOCHU Corporation first identified material issues in 2013, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders. In fiscal 2019, when the latest mid-term management plan kicked off, we identified seven new critical issues based on the recent adoption of the SDGs, the Paris Agreement on climate change coming into effect and other social developments and changes affecting business.



Initiatives: Risks and Opportunities Pertaining to Each Material Issue

Material Issues	Risks	Opportunities
Evolve businesses through technological innovation	<ul style="list-style-type: none"> ● Obsolescence of existing business models accompanying the rise of new technologies such as IoT and AI ● Labor shortages in developed countries; flight of excellent talent from businesses that are slow to streamline 	<ul style="list-style-type: none"> ● Creation of new markets; provision of innovative services ● Optimization of human resources and logistics by utilizing new technology; enhanced competitiveness by reforming how we work
Address climate change (contribute to realization of a low-carbon society)	<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
Cultivate a motivating workplace environment	<ul style="list-style-type: none"> ● Failure to handle the issue properly could lower worker productivity, cause excellent talent to leave, erase business opportunities, and add to health-related expenses 	<ul style="list-style-type: none"> ● Providing a motivating workplace environment raises worker productivity, improves health and motivation, retains excellent talent, and enhances adaptability to change and new business opportunities
Respect human rights	<ul style="list-style-type: none"> ● Human rights problems occurring in more geographically expansive business activities could delay operations or pose a continuity risk ● Insufficient provision of social infrastructure services could erode trust in the company 	<ul style="list-style-type: none"> ● Co-existence with local communities stabilizes business and retains excellent talent ● Consideration for human rights in the supply chain and improved working environments will build a safer and steadier product supply network
Contribute to healthier and more enriched lifestyles	<ul style="list-style-type: none"> ● Safety and health issues affecting consumers and service users could erode trust in the company ● Changes in government policy could impact business by destabilizing markets or social insurance systems 	<ul style="list-style-type: none"> ● Advancing food safety/reliability and health will boost demand ● Growth in individual consumption and the spread of the internet will expand services in information, finance and distribution
Ensure stable procurement and supply	<ul style="list-style-type: none"> ● Impact from a backlash accompanying the outbreak of environmental problems or worsening relations with local communities ● A price-cutting war in consumer goods could structurally batter the entire industry 	<ul style="list-style-type: none"> ● Higher demand for resources due to population growth and higher living standards in emerging countries ● A steady, environmentally-friendly supply of resources and materials wins client trust and creates new business
Maintain rigorous governance structures	<ul style="list-style-type: none"> ● Business continuity risks and unanticipated losses arising from dysfunctional corporate governance or internal controls 	<ul style="list-style-type: none"> ● Establishing robust governance will raise decision-making transparency, enable proper adaptation to change, and lay the foundation for steady growth

Initiatives: Sustainability Action Plans

As a concrete initiative to address the material issues we have identified, we embed these issues into the Sustainability Action Plan for each business sector. Each company deduces the risks and opportunities associated with critical sustainability issues in each business sector, formulates a Sustainability Action Plan that stipulates the approach and success indicators to achieve their medium- and long-term commitments, and holds semi-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.


After the Materiality is identified, we reflect it in sustainability action plans in each business area as specific measures for contributing to the solution of social issues.

We promote sustainability by defining the Commitment, which shows how we achieve medium- and long-term growth and provide value to society, and specific approach and performance indicators for achieving the Commitment.

Narrow Down by Materiality









Evolve Businesses through Technological Innovation

Risks	Opportunities
<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. And others. 	<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. And others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
	Next-generation business Development	Textile Company	State-of-the-art technologies (IoT)	We will build a production IT infrastructure that will be a common platform of the supply chain and strive to improve added value and promote sustainable industrialization.	Introduce the production IT infrastructure to the main bases of the Group and contribute to the improvement of Product, Lifecycle and Management.	Visualize the supply chains of the overall Group to reduce costs, improve quality, and reduce lead time, thereby developing a supply system that can cater to market needs.	We were aiming to start operation in June 2019. However, the installation work and system training took time. Therefore, we actually started operation in January 2020. IPA Hong Kong has started utilizing this with business that utilizes the production background of IPA Vietnam. We plan to roll this out in other areas in sequence.
			State-of-the-art technologies (IC tag, RFID, and EC businesses)	We will utilize next-generation technologies, such as Radio Frequency Identification (RFID) tags, to contribute to improved efficiency, not only in the apparel industry but also in the associated logistics industry.	Improve production and sales efficiency by making use of AI, and in addition, accelerate the dissemination of RFID tags in the clothing industry, in an effort to increase the trading volume.	Make use of AI and disseminate the use of RFID tags, thereby improving production and operating efficiency in the supply chain, traceability, and sales capabilities.	We sold 60 million RFID tags in FYE 2020. We gave proposals to improve operational efficiency (e.g., supply chain optimization and an improvement in the accuracy of understanding inventory). We have started examining a partnership with an overseas company concerning the tag material to introduce eco-friendly goods that do not require garbage separation.
		Food Company	Overall food-related businesses	<ul style="list-style-type: none"> ● We will aim to improve productivity and efficiency by utilizing RPA and AI proactively. ● We will aim to create innovative services and new business by integrating resources and new technologies of the ITOCHU Group. 	<ul style="list-style-type: none"> ● We will improve productivity and optimize operations by introducing and utilizing new technologies in the distribution field in which labor shortages are becoming more serious. ● We will create unique new value by combining the wide ranging product lineup, functions and expertise of our group based on retail customer needs. 	<ul style="list-style-type: none"> ● Promotion of further business processing re-engineering utilizing RPA and AI. ● Promotion of the development of new products and new services through the food wholesale business developed by the ITOCHU Group. 	<ul style="list-style-type: none"> ● We are working to improve productivity and to optimize business. For example, we are proactively introducing RPA in the group - including in subsidiaries and associated companies. ● We are promoting the optimization of distribution centers and the computerization of paper information to save labor. In addition, we are working to reduce delivery vehicles by continuously optimizing delivery routes. ● We are providing marketing tools that improve the convenience of consumers to retail customers through our group food wholesale company.
			Business incubation through venture investment, focused on FinTech, IoT, AI and etc.	We will try to create new industries with acquiring cutting-edge innovations and business models such as IoT, AI, and FinTech.	Seeking chance to invest in and make partnerships with startups, in order to develop new businesses.	Realization of new service and business developments.	Continuing from the previous fiscal year, we have increased new overseas VC investments (e.g., in new technology and healthcare fields). We have made over ten investments. We are currently working with these companies to develop new businesses. In particular, this fiscal year, we plan to develop fintech-related services. This will contribute to developing new solutions and increasing profits, by improving operational efficiency of retailers and e-commerce operators.
		The 8th	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 efforts to understand consumer behaviors, and combine the wide range of products, functions, and expertise of the Group to create unique new value that will be profitable for consumers and communal society.	Aim to develop new businesses and cultivate new customers by taking full advantage of the business foundations possessed by the ITOCHU Group.	We are currently promoting a digital strategy in FamilyMart - the subsidiary. We released the Famipay smartphone app with barcode payment in July 2019. We have achieved labor savings in FamilyMart stores. For example, register service time has been reduced to one third of what it was before. In addition, we have already promoted inbound business and released a capital and business alliance with a startup that has independently developed a humanoid AI agent with advanced recognition technology.





Address Climate Change (Contribute to Realization of Low-Carbon Society)

Risks	Opportunities
Transition risk <ul style="list-style-type: none"> Reduction in demand for fossil fuels due to business restrictions on greenhouse gas emissions Physical risk <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

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
 	Taking counter-measures against climate change	Machinery Company	Overall power generation business	We will develop power plants with a good balance between renewable energy power generation and conventional power generation, thereby contributing to the development of countries and regions in a sustainable manner that is optimized for each.	Pursue opportunities to invest aggressively in renewable energy power generation through analyses of countries and regions.	FYE 2031: Target to achieve a renewable energy ratio more than 20% (equity interest basis) and reflect this to the future strategy.	We achieved a renewable energy rate of 12.5% through capital alliances with Winch Energy, which is a company in the U.K. that is involved in small-scale solar power generation and distribution systems in non-electrified areas such as Africa, and VPP Japan, which is a company involved in the solar distribution power business in Japan.
		Machinery Company	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.	1) We have been participating in a small electric truck demonstration experiment since January 2019 in Japan. 2) We are deepening efforts with two companies into which we invested in FYE 2019 in China where electric vehicles are spreading rapidly - Dishangtie Car Rental, an electric commercial vehicle rental and maintenance service, and Zhicheauto Technology (Singulato Motors), an emerging electric vehicle manufacturer. 3) We have invested in a ride sharing service called Via (2019). This is a convenient and cost-effective means of transportation. At the same time, it also contributes to alleviating urban congestion and reducing CO ₂ emissions.
 		Metals & Minerals Company	<ul style="list-style-type: none"> Mining business Environmental business Material-related business 	<ul style="list-style-type: none"> We will realize stable energy supply as our social mission and responsibility while fully considering its environmental impact. We will contribute to reducing greenhouse gases through businesses related to lighter-weight vehicles and Electric Vehicles (EVs). 	<ul style="list-style-type: none"> Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gases emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU). Aim to develop an appropriate portfolio of coal assets by fully considering its environmental impact. Strengthen initiatives in businesses that contribute to the development of lighter-weight vehicles and shift to EVs (aluminum, copper, and other businesses). 	<ul style="list-style-type: none"> Contribution to the development of a low-carbon society by committing to technologies that help reduce greenhouse gases emissions. Development of an optimal asset portfolio by fully considering social requirements, including those related to the shift to a low-carbon society. Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs. 	<ul style="list-style-type: none"> We are working to start an overseas demonstration project to culture Euglena together with Euglena Co., Ltd. This project will help promote Carbon dioxide Capture and Utilization (CCU) technologies. This project has potential to be applied over existing thermal power plants and manufacturing plants that emit carbon dioxide and is expected to be rolled out to a wide range of industries. We have properly reviewed our asset portfolio to see if it is duly in line with our policy announced in February 2019 (1) not to acquire any new thermal coal mining interest and (2) regarding the existing thermal coal mining business, we will continue to review it and contribute to the development of a sustainable society while responding to the social demands of stable supply of energy to domestic and overseas customers. As a result the review, following on from the sale of our interests in the Rolleston thermal coal mine in the previous fiscal year, we have concluded this year an agreement for acquiring the interests in a new coking coal mine (Longview coking coal mine) in December 2019. The amount of transactions for aluminum castings/die-cast materials for vehicles has increased by 10% in FYE 2020 over FYE 2019, contributing to the development of light-weight vehicles.
	Taking counter-measures against climate change	Energy & Chemicals Company	Oil & Gas LNG (Liquefied Natural Gas) Projects	Development and production of natural resources with consideration in the reduction of greenhouse gases.	Partnering with experienced operators with high technical strength in the development and production of natural resources.	Pursuing opportunities to take part in LNG projects (i.e. LNG or natural gas emits less greenhouse gases than the other fossil fuels).	We are holding concrete discussions with regards to participation in new LNG projects.
	Efforts to optimally and continuously supply renewable energy	Energy & Chemicals Company	Storage battery related power and environmental solutions	<ul style="list-style-type: none"> We will continue to stably supply the storage batteries that are the key to the efficient and optimal utilization of renewable energy. We will aim to strengthen our storage battery business chain and establish a circular model through the battery recycling business in particular. 	We will continue to sell storage batteries 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 	* Because of new commitment, review will be conducted from the next fiscal year.
	Taking counter-measures against climate change	Food Company	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	We will utilize green energy in our processed food business.	Utilization as a source of renewable energy for processed food manufacturing plants by generating biogas power using pineapple leftovers generated in the manufacturing process of the Dole processed food business.	We are currently building biogas power plants at two plants in the Philippines. These are scheduled to be completed in the first half of FYE 2021.
		General Products & Realty Company	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 efforts on creating demand, especially in developing countries, with the aim of establishing continuous, stable business.	<ul style="list-style-type: none"> We expect a 65% increase year-on-year in the amount we handle to developing countries. We are currently in discussions concerning investment and participation in the slag business.












Cultivate a Motivating Workplace Environment

Risks	Opportunities
<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, and others. 	<ul style="list-style-type: none"> Improvement of labor productivity and health and motivation, securing of excellent human resources, enhanced capability of responding to changes and business opportunities, and other events that will result from the creation of a workplace that provides job satisfaction, and others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
	Improving operating efficiency and addressing the issue of long-working hours through work style reform	Head-quarters	Human Resources Affairs	We will promote a well-balanced working style and reduce the total number of working hours, aiming to improve employee engagement.	<ITOCHU Corporation> <ul style="list-style-type: none"> Promote the morning focused working system. Conduct regular monitoring of employees' work situations. Promote work automation with IT tools, including the robotic process automation (RPA), as well as mobile work. Promote projects for improving the operating efficiency at each organization. <ITOCHU Group> <ul style="list-style-type: none"> Efficient way of working, appropriate working hours management, and educational and awareness-raising activities at the ITOCHU Group. 	<ul style="list-style-type: none"> FYE 2021: Reduce the annual average overtime hours by at least 10% compared to the period prior to the introduction of the morning-focused working system. FYE 2021: Percentage of employees who leave the office building at 20:00 or later at 5% or fewer. FYE 2021: Paid leave acquisition rate at 70% or higher. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. 	<ITOCHU Corporation> <ul style="list-style-type: none"> We have reduced annual average overtime hours by 11% compared to before the introduction of the morning-focused working system (achieved in FYE 2018). We have 5% of employees leaving the building after 8 p.m. (FYE 2019). We have 67% of employees acquiring paid leave (FYE 2019). We plan to complete approximately 100 scenarios in FYE 2019 for RPA. We will also introduce a data analysis tool (HANABI). We are currently running 151 scenarios. (As of February 2020) In FYE 2019, we plan to implement BPR (business improvement) at the organization level in three divisions (Fresh Food Division, Automobile, Construction Machinery & Industrial Machinery Division and Apparel Division). The positive answer rate to the "Employee Engagement" item from the FYE 2019 Engagement Survey was 76%. *We did not conduct a survey in FYE 2020. The latest data is for FYE 2019.
	Improving the health of employees	Head-quarters	Human Resources Affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	<ul style="list-style-type: none"> Keep the percentage of employees who receive regular medical checkups at 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote measures for helping employees create a balance between cancer treatment and work. Offer healthy dishes in the employee cafeteria. Promote the program for supporting smoking cessation treatment expenses. Utilize health management web tools for employees and continue to provide special programs for employees at a high risk for lifestyle-related diseases. 	<ul style="list-style-type: none"> Percentage of employees who receive regular medical checkups: 100%. FYE 2021: Improve health indicators (such as BMI) compared to FYE 2017 values. FYE 2021: Percentage of employees who leave work due to cancer or long-term illness at 0%. FYE 2021: Rate of employees found to have a high level of stress in the stress check at 5% or lower. 	<ul style="list-style-type: none"> Regular medical checkup rate: 100% in FYE 2020. Rate of improvement in the health index (e.g., BMI) compared to FYE 2011: -2% in FYE 2019. Support for working while receiving cancer care: Job turnover due to cancer and long-term illnesses continues to be 0%. Rate of those found to have a high level of stress in the stress check: 2.9% in FYE 2020. Health management web tools for employees utilization: We are continuing to run a program for those at a high risk for lifestyle-related diseases among young employees and we expanded the scope to include those who are subject to specific health guidance (a total of 115 participants in FYE 2020). We held a company-wide walking event.
	Sustainable development of employees' capabilities	Head-quarters	Human Resources Affairs	We will develop training programs on a global basis that respond to the changing times and business needs. 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 works through regular rotation. Foster career awareness among employees by enhancing personnel assessment, career vision training, career counselling systems and other programs/systems. 	<ul style="list-style-type: none"> FYE 2021: Annual E&D expenses exceeding one billion yen. Rate of positive responses to the "education and training" item in the engagement survey: 60% or higher. FYE 2021: Percentage of career-track employees who acquire business-level English skills in their first eight years at the company at 100%. FYE 2021: 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"> The positive answer rate to the "Education and Training" item from the FYE 2019 Engagement Survey was 71%. *We did not conduct a survey in FYE 2020. The latest data is for FYE 2019. We have been continually reviewing and developing training programs (e.g., the trial introduction of next-generation related training). We are running a trial to provide video content as part of career vision training with an eye on a learning environment that meets the diverse needs of our employees. Below is the Outlook Current as of February 20 in FYE 2020: <ul style="list-style-type: none"> Annual E&D expenses forecast ⇒ Over approximately 1.2 billion yen Acquisition rate of business level English skills for career-track employees in up to their eighth year since joining the company ⇒ 100% Overseas dispatch rate for career-track employees in up to their eighth year since joining the company ⇒ 80%
  	Creating an environment that allows diverse human resources to exercise their potential	Head-quarters	Human Resources Affairs	We will prohibit all types of discrimination, including those based on age, gender and nationality, and respect human rights. We will create an environment that will permit the active participation of employees whose work hours are limited due to childcare, nursing care, diseases or similar circumstances.	<ul style="list-style-type: none"> Continue fair and equitable recruitment and promotion. Create a work climate of mutual respect and support. Reasonable accommodations concerning the work environment of people with disabilities. Respond to LGBT considerations and provide employee training on LGBT. Enhance on-site day-care centers and nursing care support services. Enhance individual support for employees provided in accordance with their life stage and career. Promote flexible ways of working by making use of mobile work. Support the active participation of senior human resources over 65 years old. 	<ul style="list-style-type: none"> FYE 2021: Percentage of female career-track employees among all career-track employees: 10%. FYE 2021: Percentage of female career-track employees among employees in leadership positions at 10%. FYE 2021: Proportion of our workforce with disabilities at 2.3%. 	<ul style="list-style-type: none"> The percentage of female career-track employees among all career-track employees is 9.7% (as of January 2020). The percentage of female career-track employees among those in leadership positions is over 8.1% (as of January 2020). Proportion of our workforce with disabilities: 2.16% as of February 2020 (insufficient by one person) We have been applying to make IHGS applicable as a special subsidiary in our group since February 2020. We achieved the required number of hires as of February 2020 in the three companies of ITOCHU, Uneedus and IHGS. We will continue to promote the employment of those with disabilities over our entire group.






Respect Human Rights

Risks	Opportunities
<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. And others. 	<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. And others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
 	Establishing a supply chain reflecting consideration for human rights and the environment	Textile Company	Supply chain management	We will promote information-sharing in the overall Group and establish a safe, secure supply chain, thereby helping customers with risk reduction and contributing to sustainable economic development.	Make Group-wide efforts to review the social and environmental safety of the supply chain and make improvements as necessary, thereby promoting the establishment of a safe, secure commodity supply system.	FYE 2024: Establish and visualize the supply chain of the overall Group, from material procurement to sales, to ensure a responsible procurement policy.	We implemented this in 50 companies in Southwest Asia (e.g., Vietnam and Indonesia) compared to the 80 companies that was our target in FYE 2020. Separately, we conducted a fact-finding investigation questionnaire on the status of compliance with the Labor Standards Act and Industrial Safety and Health Act for foreign technical intern trainees in 211 sewing plants in Japan.
 	Improving water and hygiene infrastructures	Machinery Company	Water and environmental projects	We will contribute to improving the hygiene environment, 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 environmental impact.	Expand and diversify the investment portfolio in the water and environment field.	Water Field We own a water supply service business in the U.K. and Spain and a seawater desalination business in Australia and Oman. We are continuing to work to expand our seawater desalination and water supply/sewerage business.
	Establishing a supply chain reflecting consideration for human rights and the environment	Machinery Company	Overall electric power and plant projects	We will contribute to improving the quality of life of all stakeholders in the supply chain and business investment destinations.	Set rules on due diligence related to social and business environmental safety for suppliers and business investment destinations based on the distinctive characteristics of each business, implement due diligence, and strengthen monitoring continuously.	FYE 2020: Aim to implement the due diligence described on the left in all new development projects.	We are continuing operations to check the core subjects in the guidelines on social responsibility using the company-wide ESG checklist in all development projects where we are investing for the first time. We are conducting due diligence on individual development projects to check their social and environmental safety based on the unique characteristics of each business prior to investment.
 	Sustainable mine development that reflects consideration of the risks in occupational safety and health and environmental risks, and that contributes to local communities	Metals & Minerals Company	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 we 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. ● 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. ● Donations to medical care, education and build infrastructure in local communities. 	<ul style="list-style-type: none"> ● We held internal EHS (Environment, Health and Safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. ● We checked the proper compliance to the EHS guideline by one new project and eight existing projects in our mining business, and also by one another resource-related project. ● We carried out activities that contribute to the local community as part of each project we invest in. ● As a special initiative, our Australian subsidiary, ITOCHU Minerals & Energy of Australia Pty. Ltd., together with other local group companies, contributed A\$200,000 in total to the Australian Red Cross Society as support to recover from the damage caused by the Bushfires.
	Establishment of an energy resources development system that goes well with local society and environment	Energy & Chemicals Company	Exploration & Production of Oil & Gas	Contributing in the development of local society by advancing exploration & production projects that accommodate social and environmental concern.	Implementation of projects in compliance with the laws and regulations of the respective government and internationally-recognized administrative body.	<ul style="list-style-type: none"> ● Be compliant with HSE (Health, Safety and Environment) standards in the respective government and the ones set by internationally-recognized administrative body. ● Reduction of HSE issues that involve serious damage to human beings and/or environment. 	<ul style="list-style-type: none"> ● We are appropriately complying with the HSE management standards of the government and management body in each country. ● We are managing the number of incidents, their severity and content monthly in accordance with in-house regulations. (There have been no serious operational incidents as of the end of January 2020 in this fiscal year.)
 	Establishing a supply chain reflecting consideration for human rights and the environment	Food Company	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 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 compliant with supplier-specific codes of conduct in our bases in producing areas in cooperation with suppliers. ● Palm oil: Promotion of progress information disclosure upon also clarifying the KPI indicators by publishing our procurement policy. 	<ul style="list-style-type: none"> ● We are currently giving guidance to producers in each producing area country to meet the certification standards. The aim of this is to expand transactions for certified coffee beans (e.g., those of the Rainforest Alliance and C.A.F.E Practice). ● We have published our procurement policy with our started target of switching all the palm oil we procure to sustainable palm oil supplied from supply chains compliant with RSPO/MSPO/ISPO by FYE 2026. We are promoting the construction of procurement and supply structures in light of industry trends and the situation in suppliers.
			Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will cultivate new producing areas. We will do this to expand employment and improve the living environment through diversification of producing areas in light of weather risks and through the development of local industries in our Dole business.	Aim for the start of the commercial production and export of pineapple processed foods in FYE 2022 by cultivating pineapples in Sierra Leone as the cultivation of a producing area followed by the development program in the Philippines.	We are promoting the expansion of a pineapple farm and the construction of a pineapple processed food manufacturing plant in Sierra Leone.
	Urban development in the Jingu Gaien district	Head-quarters	Rebuilding of our Tokyo headquarters by participating in the Jingu Gaien District City Area Redevelopment Project	We will strive to contribute to the community through the realization of prosperous complex urban development focused on sports, culture and communication.	Communicate appropriately with stakeholders and acquire permissions in the redevelopment study process.	Submit the necessary applications and acquire the necessary permissions (e.g., plan proposal, execution permission application and redevelopment execution permission).	We appropriately communicated with stakeholders in the examination of the redevelopment and conducted negotiations to obtain the necessary permissions. We plan to submit the application and acquire the permissions from FYE 2021 to FYE 2024.









Contribute to Healthier and More Enriched Lifestyles


Risks	Opportunities
<ul style="list-style-type: none"> ● Decline in credibility that would result from the occurrence of a problem related to the safety or health of consumers and service users. ● Impact on business of destabilization of the market or social security system based on policy change. And others. 	<ul style="list-style-type: none"> ● Increase in demand for food safety and security and health improvement. ● Expansion of information, financial and logistics services resulting from an increase in consumer spending or penetration of the Internet. And others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
	Promoting good health among people	Machinery Company	Sales of Cutting-Edge medical devices and provision of medical services	We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly.	Promote sales of advanced medical devices, such as MRI-guided radiation therapy systems, and the business of supporting the operation of designated regional cancer care hospitals.	Increase the penetration of advanced medical devices in Japan, such as MRI-guided radiation therapy systems.	Currently operating at National Cancer Center and Edogawa Hospital. More than 300 patients are treated including intractable cancer (ex. pancreatic cancer). Since the technology is promising, Edogawa Hospital is now upgrading the system, which expected to operate in December 2020. With joint research with the National Cancer Center, we are on the way to establish the standard procedure to cure intractable cancers.
		Energy & Chemicals Company	Pharmaceutical products	Contributing to the improvement of people's health and working environment through accelerating the development of pharmaceuticals and other products in fields with significant needs including cancer-related fields.	Actively promoting to support the development and marketing of new pharmaceutical and other products.	Aiming to obtain approvals in Asia and North America for new pharmaceutical and other products of which we are engaged in supporting the development, and to launch them into the market.	<ul style="list-style-type: none"> ● We started selling a non-absorptive liquid to protect against oral mucositis (a liquid that controls and relieves the pain of oral mucositis caused by chemotherapy or radiotherapy when treating diseases such as cancer) in group companies (from May 2018 in Japan, from July 2019 in China and scheduled for sale in the future in Korea). ● We started full-scale sales with FDA approval in North America of a pain reliever through group companies (from March 2018). ● We started the sale in China of a percutaneous absorption 5-HT3 receptor antagonist (therapeutic medication for nausea and vomiting during cancer treatment) (from March 2019). This drug has been newly listed as a treatment choice in the Guidelines for the Treatment of Nausea and Vomiting During Cancer Treatment (published by the Chinese Society of Clinical Oncology in June 2019).
		ICT & Financial Business Company	<ul style="list-style-type: none"> ● Support pharmaceutical development projects ● Business of providing health care management solutions for individuals 	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to improvement of people's Quality Of Life (QOL) by utilizing cutting-edge ICT tools.	We will optimize healthcare utilizing medical data.	<ul style="list-style-type: none"> ● Realization of new services and business development relating to medical data ● Expansion of existing business (number of people subject to health checkup data management to reach 1 million by the end of FYE 2021) 	<ul style="list-style-type: none"> ● With the interest to maintain and promote health continuing to grow in company employees, the number of persons subject to health checkup data management is steadily increasing. We expect this to reach 750,000 persons by the end of FYE 2020. ● We have carried out investments including, SaaS for dispensing pharmacies, dentistry-related data, genomic data and pharmaceutical data. We will contribute to improve the quality of life with highly efficient operations by utilizing the aforementioned data.
	Supplying safe, secure food	Food Company	Overall food-related businesses	We will select and concentrate on suppliers who are capable of manufacturing and supplying safe, secure food stably.	Increase the number of persons with international certifications/qualifications related to audit the Food Safety Management System (FSMS) to enhance the capability of human resources for selecting suppliers.	Promotion of the appropriate appointment of the auditors in each sales division under the guidance of the ITOCHU food safety management organization.	The number of people who have acquired the assistant auditor increased by one in FYE 2020. We plan to increase this by two people in FYE 2021. We expect the total number of qualified persons over our entire group to reach nine.
	Maintenance of industrial, logistics, and transportation infrastructure	ICT & Financial Business Company	ICT infrastructure construction business	We will contribute to realize safe secure, and highly convenient social infrastructure through providing various ICT solutions.	Continue to enhance the value of ICT solutions with maximizing new product/service sourcing functions.	Increase the number of procurement partners.	We have newly located seven sourcing companies which provide ICT solutions and RPA to reinforce information security this fiscal year (e.g., in systems management field).
	Providing financial services	ICT & Financial Business Company	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.	Increase the number of customers and loan balance.	<p>We have started new efforts in retail finance business in the Philippines and the P2P lending business in Indonesia since the previous fiscal year. We have improved the number of customers and loan balance, which are also our KPI in our other existing businesses.</p> <p>Growth Rate of Outstanding Lendings: (Changes from end of December 2018 to end of December 2019)</p> <ul style="list-style-type: none"> ● UAF: 107% ● EasyBuy: 106% ● FRF: 114% ● ACF: 722% *Operations initiated in FYE 2019 ● PDP: 481% *Operations initiated in FYE 2019
	Energy use that takes into consideration local communities and the environment	Head-quarters	District heating and cooling	We will promote efforts toward environmentally friendly regional energy use.	Communicate appropriately with neighboring stakeholders in the Jingu Gaen district.	Submit a plan proposal that gives our specific energy plan in the redevelopment to the Tokyo Metropolitan Government.	We started discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.
		Energy & Chemicals Company				Maintain the stable operations of district heating and cooling in the Jingu Gaen district and promote the spread of it to neighboring areas.	We have started discussions with the relevant stakeholders to spread and promote district heating and cooling to neighboring areas.

Ensure Stable Procurement and Supply


Risks	Opportunities
<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. And others. 	<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. And others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
	Stable supply of industrial resources and materials	Textile Company	Environmentally friendly materials (sustainable materials) such as recycled fibers	We will accelerate initiatives for the recycled fiber business, not only to create new businesses but also to help solve the global problem of apparel waste and reduce petroleum-derived materials.	Work aggressively on the recycled fiber business and lead the industry in promoting the use of sustainable materials.	Commercialize the recycled fiber business as soon as possible. Increase the ratio of sustainable materials to materials we trade.	We strengthened the supply chain from raw materials to products with a focus on sustainable raw materials. We launched the RENU project and are currently expanding the marketing of recycled polyester globally.
		Metals & Minerals Company	Mining business	We will contribute to the stable operation of various industries by maintaining and developing reliable supply chains for essential raw materials and fuels.	Acquire equity interests in superior projects to secure resources to form the basis for the steady supply of raw materials and fuels.	Acquisition of superior resource projects to pass on to the future generations, in addition to maintaining and expanding our existing portfolio of highly resilient mining projects.	<ul style="list-style-type: none"> ● For the purpose of acquiring superior interests that will lead to the next generation, we have decided to invest in the Longview coking coal mine in the U.S. owned by North Central Resources, LLC. ● This coal mine will produce high-quality coking coal at strong cost competitiveness.
	Provision of commodities that help achieve a sustainable lifestyle	Textile Company	Brand marketing business	We will contribute to increasing the visibility of a sustainable lifestyle by taking advantage of our strengths as a marketing company.	Raise awareness of an ethical, sustainable lifestyle through brand business, thereby promoting awareness-raising not only in the overall industry but also among consumers.	FYE 2021 : Take initiatives with new brands. Have a sustainable lifestyle understood and instilled more widely.	We have not entered into a contract with a new brand. However, we have realized cases using the fabric of FOOD TEXTILE that reuses ingredients scheduled to be discarded as dyes in our main brand of CONVERSE shoes.
	Efforts leading to solutions to social problems	Energy & Chemicals Company	Plastic-related environmental response	We will aim to establish a recycling and reuse model.	We will supply recycled resin in collaboration with brand owners.	Establishment of a recycling program and sales of recycled resin.	* Because of new commitment, review will be conducted from the next fiscal year.
	Using sustainable forest resources	General Products & Realty Company	<ul style="list-style-type: none"> ● Wood products & materials ● Pulp ● Woodchips 	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases.	<ul style="list-style-type: none"> ● Continue to request suppliers who have yet to obtain certifications to obtain them. ● Conduct sustainability surveys of suppliers and visit them. 	FYE 2026: Aim to achieve a rate of 100% for certified or under high-level management materials that we handle.	<ul style="list-style-type: none"> ● Wood products & materials: We are continuing to encourage and review suppliers. We established a path to achieving ahead of schedule a rate of 100% for certified or under high-level management wood products & materials that we handle in FYE 2021. ● Pulp and woodchips: We achieved a rate of 100% for certified or under high-level management materials that we handle.
 	Realization of sustainable supply of natural rubber	General Products & Realty Company	Natural Rubber	We shall use our best efforts to establish measures to identify any suppliers developing on High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland, in order to avoid procuring rubber from them.	We will establish a traceability system to make uncertain raw material procurement supply chain transparent.	We aim to procure raw materials with traceability and sustainability ensured in natural rubber processing business.	We are developing a traceability system using blockchains. We plan to introduce this around the second quarter of FYE 2021.
 	Establishing a supply chain reflecting consideration for human rights and the environment	Textile Company	Supply chain management	We will promote information-sharing in the overall Group and establish a safe, secure supply chain, thereby helping customers with risk reduction and contributing to sustainable economic development.	Make Group-wide efforts to review the social and environmental safety of the supply chain and make improvements as necessary, thereby promoting the establishment of a safe, secure commodity supply system.	FYE 2024: Establish and visualize the supply chain of the overall Group, from material procurement to sales, to ensure a responsible procurement policy.	We implemented this in 50 companies in Southwest Asia (e.g., Vietnam and Indonesia) compared to the 80 companies that was our target in FYE 2020. Separately, we conducted a fact-finding investigation questionnaire on the status of compliance with the Labor Standards Act and Industrial Safety and Health Act for foreign technical intern trainees in 211 sewing plants in Japan.
 	Sustainable mine development that reflects consideration of the risks in occupational safety and health and environmental risks, and that contributes to local communities	Metals & Minerals Company	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 we 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. ● 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. ● Donations to medical care, education and build infrastructure in local communities. 	<ul style="list-style-type: none"> ● We held internal EHS (Environment, Health and Safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. ● We checked the proper compliance to the EHS guideline by one new project and eight existing projects in our mining business, and also by one another resource-related project. ● We carried out activities that contribute to the local community as part of each project we invest in. ● As a special initiative, our Australian subsidiary, ITOCHU Minerals & Energy of Australia Pty. Ltd., together with other local group companies, contributed A\$200,000 in total to the Australian Red Cross Society as support to recover from the damage caused by the Bushfires.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
 	Establishing a supply chain reflecting consideration for human rights and the environment	Food Company	Provisions field	<p>We will develop a procurement structure compliant with third-party body certification and supplier-specific codes of conduct.</p>	<ul style="list-style-type: none"> ● We will promote procurement compliant with supplier-specific codes of conduct in coffee 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 compliant with supplier-specific codes of conduct in our bases in producing areas in cooperation with suppliers. ● Palm oil: Promotion of progress information disclosure upon also clarifying the KPI indicators by publishing our procurement policy. 	<ul style="list-style-type: none"> ● We are currently giving guidance to producers in each producing area country to meet the certification standards. The aim of this is to expand transactions for certified coffee beans (e.g., those of the Rainforest Alliance and C.A.F.E Practice). ● We have published our procurement policy with our started target of switching all the palm oil we procure to sustainable palm oil supplied from supply chains compliant with RSPO/MSPO/ISPO by FYE 2026. We are promoting the construction of procurement and supply structures in light of industry trends and the situation in suppliers.
			Fresh food field	<p>We will contribute to increased employment and an improved living environment by fostering local industries.</p>	<p>We will cultivate new producing areas. We will do this to expand employment and improve the living environment through diversification of producing areas in light of weather risks and through the development of local industries in our Dole business.</p>	<p>Aim for the start of the commercial production and export of pineapple processed foods in FYE 2022 by cultivating pineapples in Sierra Leone as the cultivation of a producing area followed by the development program in the Philippines.</p>	<p>We are promoting the expansion of a pineapple farm and the construction of a pineapple processed food manufacturing plant in Sierra Leone.</p>

Maintain Rigorous Governance Structures

Risks	Opportunities
<ul style="list-style-type: none"> ● Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control, and others. 	<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, and others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
	Ensuring compliance	Head-quarters	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"> ● Registered with the Whistleblowing Compliance Management System (self-declaration of conformity) on April 10, 2019. ● We monitored all ITOCHU Corporation for bribery and corruption in July and August 2019. We confirmed the application status under the Public Officer and Foreign Public Officer Guidelines, Business Partner Guidelines and Investment Guidelines based on certificates. We found no major problems as a result of that. ● We conducted compliance attitude survey on 57,781 employees in ITOCHU Corporation and group companies in August and September 2019. The number of employees subject to this survey increased by approximately 14,000 compared to the previous survey (FYE 2018). The response rate was 94.9%. This exceeded the response rate for the previous survey (93.4%). ● We provided e-learning on dealing with bribery and corruption and organized crime for ITOCHU Corporation employees (January 31 to February 29, 2020). ● The situation concerning the implementation of training tours in FYE 2020 is as follows. For ITOCHU Corporation : Implemented 53 times with 2,198 attendees For ITOCHU group companies (implemented in 84 companies): Implemented 195 times with 10,715 attendees
	Maintaining and reinforcing a governance system for achieving sustainable growth	Head-quarters	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.	<p>(1) The diversity of the Board of Directors (always a one third or higher percentage of outside Directors; currently four out of 10 Directors) and the ratio of women (ratio in the previous fiscal year + 10%; currently two out of 10 Directors) have improved.</p> <p>(2) We have increased the number of independent outside members of the Board of Directors and outside Audit & Supervisory Board Members in the Nomination Committee to a majority (four out of seven members; +7.1% compared to the previous year). (Four out of eight Directors: 50% → Four out of seven Directors: 57.1%)</p> <p>We have almost completed the strengthening of governance in structural terms with the implementation of (1) and (2). From the next fiscal year onward, we will monitor the implementation of our Policy on the Governance of its Listed Subsidiaries formulated in this fiscal year and also deal with listing problems involving ITOCHU and our subsidiaries.</p>
			Risk management	We will build a system for group risk management and maintain it to manage the risk of loss and ensure the appropriateness of our corporate group's operations.	Conduct regular reviews of risk management systems that have been established, including internal committees and risk management departments, various rules and regulations, reporting and monitoring systems, as well as the effectiveness of such systems.	Maintain a firm governance system in the medium- and long-term by establishing a PDCA cycle, including development and implementation of action plans by the departments responsible for risk management, and monitoring and reviews by internal committees.	<ul style="list-style-type: none"> ● We reviewed the progress situation for the action plans in the first half of 2019 with each department responsible for risk management. The Global Risk Management Division assembled and made a report to the Internal Control Committee in October 2019 to the effect that the risk management structure is functioning. This includes the response to events that occurred during the applicable period. It obtained approval for the report from the committee. ● We reviewed the progress of the second half of FYE 2020 and the action plans of FYE 2021 at the meeting of Internal Control Committee in April 2020 and obtained approval from the committee.

SDGs (Sustainable Development Goals)



Goal 1. End poverty in all its forms everywhere



Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Goal 3. Ensure healthy lives and promote well-being for all at all ages



Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Goal 5. Achieve gender equality and empower all women and girls



Goal 6. Ensure availability and sustainable management of water and sanitation for all



Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all



Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Goal 10. Reduce inequality within and among countries



Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable



Goal 12. Ensure sustainable consumption and production patterns



Goal 13. Take urgent action to combat climate change and its impacts



Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Initiatives: Sustainability Advisory Board

FYE 2020 Sustainability Advisory Board

Overview

The Sustainability Advisory Board convened at Tokyo headquarters on December 6 to hold a dialog on sustainability issues between the ITOCHU Corporation management and outside stakeholders. The Sustainability Advisory Board was established to engage outside stakeholders in a dialog to determine whether the direction we are taking with regards to sustainability is aligned with the needs of society as ITOCHU Corporation's business grows more diverse and widespread, and then to apply the insights to promoting sustainability.

In FYE 2020, we welcomed three experts on the latest trends in the international community concerning circular economy to address the theme of "Sustainable Business Direction in a Circular Economy" from different perspectives of industry, academia and government. In a frank exchange of ideas, they offered candid advice based on the business' impact on society and trends at other companies. One of the comments received referred to the expectation of "the Japanese society to have a leading general trading company like ITOCHU to build a new business style promoting coexistence with society." We value the opinions of the experts and all the participants and hope to reflect them in our efforts to further advance sustainability on a company-wide basis.



Sustainable Business Direction in a Circular Economy

- Sustainability Advisory Board Members (Job Titles at the Time)
 - 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.
- ITOCHU Members (Job Titles at the Time)
 - Fumihiko Kobayashi Member of the Board, Senior Managing Executive Officer, Chief Administrative Officer
 - Noriya Hashimoto General Manager, Planning & Administration Department, Textile Company
 - Tatsuya Hirano General Manager, Planning & Administration Department, Machinery Company
 - Yoshihiko Ogura General Manager, Planning & Administration Department, Metals & Minerals Company
 - Isao Nakao General Manager, Planning & Administration Department, Energy & Chemicals Company
 - Kuniaki Abe General Manager, Planning & Administration Department, Food Company
 - Tsutomu Yamauchi General Manager, Planning & Administration Department, General Products & Realty Company
 - Tadayoshi Yamaguchi General Manager, Planning & Administration Department, ICT & Financial Business Company
 - Tetsuya Mukohata Manager, Planning & Administration Section, The 8th Company
 - Yoshihito Tabe General Manager, Sustainability Management Department (served as Moderator)

FYE 2020

FYE 2019	<p>Climate Change</p> <ul style="list-style-type: none"> ● Sustainability Advisory Board Members (Job Titles at the Time) <ul style="list-style-type: none"> • Mr. Kenichi Suganuma Ambassador Plenipotentiary and Extraordinary (in charge of climate negotiations), Ministry of Foreign Affairs • Mr. Tsuyoshi Mizuguchi Professor of Economics, Takasaki City University of Economics • Mr. Hidemi Tomita Director, Lloyd's Register Japan K.K.
FYE 2018	<p>Review of Material Sustainability Issues (Materiality) External Environment Related to Sustainability and Promotion of Sustainability by ITOCHU</p> <ul style="list-style-type: none"> ● Sustainability Advisory Board Members (Job Titles at the Time) <ul style="list-style-type: none"> • Ms. Mariko Kawaguchi Senior Researcher, Daiwa Institute of Research Holdings Ltd. • Mr. Takeshi Shimotaya Managing Director, Sustainavision Ltd. • Mr. Hidemi Tomita Director, Lloyd's Register Japan K.K.

Initiatives: Sustainability Awareness Activities at ITOCHU

While pursuing sustainable activities, ITOCHU raises awareness within the Company so as to further ITOCHU Group employees' understanding and to apply solutions to social issues in our business in a manner that conforms to the latest global trends.

Raising Awareness with "ITOCHU Monthly"

"ITOCHU Monthly," our in-house magazine issued every month in three languages (Japanese, English and Chinese) presents information, terminology and initiatives relating to sustainability. There is also an annual feature on sustainability to further embed sustainable practices at the company.



Sustainability Test and Employee Questionnaire

The online Sustainability Test and Employee Questionnaire are conducted every year for all ITOCHU Corporation executives and employees worldwide to further spread sustainability in the company and gauge our awareness of the subject.

	Theme	Participation
FYE 2019	"ESG – Climate Change Response, Business & Human Rights"	99.9%
FYE 2018	"ITOCHU's Further Growth – ESG Investment"	99.5%
FYE 2017	CSR in the New Era for the Sogo Shosha	99.8%

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

For the sustainability seminar on "Business and Human Rights" on December 13, we invited Japan NGO Center for International Cooperation (JANIC) Secretary-General Hideki Wakabayashi and Lloyd's Register Japan K.K. Director Hidemi Tomita. During the first session, Mr. Wakabayashi gave a keynote address in which he shared discussions at the UN Forum on Business and Human Rights that convened in Geneva at the end of November 2018. In the second session, Messrs. Wakabayashi and Tomita joined a lively panel discussion guided by questions on issues people face in business settings to consider how trading houses operating worldwide should handle human rights issues. Holding the seminar provided a fine opportunity to reexamine the responsibilities our company should uphold in each of our businesses.



The Panel Discussion

FYE 2019	Business and Human Rights (in the Supply Chain)
FYE 2018	Business and Human Rights (Development)
FYE 2017	What Companies and Consumers Can Do to Create a Sustainable Society
FYE 2016	Global Initiatives and Innovations to Implement Bold Global Warming Countermeasures
FYE 2015	Running a Business to Solve Global Issues

Initiatives: The United Nations Global Compact

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, the environment and anti-corruption.

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



The Ten Principles of the United Nations Global Compact

Human Rights	<ul style="list-style-type: none">● Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and● Principle 2 make sure that they are not complicit in human rights abuses.
Labour	<ul style="list-style-type: none">● Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;● Principle 4 the elimination of all forms of forced and compulsory labour;● Principle 5 the effective abolition of child labour; and● Principle 6 the elimination of discrimination in respect of employment and occupation.
Environment	<ul style="list-style-type: none">● Principle 7 Businesses are asked to support a precautionary approach to environmental challenges;● Principle 8 undertake initiatives to promote greater environmental responsibility; and● Principle 9 encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	<ul style="list-style-type: none">● Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Work with Global Compact Network Japan

ITOCHU Corporation is the corporate director of Global Compact Network Japan (GCNJ), the local network for the United Nations Global Compact in Japan. Our proactive participation in this work also includes sending employees to provide assistance with their activities. The GCNJ learns from other companies' practices and academics, and also consists of subcommittees for deliberations and exchanging ideas on specific topics concerning approaches and initiatives for sustainability. In FYE 2020, ITOCHU participated in the following subcommittees.

- ESG Subcommittee
- Environmental Management Subcommittee
- Supply Chain Subcommittee

Other Sources of Reference

When advancing sustainability, we refer to the following kinds of international guidelines and principles, such as the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015.

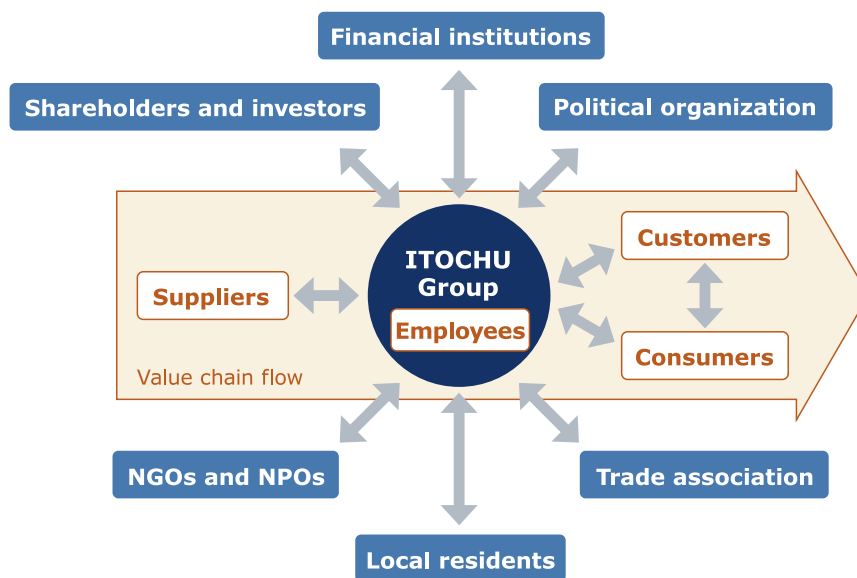
- United Nations Global Compact (participant)
- GRI Guidelines
- UN Declaration of Human Rights
- International Integrated Reporting Council (IIRC)
- UN Guiding Principles on Business and Human Rights
- Keidanren: Charter of Corporate Behavior
- Sustainable Development Goals (SDGs)*
- Japan Foreign Trade Council: "Shosha's Corporate Environmental Code of Conduct," "Supply Chain CSR Action Guidelines"
- Declaration on the Rights of Indigenous Peoples
- CDP
- Basic Principles on the Use of Force and Firearms by Law Enforcement Officials
- OECD Guidelines for Multinational Enterprises
- ISO 26000

* 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.

Stakeholder Relations

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.



* Besides those noted above, the list of our major stakeholders includes many other parties.

Stakeholders	Main Methods of Dialogue
Suppliers, Customers, and Consumers	Provision of information through the Annual Report and official website Notification of Sustainability Action Guidelines for Supply Chains Quality control and Sustainability Surveys on supply chains Contact for inquiries
Shareholders, investors, and financial institutions	General meeting of shareholders Investors meeting on business results Provision of information through the Annual Report and official website Response to investigations and ratings performed by socially responsible investors Debt IR
Political organization, trade association	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	Social contribution activities and volunteer activities Stakeholder dialogue Dialogue with residents of areas around project sites Regular communication with NGOs and NPOs
Employees	Provision of information via the intranet and in-house magazines Communication via training sessions and seminars Provision of career counseling Establishment of a 24-hour employee consultation desk system Implementation of employee awareness surveys Labor-management meetings (including management meetings and settlement of accountings meetings) General employee meetings at each company

Reference Data FYE 2020: The Expense of Trade Association and Social Contribution

(Unit: 1 million yen)

Trade association	63	Social contribution (donation)	109 (108)
Economic association	151		
Political association	30		
Other association	114		
Total	358		



Environment

Policy and Basic Concept

ITOCHU Group Environmental Policy

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

(1) Compliance with Laws and Regulations

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

(2) Response to Climate Change

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

(3) Environmental Pollution Prevention

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

(4) Promotion of Resource Circulation

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

(5) Conservation and Effective Use of Water Resources

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

(6) Biodiversity Conservation

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

(7) Transparency

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

April 2020

Fumihiko Kobayashi

Member of the Board

Senior Managing Executive Officer

Chief Administrative Officer

Environmental Management

Policy and Basic Concept

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

We believe that sustainable corporate growth cannot be achieved without consideration for global environmental problems. Therefore, we established the Global Environment Department in 1990 ahead of other trading companies. We then formulated ITOCHU's Activity Guidelines on the Environment in 1993 (revised to the ITOCHU Environmental Policy in 1997).

We are ensuring compatibility of both offense and defense — offense to promote environment conserving business and defense to take a precautionary approach to environmental risks — based on this policy. The aim of this is to fulfill our corporate mission of "*Sampo-yoshi*." We are also engaged in global corporate management and activities with a constant awareness of global environmental problems. This comes from a perspective of wondering what we can leave to the next generation in addition to contributing to the good of the current generation.

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

Please find the ITOCHU Group Environmental Policy at P32.

Targets

Targets and Achievements by Item in FYE 2020

We set environmental goals we will tackle in the medium term for environmental management. Upon that, we set concrete targets and review achievements based on those every fiscal year.

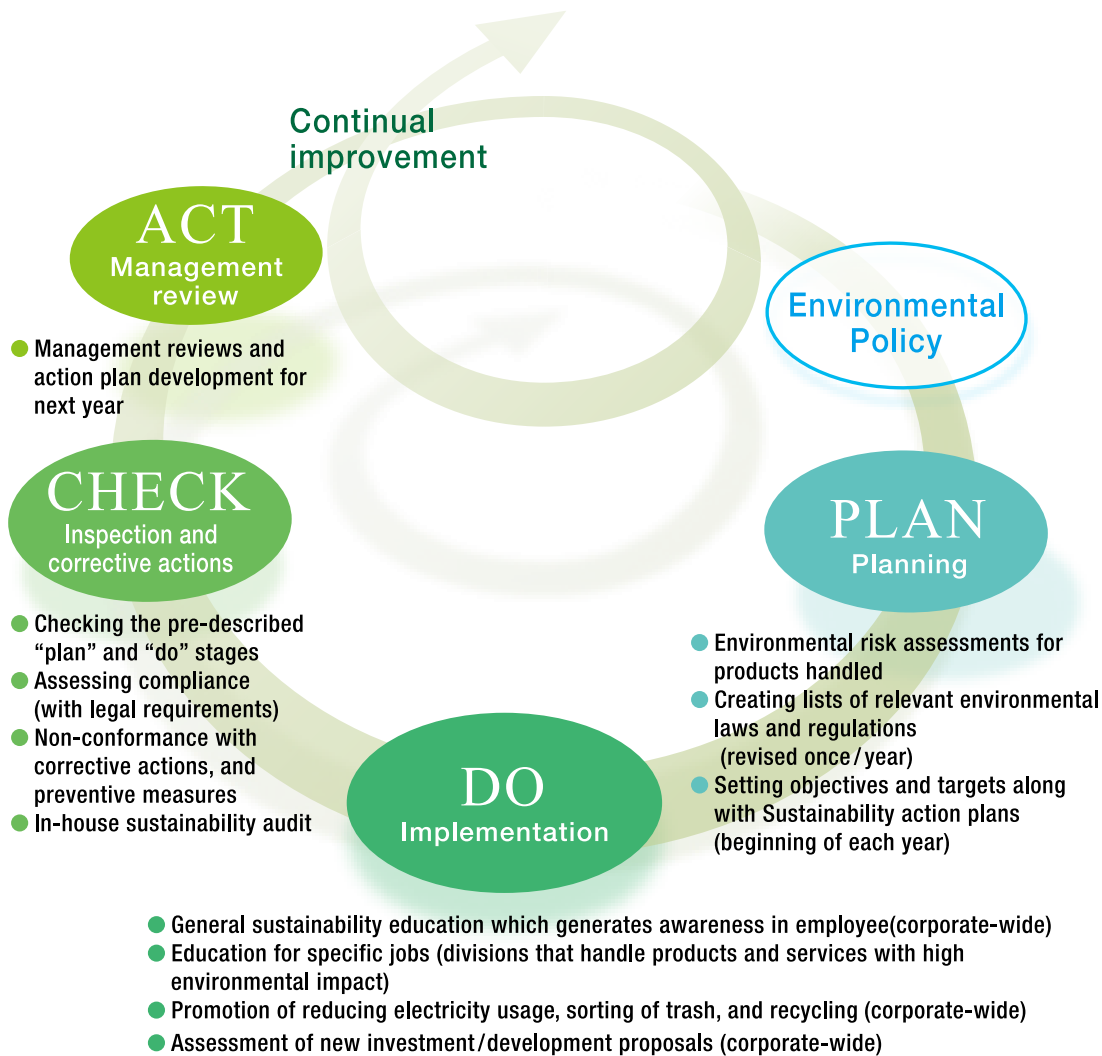
Item	FYE 2020 Environmental Target	Review	Content Implemented in FYE 2020
Prevention of environmental pollution and compliance with laws and regulations	To ensure thorough company-wide utilization of advance environmental risk assessments and the ESG Checklist for Investments when investing. To strengthen risk management awareness over the entire supply chain with environmental risk assessments by product and to ensure their thorough company-wide utilization.	○	We performed advance environmental risk assessment with the ESG Checklist for Investments in all investment projects. (The assessment items also include the energy consumption and CO ₂ emissions situation.) The 33 check items conform to the core subjects of ISO26000 (Guidance on social responsibility). We gave feedback on ESG aspects to the departments making the applications for all investment projects. (We gave comments on 99 projects in FYE 2020.)
	To promote initiatives to improve the management level by checking the environmental management system, compliance and environmental performance situation through internal audits.	○	We conducted internal audits on 49 departments (including in the form of a self-check for 12 departments). We checked the environmental management system operation, compliance and environmental performance management situation. We then gave advice.
	To select group companies and then perform visits and surveys on their environmental management situation.	○	We visited and surveyed 2 group companies and gave them a variety of advice. We implemented improvements on-site.

Item	FYE 2020 Environmental Target	Review	Content Implemented in FYE 2020
Promotion of environmental conservation activities	To expand the scope of things to be understood (e.g., energy emissions) in overseas local subsidiaries and major Japanese and overseas subsidiaries.	○	We collected and disclosed information from 30 overseas branches (including local subsidiaries), 220 group companies in Japan and 282 overseas group companies.
	To set and review targets according to the Sustainability Action Plan. (To promote at least one target in each company and branch.)	○	We planned, implemented and reviewed the respective environmental conservation activities in all company divisions and branches.
Coexistence with society	To provide cooperation to local companies and governments for environmental conservation activities. (To provide cooperation in at least one case in each branch.)	○	Branches held events and volunteer activities in cooperation with local companies and governments.
Promotion of awareness activities	To give and promote learning with seminars, tours, basic ESG education and education for personnel with specific duties for ITOCHU and group company employees.	○	We gave basic education about sustainability (May to September / 3,280 participants) and education for personnel with specific duties (June to December / 410 participants).
	To give and promote learning with workshops on the Waste Management and Public Cleansing Law and Soil Contamination Countermeasures Act for ITOCHU and group company employees.	○	We gave e-learning "Promoting Global Sustainability in ITOCHU Group 2019" for expatriates and some national staff (December 2019 to February 2020 / 1,051 trainees).

* ○ : Implemented △ : Partially implemented × : Not implemented

Structures and Systems

ITOCHU was the first trading company to introduce an environmental management system (EMS) based on ISO14001 in 1997 to strive for continuous improvement. This system seeks to comply with environmental related laws and regulations, to take a precautionary approach to environmental risks (including those relating to climate change) and to promote environment conserving businesses. Specifically, we recognize that our business activities can have an impact on the global environment and so are looking to take a precautionary approach to environmental risks. To that end, we have built a mechanism to assess in advance the impact in regards to new investments in particular together with the products we handle. It is a system in which we formulate targets for items in terms of both offense and defense every year. These items relate to a precautionary approach to environmental risks, environment conserving businesses, saving energy, saving resources, CO₂ emissions reduction and other climate change related risks. We then assess and analyze the progress situation. Finally, we move through the PDCA cycle to reliably achieve our targets. Through this, we operate and manage our targets.



Environmental Management Structure

We have reorganized and integrated our environmental management structure into a structure to promote sustainability since April 2018. This has led to the establishment of a new structure to promote sustainability. You can find this from P9.

- Group companies subject to the environmental management system of ITOCHU Corporation: ITOCHU Automobile Corporation, ITOCHU Metals Corporation, and ITOCHU Taiwan Corporation
- Number of companies in ITOCHU Group that have acquired ISO14001 certification: 79 out of 554 companies (14% of the entire group).
- Number of business sites in ITOCHU Group that have acquired ISO14001 certification: 696 out of 3,819 business sites identified (18% of the entire group).

External Audits

We undergo an ISO14001 certification review every year by the BSI Group Japan K.K. (BSI). In FYE 2020, we underwent a maintenance review. (We undergo a maintenance review in the first and second years and then a renewal review in the third year; this cycle then repeats). This review led to the maintenance of our certification.

Internal Audits

We conduct internal sustainability audits every year based on ISO14001. In FYE 2020, we audited all 49 departments (including in the form of a self-check for 12 departments). Members of the Sustainability Management Department constitute the audit team and conduct them with emphasis on compliance audits. The implementation of internal sustainability audits over half a year leads to a precautionary approach to environmental risks.

Environmental Accounting

Environmental Conservation Costs

The environmental conservation costs in all offices in Japan of ITOCHU in FYE 2020 are as follows.

(Unit: 1,000 yen)

Classification	Amount
Costs inside business areas	1,269,592
Up/downstream costs	9,912
Management activity costs	126,871
Research and development costs	500
Social activity costs	4,854
Costs to address environmental damage	13,221
Total	1,424,950

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

Scope of Calculation: All domestic branches

Target period: April 1, 2019 to March 31, 2020

Environmental Conservation and Economic Effects

The environmental conservation effect and economic effect of our paper and electricity consumption and the volume of waste we discard in ITOCHU in FYE 2020 is as follows.

	Environmental Conservation Effects	Economic Effects (Unit:1,000JPY)
Paper Usage	3,798,000sheets	5,393
Electricity Usage	256,000kWh	21,494
Waste Emissions	-87t	-434
Water Usage	3,296m ³	1,538

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

Scope of Calculation: Paper and Water Usage - Tokyo Headquarters building, Electricity Usage, Waste Emissions - All of domestic branches.

Understanding the Situation of Our Environmental Obligations

We do not limit ourselves to just supporting statutory requirements in regards to the environmental risks in the tangible fixed assets (e.g., land and buildings) of ITOCHU alone and our group companies — in particular, asbestos, PCB and soil contamination; we also look to understand the situation through surveys voluntarily and then aim to respond in a way that is helpful to prompt management policy decisions and judgments. We again promoted the sharing of relevant information through various training programs (P38), such as an Environmental and Social Risk Response Seminar, in FYE 2021.

Initiatives

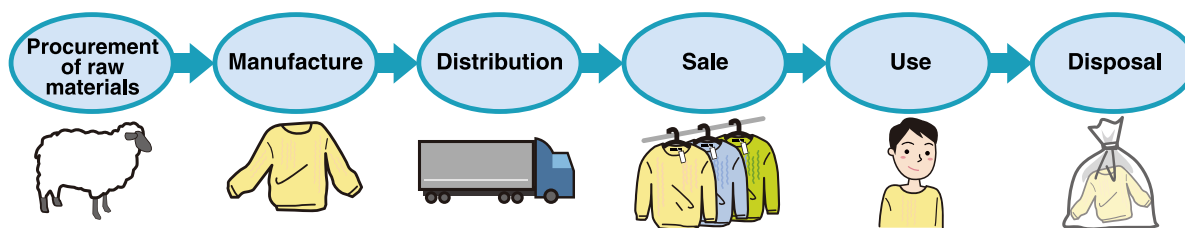
Reduction of Environmental Risks in the Supply Chain

We recognize that the business activities over our entire group can have an impact on the global environment. Accordingly, we are working on activities aimed at taking a precautionary approach to environmental risks for group employees. This is addition to the environmental risk assessments for the products handled by ITOCHU.

Environmental Risk Assessments for the Products We Handle

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

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



Investigations into the Actual Conditions in Group Companies

We have continued to visit and investigate group companies since 2001. The aim of this is to prevent environmental pollution by these group companies. We analyze about 200 companies with a relatively high impact and burden on the global environment from among our group companies. We then conduct investigations into the actual conditions on approximately 10 companies a year. We have investigated a total of 285 offices over the past 19 years up to the end of FYE 2020. We assess companies in these investigations by investigating their factory and warehouse facilities, their situation of drainage to rivers, and their compliance with environmental laws and regulations in addition to holding a question and answer session with their management.

Environmental Risk Assessments on New Investment Projects

We assess in advance the impact on society and the environment by and conditions of corporate governance of business investment projects in Japan and overseas engaged in by ITOCHU and our Japanese subsidiaries. We do this with the ESG Checklist for Investment consisting of 33 items (The assessment items include the energy consumption and CO₂ emissions situation related to climate change risks). During FYE 2020, there were 99 applications of ESG Checklist. We make requests to external specialist organizations to conduct investigations in advance for projects requiring a professional point of view. The project is then only undertaken upon confirming that there are no problems in the results of those investigations.

Inquiries from Inside and Outside the Company and Our Response to Them

In FYE 2020, we received a total of 69 inquiries from outside parties, including 6 from government authorities, 16 from companies (Business partners: 4, media: 3, finance: 8, others: 1), 6 from industry associations, 12 from NGOs, and requests for ISO14001 certification from 29 business partners. There were no environmental related accidents, troubles or lawsuits in our company. Meanwhile, the contents of consultations from in the company and group companies were responded appropriately for such cases related Waste Management and Public Cleansing Law and Soil Contamination Countermeasures Act.

ITOCHU Europe Green Finance Framework

As the regional headquarters of ITOCHU's operation in Europe, ITOCHU Europe Plc (ITOCHU Europe) published its Green Finance Framework in March 2019 and raised its first green loan of EUR150Million from Mizuho Bank and ING Bank through ITOCHU Treasury Centre Europe Plc, ITOCHU's group finance vehicle for Europe and the Middle East. This is the first green finance procured by any of the Japanese trading houses (so-called "Sogoshosha"). ITOCHU Europe Green Finance Framework was supported by ING, which acted as a Green Structuring Advisor, and was independently reviewed by Sustainalytics.

The ITOCHU Europe Green Finance Framework highlights how the activities of ITOCHU Europe are supporting two of the SDGs, namely "Goal 7: affordable and clean energy" and "Goal 12: responsible consumption and production." These consist of material sustainability issues identified by ITOCHU at group level.

ITOCHU Europe, together with ITOCHU group companies in the region, aims to achieve growth by expanding our sustainable business in such ways as developing and introducing new technology for environmentally friendly materials, deploying sophisticated technology to save energy, and investing in energy efficient and/or renewable energy projects.

- ITOCHU Europe's Sustainability (<https://www.itochu.com/uk/en/sustainability/>)
- ITOCHU Europe Green Finance Framework (https://www.itochu.com/uk/en/sustainability/__icsFiles/afieldfile/2020/08/13/ITOCHUEurope_GreenFinanceFramework202007clean.pdf)
- Sustainalytics second-party opinion (https://www.itochu.com/uk/en/sustainability/__icsFiles/afieldfile/2019/05/30/ItochuEUROPEGreenBondFrameworkSecondPartyOpinion_29052019.pdf)

Environmental Education and Awareness

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

— Seminars and Training Sessions

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

List of Environmental Seminars and Training Programs Held in FYE 2020










Title	Dates	Main Targets	No. of Participants
Group ESG Managers Conference	April 2019	Group ESG managers	51
Basic Education about Sustainability	May to September 2019 Total of 49 times	Employees and group company employees	3,280
Education for Personnel with Specific Duties	June to December 2019 Total of 26 times	Employees and group company employees	410
e-learning	December 2019 to February 2020	Expatriates and some national staff	1,051

— Sustainability Seminar

Please check Sustainability Awareness Activities at ITOCHU (P25-26) for details.

Climate Change

Action Plan

Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company							
Address climate change (contribute to realization of low-carbon society)	 	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.	We achieved a renewable energy rate of 12.5% through capital alliances with Winch Energy, which is a company in the U.K. that is involved in small-scale solar power generation and distribution systems in non-electrified areas such as Africa, and VPP Japan, which is a company involved in the solar distribution power business in Japan.
			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.	1) We have been participating in a small electric truck demonstration experiment since January 2019 in Japan. 2) We are deepening efforts with two companies into which we invested in FYE 2019 in China where electric vehicles are spreading rapidly - Dishangtie Car Rental, an electric commercial vehicle rental and maintenance service, and Zhicheauto Technology (Singulato Motors), an emerging electric vehicle manufacture. 3) We have invested in a ride sharing service called Via (2019). This is a convenient and cost-effective means of transportation. At the same time, it also contributes to alleviating urban congestion and reducing CO ₂ emissions.
Metals & Minerals Company							
Address climate change (contribute to realization of low-carbon society)	 	Taking countermeasures against climate change	<ul style="list-style-type: none">● Mining business● Environmental business● Material-related business	<ul style="list-style-type: none">● We will realize stable energy supply as our social mission and responsibility while fully considering its environmental impact.● We will contribute to reducing greenhouse gases through businesses related to lighter-weight vehicles and Electric Vehicles (EVs).	<ul style="list-style-type: none">● Continue to be involved in the development of technologies that contribute to the reduction of greenhouse gases emissions, including technologies for carbon dioxide capture and storage (CCS) and carbon dioxide capture and utilization (CCU).● Aim to develop an appropriate portfolio of coal assets by fully considering its environmental impact.● Strengthen initiatives in businesses that contribute to the development of lighter-weight vehicles and shift to EVs (aluminum, copper, and other businesses).	<ul style="list-style-type: none">● Contribution to the development of a low-carbon society by committing to technologies that help reduce greenhouse gases emissions.● Development of an optimal asset portfolio by fully considering social requirements, including those related to the shift to a low-carbon society.● Implementation and expansion of businesses that contribute to developing lighter-weight vehicles and shifting to EVs.	<ul style="list-style-type: none">● We are working to start an overseas demonstration project to culture Euglena together with euglena Co., Ltd. This project will help promote Carbon dioxide Capture and Utilization (CCU) technologies.● This project has potential to be applied over existing thermal power plants and manufacturing plants that emit carbon dioxide and is expected to be rolled out to a wide range of industries.● We have properly reviewed our asset portfolio to see if it is duly in line with our policy announced in February 2019 (1) not to acquire any new thermal coal mining interest and (2) regarding the existing thermal coal mining business, we will continue to review it and contribute to the development of a sustainable society while responding to the social demands of stable supply of energy to domestic and overseas customers.● As a result of the review, following on from the sale of our interests in the Rolleston thermal coal mine in the previous fiscal year, we have concluded this year an agreement for acquiring the interests in a new coking coal mine (Longview coking coal mine) in December 2019.● The amount of transactions for aluminum castings/die-cast materials for vehicles has increased by 10% in FYE 2020 over FYE 2019, contributing to the development of light-weight vehicles.
Energy & Chemicals Company							
Address climate change (contribute to realization of low-carbon society)		Taking countermeasures against climate change	Oil & Gas LNG (Liquefied Natural Gas) Projects	Development and production of natural resources with consideration in the reduction of greenhouse gases.	Partnering with experienced operators with high technical strength in the development and production of natural resources.	Pursuing opportunities to take part in LNG projects (i.e. LNG or natural gas emits less greenhouse gases than the other fossil fuels).	We are holding concrete discussions with regards to participation in new LNG projects.
		Efforts to optimally and continuously supply renewable energy	Storage battery related power and environmental solutions	<ul style="list-style-type: none">● We will continue to stably supply the storage batteries that are the key to the efficient and optimal utilization of renewable energy.● We will aim to strengthen our storage battery business chain and establish a circular model through the battery recycling business in particular.	We will continue to sell storage batteries 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	* Because of new commitment, review will be conducted from the next fiscal year.
Food Company							
Address climate change (contribute to realization of low-carbon society)		Taking countermeasures against climate change	Fresh food field	We will examine and promote measures that contribute to tackling climate change.	We will utilize green energy in our processed food business.	Utilization as a source of renewable energy for processed food manufacturing plants by generating biogas power using pineapple leftovers generated in the manufacturing process of the Dole processed food business.	We are currently building biogas power plants at two plants in the Philippines. These are scheduled to be completed in the first half of FYE 2021.
General Products & Realty Company							
Address climate change (contribute to realization of low-carbon society)		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 efforts on creating demand, especially in developing countries, with the aim of establishing continuous, stable business.	<ul style="list-style-type: none">● We expect a 65% increase year-on-year in the amount we handle to developing countries.● We are currently in discussions concerning investment and participation in the slag business.

Policy and Basic Concept

Climate change is one of the most urgent global environmental issues and is a matter of human existence. Given the global nature of our operations, it is a top management priority for us to address these issues such as climate change. As stipulated in item (2) of our Environmental Policy, we shall reduce greenhouse gas emissions and increase the efficiency of energy use within our own operations, as well as externally provide products and services that contribute to the mitigation and adaptation to climate change. And as such, ITOCHU will fulfil its social responsibility by promoting responses to climate change.

Recommendations by the Taskforce on Climate-related Financial Disclosures (TCFD) in June 2017 encourage companies to effectively disclose climate-related financial information with consistency, comparability, reliability and clarity to promote appropriate investment decisions by investors. This comes from the observation that climate change related risks and opportunities will increase in the future.

We will utilize these recommendations as indicators to verify our response to climate change.

These recommendations include those that are still being debated and those that require a long-term response. Nevertheless, it is our policy to continue making disclosures about our initiatives.

Main Climate Change Related Risks and Opportunities

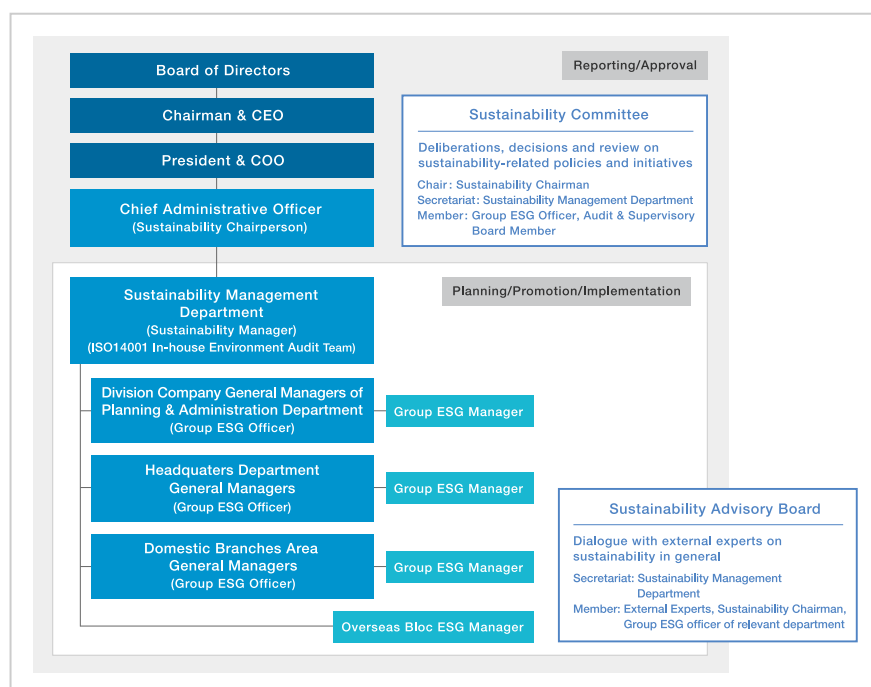
Risk	Opportunity
Transition Risk <ul style="list-style-type: none">● Reduction in demand for fossil fuels due to business restrictions on greenhouse gas emissions Physical Risk <ul style="list-style-type: none">● Damage to business due to the increase in abnormal weather (e.g., droughts, flooding, typhoons 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

About the TCFD

The TCFD stands for the Task Force on Climate-related Financial Disclosures. It was established by the Financial Stability Board (FSB) at the request of the G20 to examine how to disclose climate-related information and how financial institutions should deal with this. The TCFD published its final report in June 2017. With that report, it made recommendations for the way information should be disclosed. The aim of this is to encourage companies to efficiently disclose climate-related financial information with consistency, comparability, credibility and clarity. ITOCHU considers climate change problems as one of the important challenges facing the world. Therefore, we signed up to support the information disclosure recommendations compiled by the TCFD in May 2019. We are utilizing these recommendations as one of the considerations of our business strategies and portfolio restructuring in light of the degree of relative priority with regards to businesses that need to address these recommendations from within our entire company. Moreover, we are utilizing the scenario analysis in the recommendations of the TCFD. We will also continue to enhance our information disclosure in line with these recommendations.

Governance

The Sustainability Management Department plans and formulates company-wide action, including measures to tackle climate change, to further sustainability at ITOCHU Corporation, which the Sustainability Chairperson served by the Chief Administrative Officer, finalizes. Meanwhile, the ESG Officers and Managers in each unit carry out sustainability actions. The Sustainability Committee, one of the company's key committees, holds deliberations and makes decisions concerning policy formulation and important matters. In addition to a role in heading the Sustainability Committee, the committee's chair joins meetings of the Board of Directors, the HMC and the Investment Consultative Committee, and 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.



Strategy

ITOCHU considers the climate change problems as one of the important challenges facing the world. Accordingly, we are examining the transition and physical risks concerning climate change. We then utilize scenario analysis of the TCFD recommendations as a tool when examining our business strategies and portfolio reorganization. We analyze scenarios in the following steps.

- (1) Scenario selection
- (2) Identification of ITOCHU's businesses conducting scenario analysis
- (3) Analysis of the scenarios (Business environment analysis, policies and initiatives in each scenario)

Scenario Analysis

(1) Scenario Selection

We established the two scenarios below with reference to the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) when examining scenario analysis.

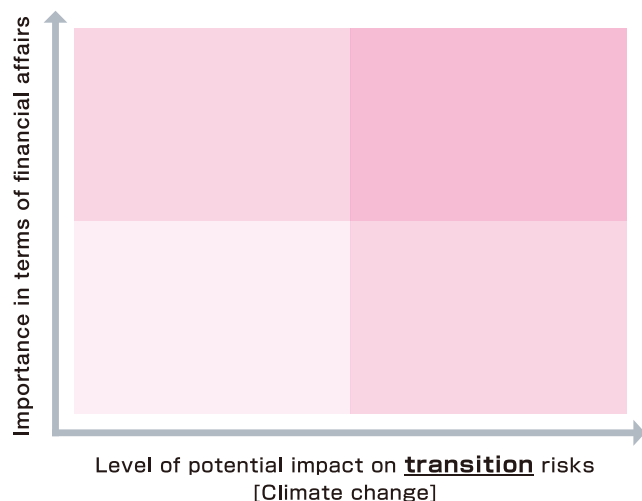
Scenario		4℃	<2℃
Image of society		The policies of countries, such as the Intended Nationally Determined Contributions (INDC) established in accordance with the Paris Agreement, are implemented. Nevertheless, the average temperature at the end of this century rises by 4℃. This is a society in which there is a high likelihood climate change (e.g., a rise in temperature) will impact business.	The average temperature rise is kept below 2℃ until the end of this century. Bold policies and technological innovation are promoted. This is a society in which social changes due to the transition to a de-carbonized society are highly likely to impact business.
Reference scenarios	Transition aspects	<ul style="list-style-type: none"> Stated Policies Scenario (IEA WEO2019) Reference Technology Scenario (IEA ETP2017) 	<ul style="list-style-type: none"> Sustainable Development Scenario (IEA WEO2019) 2℃ Scenario (IEA ETP2017)
	Physical aspects	<ul style="list-style-type: none"> RCP8.5 (IPCC AR5) 	<ul style="list-style-type: none"> RCP2.6 (IPCC AR5)
Risks and opportunities		Risks and opportunities in terms of physical aspects will be more likely to surface	Risks and opportunities in terms of transition aspects will be more likely to surface

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

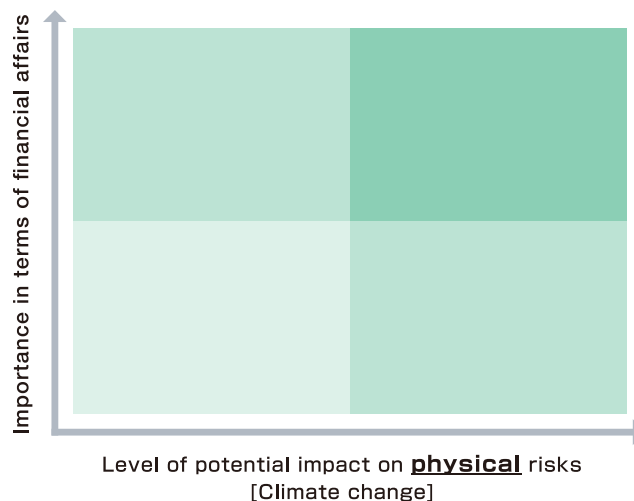
■ (2) Identification of ITOCHU's Businesses Conducting Scenario Analysis

We have worked to identify the following businesses from all the businesses promoted by ITOCHU. The potential impact on these businesses is large from either transition or physical risks concerning climate change. Moreover, these businesses have a high level of importance in terms of financial affairs.

Identification of Businesses with a Large Transition Risk Impact



Identification of Businesses with a Large Physical Risk Impact



When identifying businesses with a large transition risk impact, we organized them according to the level of potential impact on transition risks and importance in terms of financial affairs. We analyzed the coal business and power generation business in the previous fiscal year. Following on from that, we selected the oil and gas upstream development business and conducted scenario analysis on it in this fiscal year.

In addition, when identifying businesses with a large physical risk impact, we organized them according to the level of potential impact on physical risks and importance in terms of financial affairs. We selected the Dole business and pulp business as new businesses subject to scenario analysis in this fiscal year.

The aforementioned five businesses are found in four non-financial sectors (energy, transportation, materials and buildings, and agriculture, food and forest products) that will potentially be greatly impacted by climate change as designated by the TCFD.



■ (3) Analysis of the Scenarios (Business Environment Analysis, Policies and Initiatives in Each Scenario)

When analyzing scenarios, we identify risks and opportunities in terms of procurement, business operation and demand for each business not only for the short term but also the medium and long term from 2030. We organize and assess the factors with a high level of importance. We identify the high-impact variables in terms of transition and physical aspects for the factors with a high level of importance. Next, we use a financial model reflecting the conditions to analyze the scenarios. We measure the potential impact of climate change in regards to the analysis relating to the level of impact in terms of financial affairs. At the same time, we analyze the level of impact in terms of financial affairs including the effects from measures against risks and for opportunities.

Results of Scenario Analysis

The following gives our business environment awareness and our initiatives to 2030. This takes into account climate change related measures from the results of the analysis on the coal business, power generation business, oil and gas upstream development business, Dole business and pulp business for which we analyzed with the scenarios. We recognized the business environment in both the <2°C and 4°C scenarios with a base in which reduction initiatives in each country are achieved. Upon that, we formulate initiatives for businesses to set the stage for each scenario and improve our business resilience.



— Coal Business

Business Environment under the 4°C Scenario	Business Environment under the 2°C Scenario
	
Under the 2°C scenario, use of fossil fuels will be reduced as a result of technological innovation and changes in regulatory trends, but demand for high-grade coal, which has a relatively lower environmental impact, will remain at a certain level.	

Policy and Initiatives

- We will not acquire new thermal coal mining interest.
- Regarding the existing thermal coal mining projects, we will continue to review it and contribute to the development of a sustainable society while responding to the social demands of stable supply of energy to domestic and overseas customers.
- We will continue to be involved in development of technologies to contribute to reduction of greenhouse gas emissions, including carbon capture and storage (CCS) and carbon capture and utilization (CCU).



— Power Generation Business

Business Environment under the 4°C Scenario	Business Environment under the 2°C Scenario
	
Under both the 2°C and the 4°C scenarios, we will maintain at least the current level of income. Under the 2°C scenario, we can maintain and grow revenue by increasing the number of new renewable energy plants.	

Policy and Initiatives

- We aim to achieve a renewable energy ratio more than 20% (equity interest basis) by FYE 2031 and will reflect this to the future strategy.
- We will not develop any new coal-fired power generation business, in part to contribute to the development of a sustainable society.



— Oil and Gas Upstream Development Business

Business Environment under the 4°C Scenario	Business Environment under the 2°C Scenario
	
Demand for crude oil is expected to shrink across the world under the 2°C scenario. Nevertheless, we will be able to increase revenue by capturing the opportunities of the global increase in demand for LNG and the increase in demand for new energies (e.g., biofuels).	

Policy and Initiatives

- We will carefully examine an expansion of our crude oil assets.
- We will aim to stabilize business by participating in excellent projects. We will then examine investment opportunities in gas projects (e.g., LNG).
- We will examine a business portfolio that anticipates an increase in demand in the new energies field (e.g., the capture of biofuel and hydrogen related business opportunities).



— Dole Business

Business Environment under the 4°C Scenario	Business Environment under the 2°C Scenario
	
<p>We expect climate change (the impact on the amount of harvest per unit area due to the increase in the average temperature) to have the impact of reducing revenue under both the 4°C and 2°C scenarios. Nevertheless, we will be able to increase revenue by dispersing risks with diversification of production areas (e.g., Sierra Leone) and by striving to improve our cultivation technologies and cultivation efficiency.</p>	

Policy and Initiatives

- We will diversify production areas (expand production in Sierra Leone).
- We will increase the yield by researching and selecting varieties and by improving production methods (e.g., by improving seedling cultivation methods).
- We will contribute to a low-carbon society through the promotion of biogas power generation utilizing pineapple dregs and solar power generation utilizing factory rooftops. We will aim to further improve the Dole brand and product superiority with the support of highly environmentally-conscious consumers.
- We will implement irrigation as necessary.
- We will examine production optimization by using drones and other ICT (e.g., early identification of agricultural chemical application points, yield prediction, and timely and accurate fertilization with monitoring).

— Pulp Business

Business Environment under the 4°C Scenario	Business Environment under the 2°C Scenario
	
<p>We will increase revenue due to an increase in pulp production output in some afforestation areas where production output is expected to expand under the 4°C scenario. Nevertheless, our analysis shows that our revenue will decrease due to the impact of the reduction in production output in afforestation areas overall with the rise in the average global temperature.</p> <p>We will maintain production output at a certain level in afforestation areas with the suppression in the rise of the average temperature under the 2°C scenario. If the carbon prices are introduced in pulp manufacturing factories using biomass energy, we will be able to curtail costs. In addition, we will be able to increase profit by increasing revenue with an increase in our pulp production output in afforestation areas where production output is expected to expand.</p>	

Policy and Initiatives

- We will examine a selection of varieties to respond to climate change.
- We will conduct on-site monitoring to examine measures before the impact of climate change becomes significant.

Moreover, we started work in FYE 2020 on organizing climate-related risks and opportunities in our apparel and ICT businesses – businesses which may potentially be affected by transition and physical risks concerning climate change – from the perspective of raising awareness of climate change and promoting our response to it on a company-wide basis. We have identified risk and opportunity factors with a high level of importance in the medium to long term. We plan to work on further analysis toward the next fiscal year.

■ Apparel Business

Currently, we assume the following will be the risks with a high level of importance: a reduction in the production output of raw materials (e.g., cotton) and an increase in costs due to a rise in emission prices. On the other hand, we assume that we can have expectations for the provision of products responding to climate change (e.g., low-carbon products) in terms of opportunities.

■ ICT Business

Currently, we assume the following will be the risks with a high level of importance: an increase in costs due to rising emission prices, an increase in power prices because of the introduction of a high carbon tax, an increase in information system facility damage from natural disasters (e.g., typhoons and floods) and a strengthening of CO₂ emission regulations in countries and regions accompanying climate change. On the other hand, we assume that we can have expectations for an expansion in the development and spread of energy-saving and highly efficient IT and data analysis technologies and an expansion in investment and lending that will contribute to a suppression of CO₂ emissions in terms of opportunities.

■ Future Plans

In the future, we will conduct analysis from both transition and physical aspects to confirm the impact of climate change on all the businesses of our company. We will then further identify and organize fields where there will be a significant impact. We plan to examine specific measure policies in the future based on the degree of relative priority for businesses for which a response is required from over the whole of ITOCHU – including our eighth company newly established with our existing seven companies.

Risk Management

Please see P199 for risk management relating to company-wide business including climate change.

Metrics and Targets

ITOCHU sets target values for a reduction in our electricity consumption. The targets are as below. ITOCHU has set a target of reducing our energy consumption by at least 1% on average annually. We are working to reduce our GHG emissions.

	FYE 2020 Results	Single Year Target	Target for the Year Ended March 2021
Electricity Consumption of Tokyo and Osaka Headquarters, Branches in Japan and Other branches and business facilities in Japan	Reduction of 2.3% compared with FYE 2019 levels	Reduction of at least 1% annually	Reduction of 30% compared with FYE 2011 levels
	Reduction of 44% compared with FYE 2011 levels		

In overall power generation business, we aim to achieve a renewable energy ratio more than 20% (equity interest basis) by FYE 2031 and will reflect this to the future strategy. (FYE 2020: Renewable energy ratio 13%)

Initiatives

Among the environmental conservation costs disclosed in the environmental accounting (P36), associated with climate change are as follows :

- Administrative costs of the power generator installed in the Tokyo Headquarters 1,770 thousand yen
- Research and development expenses for climate change risk aversion (donation to Division of Climate System Research, Atmosphere and Ocean Research Institute, the University of Tokyo) 500 thousand yen

Initiatives in Business tackling Climate Change

Renewable Energy Related Business

ITOCHU is working to solve social challenges. We are achieving this through business investment in power generation assets utilizing the geothermal, wind power and other renewable energies, and storage batteries business that are expected to grow as a necessary supporter of energy supply in the future. Please see P76-84 for details on those businesses.

Carbon Dioxide Capture and Storage (CCS)

We recognize that CCS is an essential technology to aim for low carbonization. Therefore, we have participated in investment in Japan CCS Co., Ltd., which is conducting demonstration experiments in Tomakomai, to pursue the possibilities of practical application of CCS. (The cumulative volume of CO₂ injected as of the end of June 2020 is approximately 300,000 tons).

Toward Sustainable Plantation Operation in Response to Climate Change

We acquired the Asian fruits and vegetables business and processed foods business, which supplies canned food and beverages around the world, from Dole Food Company in the U.S. in April 2013.

Since this acquisition, typhoons, drought, and damage from disease and harmful insects have struck the Philippines – the largest production base of major products. The production volume of bananas was 440,000 tons in FYE 2017; this was a 40% decrease compared with before the acquisition. We looked to restore and expand this production volume. To that end, we introduced irrigation facilities for bananas. We also aggregated and expanded farmland and took measures against damage from disease and harmful insects. In addition, we invested in facilities for plantations and reviewed cultivation methods for pineapples to improve productivity. We are also promoting the diversification of production areas to prepare for the risk of unpredictable weather. Furthermore, we have improved management (e.g., the selection and concentration of businesses and products, and the disposal of unprofitable businesses).

In the future, we will aim to become the largest agricultural produce integrator in Asia. We will achieve this by developing a structure to increase production to 800,000 tons of bananas and 1 million tons of pineapples in the Philippines. We believe that people, the environment and society are important resources for the survival and development of the company. Accordingly, DOLE again focused initiatives on activities to contribute to local societies in the Philippines, Thailand, Japan, South Korea, China, North America and other countries in FYE 2019. For example, we spent approximately 2.5 million dollars to donate textbooks, desks, chairs and PCs to schools in various areas, construct and maintain school buildings, provide scholarships, and supply educational opportunities for children with disabilities. We also provided daily necessities and medical assistance to areas affected by natural disasters, donated blood, held hygiene education and provided food assistance to work on maintaining and promoting health.



Banana Field

■ Utilization of Solar Power Generation in a Joint Venture with Teys in Australia

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

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

Initiatives for the Tokyo Metropolitan Government Program to Prevent Global Warming

ITOCHU submitted a plan to the Tokyo Metropolitan Government to reduce the CO₂ emissions in our Tokyo Headquarters by approximately 15% from the reference value (average value from FYE 2003 to FYE 2005) over five years from FYE 2016 to FYE 2020 based on the Ordinance on Environmental Preservation. Our emissions in FYE 2019 were 6,168 t-CO₂. This is an approximately 42% reduction compared to the reference value.

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

- Greenhouse Gas Emission Reduction Plan for FYE 2016 to FYE 2020 (Submitted in November 2016) (Japanese Only) (<https://www.itochu.co.jp/en/files/ondanka-201611.pdf>)
- Greenhouse Gas Emission Reduction Plan for FYE 2016 to FYE 2020 (Submitted in November 2017) (Japanese Only) (<https://www.itochu.co.jp/en/files/ondanka-201711.pdf>)
- Greenhouse Gas Emission Reduction Plan for FYE 2016 to FYE 2020 (Submitted in November 2018) (Japanese Only) (<https://www.itochu.co.jp/en/csr/pdf/ondanka-201811.pdf>)
- Greenhouse Gas Emission Reduction Plan for FYE 2016 to FYE 2020 (Submitted in November 2019) (Japanese Only) (<https://www.itochu.co.jp/en/csr/pdf/ondanka-201911.pdf>)

* In addition to the Tokyo Headquarters, the adjacent commercial facility of Itochu Garden is also subject to the Greenhouse Gas Emission Reduction Plans submitted to the Tokyo Metropolitan Government.

Cooperation with Stakeholders

Participation in TCFD Consortium

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



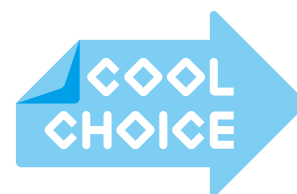
Initiative Participation (Activities Through Business and Industry Groups)

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

If we decide the direction regarding such as climate change in various industry groups we participate, we express an opinion in line with our Basic Policy on Sustainability in the decision process, and when it is different from our policy, we will strive to be in line with our policy.

Participation in COOL CHOICE

ITOCHU participates in the Ministry of the Environment-led COOL CHOICE climate change campaign aimed at realizing a low-carbon society. We are striving to adjust our air conditioning in the summer and winter and to switch off unnecessary electricity. We also conduct environmental conservation activities from the things that all employees can do in their daily lives. For example, we encourage separation of waste in offices and promote recycling.



Performance Data

Energy Consumption

Scope of Aggregation

○:in scope of aggregation

		Energy Consumption			Electricity Consumption		Fuel Consumption	GHG Emission	Greenhouse Gases Other Than CO ₂ from Energy Consumption (6.5 Gases)
		Energy Consumption in the Japanese Bases of ITOCHU	Energy Consumption Attributable to Business Facilities	Target for a Reduction in Our Electricity Consumption	Electricity Consumption of ITOCHU Group	CO ₂ Emissions Per MWh of Electricity Consumption		GHG Emissions from Business Facilities	
Tokyo headquarters		○	○	○	○	○	○	○	○
Osaka headquarters		○		○	○	○	○	○	○
Branches in Japan	All five domestic branches (Hokkaido, Tohoku, Chubu, Chugoku & Shikoku, and Kyushu)	○		○	○	○	○	○	○
Other branches and business facilities in Japan*1	The number of offices including domestic branches: FYE 2016: 8, FYE 2017: 8, FYE 2018: 6, FYE 2019: 8, FYE 2020: 7	○		○	○	○	○	○	○
Group companies in Japan*2	Number of target companies: FYE 2016: 70, FYE 2017: 65, FYE 2018: 208, FYE 2019: 220, FYE 2020: 238				○	○	○	○	○
Overseas offices	Numbers of overseas offices: FYE 2016: 16, FYE 2017: 16, FYE 2018: 15, FYE 2019: 30, FYE 2020: 29				○	○	○	○	○
Overseas group companies*2	Number of target companies: FYE 2016: 44, FYE 2017: 46, FYE 2018: 299, FYE 2019: 282, FYE 2020: 286				○	○	○	○	○
Exclusion	Companies expected to be sold within the next five years held for investment management purposes are not included in the scope of the data. Moreover, the CO ₂ emissions of non-manufacturing site offices with 10 or fewer employees are quantitatively insignificant. Accordingly, they are not included in the scope of the data.								

*1 The other business facilities cover business facilities owned or leased by ITOCHU (except facilities for residences).

*2 The group companies in Japan and overseas cover consolidated subsidiaries directly invested in by ITOCHU (as of March 31, 2017) for FYE 2016 to FYE 2017. All consolidated subsidiaries are covered since FYE 2018 (coverage 100%).

Energy Consumption

Energy Consumption in the Japanese Bases of ITOCHU

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Purchased and consumed non-renewable fuel (Unit:MWh)	805	765	610	525	691
Purchased non-renewable power (Unit:MWh)	25,955	30,282	29,558	29,306	28,747
Other purchased non-renewable energy (e.g., steam, heat and cooling water) (Unit:MWh)	11,286	8,299	8,206	7,605	7,385
Generated renewable energy (solar power generation) (Unit:MWh)	87	58	58	51	54
Energy consumption cost total (Unit:million yen)	580	564	576	404	537

Energy Consumption Attributable to Business Facilities

(Unit:GJ)

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Tokyo headquarters	129,084	134,076	130,977	127,824	126,135

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

Electricity Consumption

Our electricity consumption and CO₂ emissions attributable to business facilities in FYE 2016 to FYE 2020 are as follows. We have been introducing energy saving facilities (e.g., air conditioner inverters and desktop LED stands). At the same time, all employees are switching off unnecessary lighting and office machines. We also started a trial of a morning-focused working system for regular employees working in headquarters and branch offices in Japan from October 2013. The formal introduction of this in May 2014 has led to a reduction in our electricity consumption.

(Unit:Thousand kWh)

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Tokyo headquarters	9,169	9,331	9,200	9,178	9,055
Osaka headquarters	442	434	409	396	384
Branches in Japan	326	291	292	295	285
Other branches and business facilities in Japan	1,300	1,270	1,184	1,145	1,034
Total of domestic bases of ITOCHU corporation❖	11,237	11,326	11,084	11,014	10,759
Group companies in Japan	484,755	471,432	798,054	878,025	1,204,830
Overseas offices	3,424	3,087	2,224	2,118	2,098
Overseas group companies	147,665	143,485	500,777	590,175	447,462
Grand total of ITOCHU Group◆	647,081	629,329	1,312,139	1,481,382	1,665,148

* This data has been calculated based on the Ordinance on Environmental Preservation for the Tokyo Headquarters and based on the Act on the Rational Use of Energy for the Osaka Headquarters, branches in Japan, other branches and business facilities. However, companies expected to be sold within the next five years held for investment management purposes are not included in the scope of the data. Moreover, the CO₂ emissions of non-manufacturing site offices with 10 or fewer employees are quantitatively insignificant. Accordingly, they are not included in the scope of the data.

CO₂ Emissions Per MWh of Electricity Consumption

(Unit:t-CO₂/MWh)

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Grand total of ITOCHU group	0.524	0.506	0.524	0.502

Solar Power Generation

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

Fuel Consumption of the ITOCHU Group

Fuel consumption of the entire Group is as follows.

		FYE 2018	FYE 2019	FYE 2020
Kerosene (Unit: kL)		4,001	4,468	2,609
Light oil (Unit: kL)		35,577	39,362	41,790
Gasoline (Unit: kL)		10,774	12,598	12,759
Heavy oil A (Unit: kL)		25,699	18,289	20,432
Heavy oil B and C (Unit: kL)		11,711	16,551	25,942
Coal (Unit: t)		341,192	333,176	315,148
Petroleum gas	Liquefied petroleum gas (LPG) (Unit: t)	6,321	6,614	11,966
	Liquefied petroleum gas (LPG) (Unit: 1,000 m ³)	2,454	496	472
	Liquefied petroleum gas (LPG) (Unit: kL)	–	–	186
	Petroleum hydrocarbon gas (Unit: 1,000 m ³)	2,247	1,860	340
Combustible natural gas	Liquefied petroleum gas (LPG) (Unit: t)	1,645	3,161	5,698
	Other combustible natural gas (Unit: 1,000 m ³)	5,762	14,565	14,115
Town gas etc.	Town gas (Unit: 1,000 m ³)	204,481	33,552	26,692
	Other gas (Unit: 1,000 m ³)	0.017	158	242

Greenhouse Gas (GHG) Emissions

GHG Emissions Attributable to Business Facilities

(Unit:t-CO₂e)

FYE 2020	Scope 1	Scope 2
Total of all Japanese bases in ITOCHU❖	151	6,740

(Unit:t-CO₂e)

FYE 2020	Scope 1	Scope 2
ITOCHU Group◆	1,202,508	835,916

(Unit:t-CO₂e)

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Tokyo headquarters	6,229	6,459	6,307	6,168	6,089
Osaka headquarters	235	221	208	172	135
Branches in Japan	208	180	175	170	176
Other branches and business facilities in Japan	664	641	582	550	491
Total of domestic bases of ITOCHU corporation❖	7,336	7,501	7,273	7,060	6,891
Intensity figures per employee (Total of domestic bases of ITOCHU corporation)	1.714	1.737	1.660	1.622	1.596
Intensity figures per one square meter of all floor space (Total of domestic bases of ITOCHU corporation)	0.063	0.064	0.063	0.061	0.068
Group companies in Japan	369,775	340,559	1,280,241	1,174,507	1,526,279
Overseas offices	1,907	2,238	1,674	2,769	1,523
Overseas group companies	102,372	98,427	628,021	800,263	503,731
Grand total of ITOCHU Group◆	481,389	448,725	1,917,209	1,984,599	2,038,424

- * The data has been calculated based on the Tokyo Metropolitan Ordinance on Environmental Preservation for the Tokyo Headquarters and based on the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures for the Osaka Headquarters, branches in Japan, other branches and business facilities and group companies in Japan. (We have calculated this data by employing the basic emissions coefficients of the power companies.)
- * From FYE 2020, the data has been calculated based on the CO₂ conversion coefficient according to the data of 2017 by country of the International Energy Agency (IEA) for overseas offices and overseas group companies. The data before FYE 2019 has been calculated based on the average of the CO₂ conversion coefficient between 2010 and 2012.
- * The denominators of Intensity figures per one square meter of all floor space are as follows:
FYE 2016 116,585m², FYE 2017 116,528m², FYE 2018 115,905m², FYE 2019 115,842m², FYE 2020 101,545 m²
- * From the FYE 2019 data, 6.5 gases, which are greenhouse gases other than CO₂ from energy consumption, are also included. 6.5 gases from group companies that emit more than 3,000 t-CO₂e per year are aggregated and disclosed.
- * The calculation of GHG uses the GHG protocol developed by WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development).

Greenhouse Gases Other Than CO₂ from Energy Consumption (6.5 Gases)

Scope1 Emission (Only 6.5 Gases) Data for each GHG

(Unit:t-CO₂e)

			FYE 2019	FYE 2020
Total 6.5 gases (t-CO ₂ e)			52,393	44,225
Breakdown	non-energy consumption carbon dioxide (CO ₂)		0	0
	methane (CH ₄)		0	1,459
	dinitrogen monoxide (N ₂ O)		17,932	18,439
	hydrofluorocarbon (HFCs)		34,461	24,327
	perfluorocarbon (PFCs)		0	0
	sulfur hexafluoride (SF ₆)		0	0
	nitrogen trifluoride (NF ₃)		0	0

* 6.5 gases from group companies that emit more than 3,000 t-CO₂e per year are aggregated and disclosed.

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

* In addition to the above 6.5 gases, Group companies emit 8,967 t-CO₂e as HCFCs, etc.

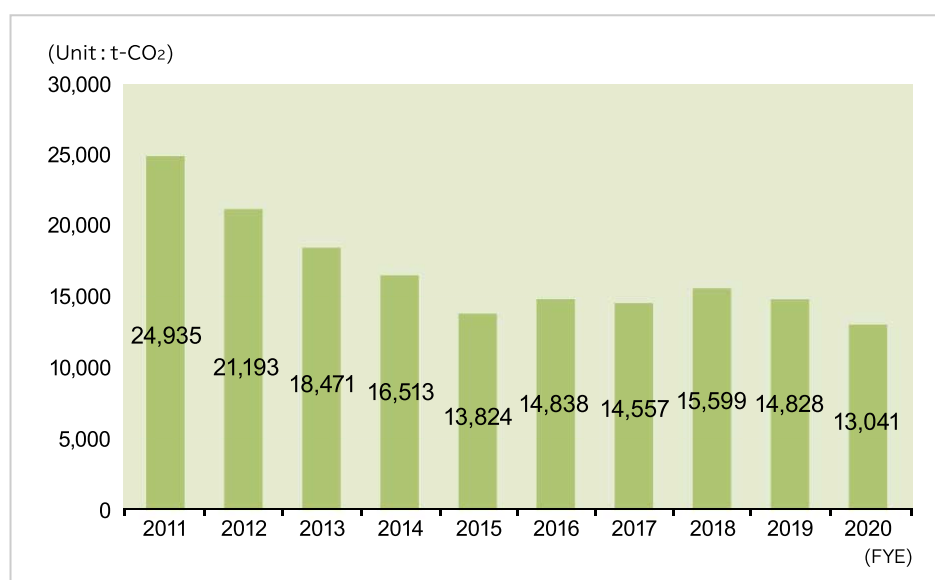
Initiatives Toward Environmental Distribution

ITOCHU is engaged in green distribution to reduce our environmental impact. This is to comply with the Act on the Rational Use of Energy (Energy Conservation Law).

Carbon Dioxide Emissions from Distribution

The carbon dioxide emissions generated due to contracted transport as shippers of ITOCHU is as follows.

CO₂ Emissions Attributable to Distribution◆



— Energy Saving Measures for Distribution

We have established a company-wide common energy saving measures policy as below in regards to energy saving measures for distribution. On top of that, we have formulated concrete measures for each division company.

Transportation Method Selection	Promotion of the use of railroads and domestic shipping
Measures to Improve Transportation Efficiency	Use of transportation with the freight of multiple shippers on one vehicle and mixed loading Selection of appropriate vehicle types Increase in the size of vehicles Optimal transportation routes Improvement in the loading ratio
Cooperation with Freight Transportation Operators and Recipients of Freight	Review of transportation plans and frequency

Concrete Measures

(1) Transportation Method Selection

- We will survey and analyze the conditions of long-distance truck transportation. We will then consider a change to the transportation method from business that can be switched to railroad and domestic shipping transportation that has a relatively low environmental impact.

(2) Measures to Improve Transportation Efficiency

- We will survey the conditions of transportation. We will then consider the selection of appropriate vehicle types and the selection of appropriate transportation routes to further improve loading efficiency and to reduce the energy consumption rate.

(3) Cooperation with Freight Transportation Operators and Recipients of Freight

- We have decided to check the initiatives toward environmental distribution with internal criterion concerning the appointment of distribution companies. We recommend the appointment of certified companies.
- We are building a cooperative system together with our suppliers in addition to distribution companies to realize (1) and (2) above.

| Independent Assurance

Independent Assurance Report (P216): The data below marked with a ❖ is independently assured through KPMG AZSA Sustainability Co., Ltd. This assurance conforms to the International Standard on Assurance Engagements (ISAE) 3000 and 3410 of the International Auditing and Assurance Standards Board (IAASB).

❖: Total electricity consumption and total CO₂ emissions attributable to the domestic bases of ITOCHU corporation (business facilities of the Tokyo Headquarters, the Osaka Headquarters, branches in Japan, domestic branches and other business facilities), and the waste volume, waste non-recycled, waste recycled, recycling rate, water consumption, gray water production volume and wastewater volume for the Tokyo Headquarters.




Independent Assurance Report (P216): The data below marked with a ♦ is independently assured through KPMG AZSA Sustainability Co., Ltd. This assurance conforms to the International Standard on Assurance Engagements (ISAE) 3000 and 3410 of the International Auditing and Assurance Standards Board (IAASB).

♦: Total electricity consumption and GHG emissions attributable to ITOCHU Group in total, and CO₂ emissions attributable to distribution of ITOCHU Corporation.

Prevention of Pollution and Resource Circulation

Action Plan

Risks	Opportunities
<ul style="list-style-type: none"> • Negative impacts on the natural environment including those related to resource circulation • Deterioration of relations with local communities and subsequent loss of social license to operate • Industry exhaustion due to increased price competition 	<ul style="list-style-type: none"> • Increased resource demand due to population growth and enhanced living standards in emerging economies • Creation of customer trust and new business opportunities through stable and sustainable supply chain practices

Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company							
Ensure stable procurement and supply		Stable supply of industrial resources and materials	Environmentally friendly materials (sustainable materials) such as recycled fibers	We will accelerate initiatives for the recycled fiber business, not only to create new businesses but also to help solve the global problem of apparel waste and reduce petroleum-derived materials.	Work aggressively on the recycled fiber business and lead the industry in promoting the use of sustainable materials.	Commercialize the recycled fiber business as soon as possible. Increase the ratio of sustainable materials to materials we trade.	We strengthened the supply chain from raw materials to products with a focus on sustainable raw materials. We launched the RENU project and are currently expanding the marketing of recycled polyester globally.
Machinery Company							
Respect human rights	 	Improving hygiene infrastructures	Environmental projects	We will contribute to improving the hygiene environment, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of waste.	Expand environment projects to promote the appropriate use and treatment of the effective utilization of resources, and reduce the environmental impact.	Expand and diversify the investment portfolio in the environment field.	Environment Field We operate four waste incineration and power generation business projects in the U.K. In addition to this, we entered into a financing contract for a public-private partnership (PPP) waste disposal power generation project in Belgrade, Serbia in September 2019. We are aiming for operation in 2022.
Energy & Chemicals Company							
Ensure stable procurement and supply		Efforts leading to solutions to social problems	Plastic-related environmental response	We will aim to establish a recycling and reuse model.	We will supply recycled resin in collaboration with brand owners.	Establishment of a recycling program and sales of recycled resin.	* Because of new commitment, review will be conducted from the next fiscal year.

Policy and Basic Concept

Prevention of Pollution

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

Resource Circulation

As per item (4) of our Environmental Policy, ITOCHU "contributes to the formation of a circular society by promoting the sustainable use of resources (such as fossil fuels, minerals, food, animals and plants), resource conservation measures, and waste reduction and recycling across our business investments and the supply chain of our products and services."

On April 2018, we announced material ESG (environment, society, and governance) issues that must be managed for the sustainability of the business and society. Among them, the topic of "stable procurement and supply" stood out as one of our most important issues. We therefore aim to realize a circular society by incorporating environmental considerations, including biodiversity, making effective use of natural resources, and stably procuring and supplying resources in line with the demands of each country.

Ensuring Legal Compliance by the Chemicals Division

The chemicals and synthetic resins handled in the Chemicals Division and the products made with these are used in every aspect of our lives. This means that they are extremely useful. On the other hand, many of these chemicals are toxic or dangerous in nature. Therefore, they are regulated by a great many related laws and regulations in various settings (e.g., manufacture, sales, transportation and storage).

These chemicals are connected to serious problems concerning public health and environmental conservation. Accordingly, the laws and regulations on the trading of chemicals are diverse and extremely strict. The penalties for violating these laws and ordinances are also very heavy. Many chemicals require permission to be handled as products. However, if this permission is revoked as a result of violating laws and ordinances, it could seriously affect the business of the Chemicals Division.

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

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

Targets

ITOCHU has set the following three items as environmental targets for pollution prevention and resource circulation and is promoting initiatives to this effect.

(1) Prevention of environmental pollution and compliance with laws and regulations:

We will perform advance environmental risk assessments according to the ESG Checklist for Investments for all investment projects. We strive to improve the management level by checking the environmental management system, compliance and environmental performance situation through internal audits. We will select group companies and then visit them to survey their environmental management situation.

(2) Promotion of awareness activities:

We will hold workshops and promote learning on the Waste Management and Public Cleansing Law and the Soil Contamination Countermeasures Act for ITOCHU and group company employees. We will set target values and then review results based on them.

(3) Resource conservation, promotion of resource circulation, and understanding of results

ITOCHU will set numerical targets for the reduction of the waste we discard, the promotion of recycling, and the reduction of our paper and water consumption even in our office activities in addition to considering the environment when performing our business activities. We will also gradually expand the scope of environmental performance data we collect from group companies in Japan and overseas offices to understand the actual situation and utilize that in our future environmental conservation activities.

In our Tokyo Headquarter building, we are implementing resource saving measures. Targets and indicators we track to manage our performance are noted in the table below. ITOCHU sets numerical targets for the reduction of the waste we discard, the promotion of recycling, and the reduction of our paper consumption.

	FYE 2020 (Results)	Single Year Target	Target for the Fiscal Year Ending March 31, 2021
Volume of waste discarded by our Tokyo Headquarters	Reduction of 27% compared to FYE 2011	Reduction of 10% compared to FYE 2011	Reduction of 20% compared to FYE 2011
Recycling rate in our Tokyo Headquarters	94%	90%	90%
Paper consumption in our Tokyo Headquarters	Reduction of 26% compared to FYE 2011	Reduction of 3% compared to FYE 2011	Reduction of 3% compared to FYE 2011

Structures and Systems

Due Diligence Regarding Pollution Prevention and Resource Circulation in Business Investment Projects

We assess in advance the impact on the market, society and the environment by business investment projects in Japan and overseas engaged in by ITOCHU and our Japanese subsidiaries. We do this with the ESG Checklist for Investment, which includes assessment criteria to evaluate performance on pollution prevention and resource circulation among potential investments. We make requests to external specialist organizations to conduct investigations in advance for projects requiring a professional point of view. The project is then only undertaken upon confirming that there are no problems in the results of those investigations.

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

Compliance with Laws and Regulations in the Divisions Handling Chemical Substances

At ITOCHU, the Chemicals Division has cross-functional oversight of our management of chemical substances. This includes oversight of the sales departments that handle chemical substances, which sit within the Chemicals Division, as well as relevant subsidiaries that handle chemical substances. In addition, the Chemicals Division has oversight of any sales divisions and subsidiaries outside of their direct control if chemical substances are used. We strive to comply with laws and regulations through a management method based on a combination of thorough inquiries to specialized external consulting organizations and the use of a centralized management system to track environmental legal compliance. The management system was developed internally in 2016 and allows us to confirm and record applicable laws and measures at the chemical substance level for each product. We also provide training and educational opportunities to relevant sales staffs, supplemented by e-learning materials and handbooks that summarize the main points of relevant laws.

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

Management Structure for Emergency Response and Accident Response

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

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

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

Initiatives

Acquisition of ISO22301 Certification Aiming for a Safe, Secure and Resistant-to-Disaster Tank Terminal

Nagoya Chemport, which is managed and operated by Chemical Logitec Co., Ltd., plays an important part in the supply chain that includes Nagoya and its environs. Its main business is to receive, store and dispense liquid chemicals at Nagoya Port No. 9.

The company spent two years educating and training its employees, enhancing its facilities and developing its structures with the aim of ensuring a safe, secure and resistant-to-disaster chemport. This has been done in preparation for the Nankai Trough Earthquake predicted to strike in the future based on lessons learned from the Great East Japan Earthquake that occurred on March 11, 2011. As a result of these initiatives, the site acquired initial ISO22301:2012 certification on May 1, 2014; it was then re-certified on June 15, 2017.

ISO22301 is a management standard to minimize the impact on stakeholders, including customers, and elevate the abilities of organizations to continue providing services by promptly recovering from disasters and accidents that interrupt and hinder business. Nagoya Chemport broke ground to become the first company to acquire this certification in the chemical tank industry in Japan and among ITOCHU Group companies.

We are continuing to review issues inside and outside the organization and working to improve them. In FYE 2016, we provided safety measures training with a scenario of accidents occurring when there are few people to deal with them (e.g., at night and on holidays) in the presence of shippers. We also held night training again in FYE 2018 following on from FYE 2017 to check whether there were any problems with the support for that. We are continuing to work on ensuring safety in the event of a disaster with respect for human life as our number one priority. In addition, we repeatedly hold education and training for organizations and strive on a daily basis to respond to the trust placed in us by our customers.



Tank Terminal

Food Recycling

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

Food Recycling Rate

		FYE 2017	FYE 2018	FYE 2019	FYE 2020
Quantity recycled	Waste volume generated (Unit: t)	828.2	1,816.9	869.0	992.8
	Amount of recycling (Unit: t)	544.9	620.6	454.9	744.4
	Waste volume (Unit: t)	283.3	1,196.3	414.1	248.4
Target (recycling rate target by individual food related operator)	Reference rate	75.8%	76.8%	77.8%	78.8%
Percentage recycled	Recycling rate	70.6%	34.2%	52.3%	75.1%

* In FYE 2018, 1,001.0 tons were discarded due to a warehouse fire.

* FYE 2021 recycling rate target: 79.8%

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

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

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

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



Structure Made with Blast Furnace Slag

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

Project to Reduce Our Environmental Burden with the Introduction of Side Shrink Wrap Packaging

ITOCHU PLASTICS INC. (CIPS) is supporting the introduction of side shrink wrap film in all stores operated by FamilyMart Co., Ltd., its domestic area franchise company locations stores (collectively "FamilyMart") as an initiative to reduce our environmental burden. Side shrink wrap film covers only the area where the lids and containers meet for boxed lunch, sushi and noodle products.

FamilyMart completed the introduction of side shrink wrap packaging across Japan in February 2015.

The change from full shrink wrap packaging — which involves entire containers being packaged in wrapping — to side shrink wrap packaging makes it easier to open products, makes it easier to see their contents and offers a strong barrier performance. In addition to this, it reduces garbage, the plastic raw materials used in the packaging and also CO₂. This greatly contributes to a reduction in our environmental burden.



Bento Box with Side Shrink Packaging

* FYE 2020 results (comparison with conventional wrap film): Approximately 533 ton reduction in plastic raw materials and an approximately 1,904 ton reduction in CO₂.

The corporate philosophy of CIPS is as follows: "Providing lifestyle comfort and convenience with chemical and plastic materials. A corporate culture of integrity propelling us forward, together. ITOCHU Plastics." CIPS is promoting corporate activities, including support for the introduction of shrink wrap film, that aim to balance a better global environment and economic growth. The firm is striving to conserve the environment and to contribute to the realization of a sustainable society.

Cooperation with Stakeholders

Compliance with the Containers and Packaging Recycling Law

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

The recycling fee we pay every year is as below.

(Unit:Yen)

Fiscal Year	Recycling Fee / Contribution Fee	Glass Bottles			PET Bottles	Paper Containers and Packaging	Plastic Containers and Packaging	Total
		Colorless	Brown	Other Colors				
FYE 2018	Recycling	704,782				29,327	1,057,941	1,792,050
	Contribution	9,344				102		9,446
	Total amount	714,126				29,429	1,057,941	1,801,496
FYE 2017	Recycling	814,414			708	18,306	631,798	1,465,226
	Contribution	0			68	168	47,052	47,288
	Total amount	814,414			776	18,474	678,850	1,512,514
FYE 2016	Recycling	770,179		158,548		30,825	292,375	1,251,927
	Contribution	0		0		315	13,395	13,710
	Total amount	770,179		158,548		31,140	305,770	1,265,637

Initiative Participation (Activities Through Business and Industry Groups)

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

Performance Data

Paper Consumption

The table below gives our paper consumption for FYE 2016 to FYE 2019 (This is for the Tokyo Headquarters in FYE 2016 and for the total of all ITOCHU bases in Japan from FYE 2017 to FYE 2019). Our Tokyo Headquarters has set a target of reducing its paper consumption by 3% compared with FYE 2011 levels. We are working on reducing our paper consumption by going paperless and ending the use of unnecessary paper.

(Unit: Thousand sheets (A4 equivalent))

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Copy paper consumption	31,896	34,940	32,949	30,711	26,913

Waste Volume

The table below gives the waste volume generated in the Tokyo Headquarters, group companies in Japan, overseas offices and overseas group companies from FYE 2016 to FYE 2019. ITOCHU promotes the separation of garbage. Our Tokyo Headquarters has set a single year target of reducing its waste volume by 10% compared with FYE 2011 levels. We are working to reduce our waste volume through initiatives such as 2-in-1 and double-sided printing. The Tokyo Headquarters won the Minato Ward Waste Reducing Business Operator Commendation in FYE 2015.

		FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Tokyo headquarters building❖	Waste volume (Unit: t)	711	674	698	680	767
	Waste non-recycled	36	38	43	48	44
	Waste recycled	675	636	655	632	723
	Recycling rate (Unit: %)	95	94.3	93.8	92.9	94.3
Group companies in Japan	Waste volume (Unit: t)	23,470	21,947	177,526	4,707,364	16,024,632
Overseas offices	Waste volume (Unit: t)	9	33	5	17	9
Overseas group companies	Waste volume (Unit: t)	14,569	10,016	141,392	3,118,634	803,643

* The waste volume of the Tokyo Headquarters includes the amount sold as valuables.

* Due to the increase in the number of companies subject to aggregation, the figure for FYE 2019 has increased significantly compared to FYE 2018.

Waste Recycling Rate

		FYE 2020
Grand total of ITOCHU Group	Waste volume (Unit: t)	16,829,051
	Waste non-recycled (Unit: t)	12,706,490
	Waste recycled (Unit: t)	4,122,557
	Recycling rate (Unit: %)	24

Hazardous Waste

(Unit: t)

		FYE 2020
Grand total of ITOCHU Group	Hazardous waste	749

Emissions of NOx, SOx, and VOC

(Unit: t)

		FYE 2018	FYE 2019	FYE 2020
Grand total of ITOCHU Group	NOx (Nitrogen Oxides)	13,838	13,392	12,278
	SOx (Sulfur Oxides)	6,174	6,412	6,928
	VOC (Volatile Organic Compounds)	500	524	520

Scope of Aggregation

○:in scope of aggregation

		Waste Volume	Emissions of NOx, SOx, and VOC	Paper Consumption
Tokyo headquarters		○	○	○
Osaka headquarters		—	○	—
Branches in Japan	All five domestic branches (Hokkaido, Tohoku, Chubu, Chugoku & Shikoku, and Kyushu)	—	○	—
Other branches and business facilities in Japan ^{*1}	The number of offices including domestic branches: FYE 2016: 8, FYE 2017: 8, FYE 2018: 6, FYE 2019: 8, FYE 2020: 7	—	○	—
Group companies in Japan ^{*2}	Number of target companies: FYE 2016: 70, FYE 2017: 65, FYE 2018: 208, FYE 2019: 220, FYE2020: 238	○	○	—
Overseas offices	Numbers of overseas offices: FYE 2016: 16, FYE 2017: 16, FYE 2018: 15, FYE 2019: 30, FYE2020: 29	○	○	—
Overseas group companies ^{*2}	Number of target companies: FYE 2016: 44, FYE 2017: 46, FYE 2018: 299, FYE 2019: 282, FYE2020: 286	○	○	—
Exclusion	Companies expected to be sold within the next five years held for investment management purposes are not included in the scope of the data. Moreover, the CO ₂ emissions of non-manufacturing site offices with 10 or fewer employees are quantitatively insignificant. Accordingly, they are not included in the scope of the data.			

^{*1} The other business facilities cover business facilities owned or leased by ITOCHU (except facilities for residences).

^{*2} The group companies in Japan and overseas cover consolidated subsidiaries directly invested in by ITOCHU (as of March 31, 2017) for FYE 2016 to FYE 2017. All consolidated subsidiaries are covered since FYE 2018 (coverage 100%).

Independent Assurance

Independent Assurance Report (P216): The data below marked with a ❖ is independently assured through KPMG AZSA Sustainability Co., Ltd. This assurance conforms to the International Standard on Assurance Engagements (ISAE) 3000 and 3410 of the International Auditing and Assurance Standards Board (IAASB).

❖: Total electricity consumption and total CO₂ emissions attributable to the domestic bases of ITOCHU corporation (business facilities of the Tokyo Headquarters, the Osaka Headquarters, branches in Japan, domestic branches and other business facilities), and the waste volume, waste non-recycled, waste recycled, recycling rate, water consumption, gray water production volume and wastewater volume for the Tokyo Headquarters.

E-learning Concerning Compliance with Chemicals-related Laws and Regulations

Legal Compliance Status

- There were no major violations (e.g., license suspensions)

Results of E-learning on Laws and Regulations Related to Chemical Substances

- We hold chemicals related law and regulation e-learning every year
Chemicals Division alone (participants: 130 / period: October 1 to 31, 2019)
- We also give information on the same e-learning to the Chemicals Division related Group companies, each division company in ITOCHU other than the Energy & Chemicals Company and also its related Group companies



Handbook on Chemical-related Regulations

The first edition was issued in 2012, and a revised edition was released in 2016 and is currently being distributed. There are 32 laws and regulations covered in this handbook, each of which outlines important aspects of compliance requirements. The purpose of this handbook is to educate our employees, especially new recruits and sales personnel, on the laws and regulations specific to the chemical industry.



Water Resources Conservation

Action Plan

Materiality	SDGs Targets	Issues to address	Business area	Commitment	Specific approach	Performance indicators	Degree of Progress
Machinery Company							
Respect human rights	 	Improving water and hygiene infrastructures	Water and environmental projects	We will contribute to improving the hygiene environment, the development of economic activities, and the protection of the global environment through the appropriate treatment and effective use of water.	Expand water and environment projects to promote the appropriate use and treatment of water and the effective utilization of resources, and reduce the environmental impact.	Expand and diversify the investment portfolio in the water and environment field.	Water Field We own a water supply service business in the U.K. and Spain and a seawater desalination business in Australia and Oman. We are continuing to work to expand our seawater desalination and water supply/sewerage business.

Policy and Basic Concept

We understand that water stress and shortages of potable water supply are an increasing global concern. About 97.5% of earth's water resources come from the ocean, leaving less than 0.01% to be potable water. Potable water resources are also at risk of decrease given the exacerbation of natural conditions due to climate change.

Nonetheless, the demand for water supply will increase along with the growing global population, mainly around emerging economies, putting a lot of strain on existing water supply.

Water resources are however critical to the sustained execution of ITOCHU Corporation's vast range of global business activities. Item (5) of our Environmental Policy states that "We shall reduce water consumption through efficient water use and recycling, as well as be take necessary measures to appropriately treat effluents." In order to adapt to the changing environment and contribute to the sustainability of water supplies around the world, we are committed to limiting our water consumption to what is necessary, recycling and reusing water, improving efficiency, and reducing water consumption.

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

Targets

ITOCHU sets numerical targets for the reduction of water consumption.

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

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

	FYE 2019 (Results)	Single Year Target	Target for the Fiscal Year Ending March 31, 2021
Water consumption in our Tokyo Headquarters (water supply)	Reduction of 22.1% compared to FYE 2011	Reduction of 10% compared to FYE 2011	Reduction of 15% compared to FYE 2011

Structures and Systems

We assess in advance the impact on the market, society and the environment by business investment projects in Japan and overseas engaged in by ITOCHU and our Japanese subsidiaries. We do this with the ESG Checklist for Investment. (The assessment items include water usage situation.) We make requests to external specialist organizations to conduct investigations in advance for projects requiring a professional point of view. The project is then only undertaken upon confirming that there are no problems in the results of those investigations. ITOCHU considers ensuring stable procurement and supply to be a material issue . We are committed to improving the efficiency of our water consumption and taking necessary measures depending on the abundance of water supply in certain regions. By committing to giving these due considerations, we aim to contribute to the global water crisis.

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

Initiatives

Understanding Water Risks at Manufacturing Bases

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

Water usage at sites identified as extremely high risk is at P68.

Overall Water Risk	Number of Sites
Low risk (0-1)	26
Low to medium risk (1-2)	82
Medium to high risk (2-3)	8
High risk (3-4)	21
Extremely high risk (4-5)	2
Total	139

Water Related Business

ITOCHU considers our water related business to be a priority field. We are deploying seawater desalination business, water treatment business and concession agreement business, which we have been working on since 2014, on a global basis. This is to contribute to solving water problems around the world.

List of Water-related Businesses

Business	Content of Initiatives
Water supply and sewer services concession agreement business	We invested in the Bristol Water Group in the UK in 2012. This made us the first Japanese company to participate in the UK water services business. The Bristol Water Group provides water services — from water source management to clean water treatment, water supply and distribution, billing and collection, and customer services — to approximately 1.2 million people.
	We invested in CANARAGUA CONCESIONES S.A. in 2014. This is a company which provides water supply and sewer services in the Canary Islands of Spain. This made us the first Japanese company to participate in the Spanish water services business. CANARGUA CONESIONES S.A. currently provides water supply and sewer services to a total of 1.3 million people under a concession agreement with the local government.
Seawater desalination business	We have invested and are participating in a seawater desalination project in Victoria, Australia. This facility is capable of satisfying the water demands of approximately 30% of the population of Melbourne, Victoria. It is a project that has been supporting the stable supply of water to Melbourne since 2012.
	We have invested and are participating as the largest shareholder in a seawater desalination project with a daily volume of 281,000 m ³ . The Oman Power and Water Procurement Company (OPWP), which is under the umbrella of the Oman government, is promoting this project in Barka in the northern part of the country. This is the largest seawater desalination project in Oman. It involves the construction of reverse osmosis membrane (RO membrane) seawater desalination facilities and surrounding facilities. These will be operated for 20 years. The project has started commercial operation in June 2018.
Seawater desalination plant, and osmosis membrane manufacturing and sales	We started delivering multiple seawater desalination plants to Saudi Arabia in the 1970s. Upon entering the 21st century, we established ACWA Power Sasakura (now: Sasakura Middle East Company) with local capital in the country together with Sasakura. We also advanced into the seawater desalination plant rehabilitation business. We established a joint venture company called the Arabian Japanese Membrane Company, LLC with local capital from Saudi Arabia and Toyobo in August 2010. This company manufactures and sells reverse osmosis membrane elements for seawater desalination.

Examples of Initiatives

Stable Supply of Drinking Water Connecting to Life

Largest Seawater Desalination Project in Oman

The demand for water in Oman in the Middle East is expected to grow by approximately 6% a year in the future. The shortage of drinking water has become a challenge together with the increase in the population and urbanization. The Barka Desalination Company in which we are participating entered into a seawater desalination business agreement for a daily volume of 281,000 m³ in Barka in the northern part of Oman toward the stable supply of water in that country in March 2016. This is a public-private partnership project promoted by the Oman government. We have constructed reverse osmosis membrane (RO membrane) seawater desalination facilities and surrounding facilities. These will be operated for 20 years. The facilities started commercial operation in June 2018. This is the largest seawater desalination project in Oman with total operating expenses of approximately 300 million dollars.

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

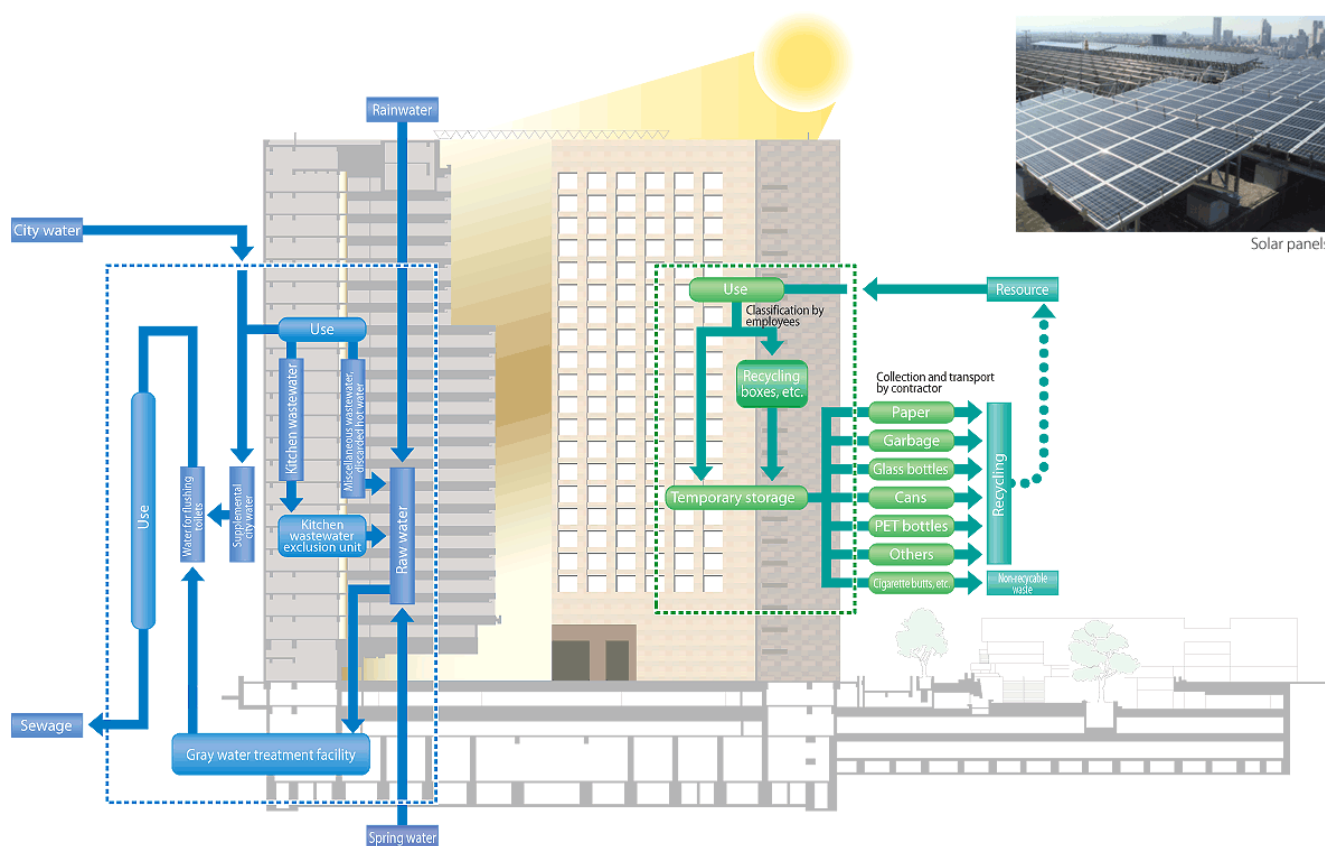


Seawater Desalination Plant (During Construction)

Effective Utilization of Water Resources

Gray water production facilities have been installed in the Tokyo Headquarters since the time when its construction was completed in 1980. These facilities use kitchen wastewater, rainwater, spring water, and non-fecal wastewater from washbasins and office kitchenettes as raw water. This processed gray water is then used for the flushing water of toilets to effectively utilize water resources.

Changes occur every year in the volume of gray water that can be secured from rainfall. Therefore, when there is not much rainfall, tap water is increasingly used. For that reason, we are striving to save tap water by newly installing equipment to save on the water when washing hands in washbasins in toilets and equipment to automatically save on the water flushed in toilets.



Cooperation with Stakeholders

Initiative Participation (Activities Through Business and Industry Groups)

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

Participation in the CDP (Water Security)

We participate in the CDP, an NGO with the largest database in the world related to environmental information (e.g., water security management of companies). We do this as part of our work to proactively disseminate information about our initiatives on ESG for various stakeholders around the world. We have been answering the written inquiries of CDP Water Security since FYE 2014.

Performance Data

Water Consumption and Wastewater Discharge

The table below gives the water consumption, gray water production volume and wastewater discharge in the Tokyo Headquarters as well as the wastewater discharge in group companies, overseas offices and overseas group companies from FYE 2016 to FYE 2019. Our Tokyo Headquarters has set a target of reducing its water consumption by 10% compared with FYE 2011 levels. We are reducing our water consumption by introducing devices to save water by using gray water for the water used to flush toilets.

(Unit:m³)

	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
City water usage by the Tokyo headquarters❖	46,922	52,248	43,039	46,573	42,223
Gray water usage by the Tokyo headquarters❖	35,729	30,736	33,830	31,225	34,446
Wastewater discharge by the Tokyo headquarters❖	62,857	63,446	58,129	58,779	59,833
Wastewater discharge by group companies in Japan*	981,549	846,700	14,628,762	51,913,278	59,210,778
Wastewater discharge by overseas offices*	5,932	5,722	5,863	5,366	5,225
Wastewater discharge by Overseas group companies*	205,394	207,267	11,831,598	34,380,149	16,394,403

* If we do not know the wastewater discharge, we have calculated it assuming that it is the same as the volume of tap water consumption

* Due to the increase in the number of companies subject to aggregation, the figure for FYE 2019 has increased significantly compared to FYE 2018.

Usage Amount by Intake Source

(Unit:m³)

		FYE 2018	FYE 2019	FYE 2020
Grand total of ITOCHU Group	Supplied water usage, industrial water	12,951,719	9,559,683	10,597,620
	Groundwater withdrawal (recycled)	0	0	30,158,408
	Groundwater withdrawal (non-recycled)	17,118,206	92,899,470	93,675,043
	Water taken from rivers, lakes, rainwater	43,919,437	31,739,550	26,318,495
	Water taken from seawater	0	4,339,200	10,268,731
	Others (produced water, etc.)	0	0	11,370
	Total	73,989,363	138,537,904	171,029,667

Discharge Amount by Discharge Destination

(Unit:m³)

		FYE 2019	FYE 2020
Grand total of ITOCHU Group	Water discharged to treatment facility (e.g. sewage)	57,669,021	3,728,982
	Water discharged to groundwater	9,243,455	5,730,762
	Water discharged to rivers, lakes	12,991,648	60,080,592
	Water discharged to sea	6,453,448	6,129,903
Total		86,357,572	75,670,239

Water Consumption in Water-stressed Areas

The amount of water used at sites with extremely high water stress (4-5) identified using the Aqueduct tool developed by WRI (World Resources Institute) (P64) is as follows.

	FYE 2019	FYE 2020
Number of sites	0	2
Water consumption (m ³)	0	18,837

Scope of Aggregation

○:in scope of aggregation

		Water Consumption and Wastewater Discharge
Tokyo headquarters		○
Osaka headquarters		—
Branches in Japan	All five domestic branches (Hokkaido, Tohoku, Chubu, Chugoku & Shikoku, and Kyushu)	—
Other branches and business facilities in Japan*1	The number of offices including domestic branches: FYE 2016: 8, FYE 2017: 8, FYE 2018: 6, FYE 2019: 8, FYE 2020: 7	—
Group companies in Japan*2	Number of target companies: FYE 2016: 70, FYE 2017: 65, FYE 2018: 208, FYE 2019: 220, FYE2020: 238	○
Overseas offices	Numbers of overseas offices: FYE 2016: 16, FYE 2017: 16, FYE 2018: 15, FYE 2019: 30, FYE2020: 29	○
Overseas group companies*2	Number of target companies: FYE 2016: 44, FYE 2017: 46, FYE 2018: 299, FYE 2019: 282, FYE2020: 286	○
Exclusion	Companies expected to be sold within the next five years held for investment management purposes are not included in the scope of the data. Moreover, the CO ₂ emissions of non-manufacturing site offices with 10 or fewer employees are quantitatively insignificant. Accordingly, they are not included in the scope of the data.	

*1 The other business facilities cover business facilities owned or leased by ITOCHU (except facilities for residences).

*2 The group companies in Japan and overseas cover consolidated subsidiaries directly invested in by ITOCHU (as of March 31, 2017) for FYE 2016 to FYE 2017. All consolidated subsidiaries are covered since FYE 2018 (coverage 100%).

Independent Assurance

Independent Assurance Report (P216): The data below marked with a ❖ is independently assured through KPMG AZSA Sustainability Co., Ltd. This assurance conforms to the International Standard on Assurance Engagements (ISAE) 3000 and 3410 of the International Auditing and Assurance Standards Board (IAASB).

❖: Total electricity consumption and total CO₂ emissions attributable to the domestic bases of ITOCHU corporation (business facilities of the Tokyo Headquarters, the Osaka Headquarters, branches in Japan, domestic branches and other business facilities), and the waste volume, waste non-recycled, waste recycled, recycling rate, water consumption, gray water production volume and wastewater volume for the Tokyo Headquarters.

Environmental Costs Related to Water

Among the environmental conservation costs disclosed in the environmental accounting (P36), associated with water are as follows :

- Cost for water pollution prevention, wastewater treatment cost, grey water production cost, monitoring measurement cost and management cost 10,170 thousand yen
- Research and development expenses for water risk aversion (donation to Division of Climate System Research, Atmosphere and Ocean Research Institute, the University of Tokyo) 500 thousand yen

Approaches to Conservation of Biodiversity

Policy and Basic Concept

The Aichi Targets for 2020 were determined at the 10th meeting of the Conference of the Parties (COP10) to the Convention on Biological Diversity that was held in Nagoya, Aichi Prefecture in 2010. With this serving as an impetus, the Sustainable Development Goals (SDGs), the Paris Agreement and other international agreements deeply important to biodiversity were also reached after that.

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

| Biodiversity Declaration

Target: To Realize a Sustainable Society by Building a Society in Harmony with Nature

We will promote actions for biodiversity conservation more than ever before and will aim to further deepen them with our Biodiversity Declaration to make an international contribution.

- We will strive to prevent environmental pollution with consideration for the conservation of natural ecosystems and biodiversity when promoting our business activities from a global perspective.
- We will emphasize harmony between the workings of nature and our business activities. We will achieve this by promoting management integrated with the environment that incorporates extensive environmental activities (e.g., carbon reduction, resource recycling and biodiversity conservation) into our business activities.
- We will voluntarily and steadily take actions conducive to biodiversity and then disclose information and engage in dialogue.
- We will work on business activities that take into consideration local ecosystems while utilizing the natural capital of each region. We will endeavor to further promote initiatives on nature conservation and biodiversity while linking up and cooperating with related organizations in Japan and overseas.
- We will foster a culture toward creating a society that cultivates biodiversity and improve awareness of this both inside and outside our company.

Targets

Targets	FYE 2020 Action Plans	FYE 2020 Results	FYE 2021 Action Plans	SDGs
Implementation and follow-up on social contribution programs aimed at environmental conservation [Basic Activity Guidelines 2 Environmental Conservation]	<ol style="list-style-type: none"> Promote the Project for Protecting Green Turtles, An Endangered Species. Continue supporting the project to reintroduce manatees into the wild of the new concept Field Museum ecosystem conservation program in the tropical forests of the Amazon. 	<ol style="list-style-type: none"> We launched the Project for Protecting Green Turtles, an Endangered Species in FYE 2019. We gave green turtle conservation tours participated in by employees and their families for the second time on Chichijima in the Ogasawara Archipelago again in FYE 2020. The aim of this was also to foster the environmental conservation awareness of our employees. Since FYE 2017, we have continued to support a survey monitoring the number of green turtle spawns and a post-hatching survey conducted by the Ogasawara Marine Center of Everlasting Nature of Asia certified NPO that is working on marine conservation in the Asian region. The survey results suggest that the number of green turtles in Ogasawara is continuing to increase. We continued to support a project to reintroduce manatees into the wild of the new concept Field Museum ecosystem conservation program in the tropical forests of the Amazon. After capture and rearing, 28 manatees (cumulative total) were released into a semi-captive lake. Furthermore, 27 manatees were released into the Amazon River. This project provided more than 870 local residents with learning opportunities. In particular, it encouraged local fishermen to understand the importance of manatee conservation and got them to participate in this project. 	<ol style="list-style-type: none"> Promote the Project for Protecting Green Turtles, An Endangered Species. Promote other environmental conservation projects. 	<p>14. 15.</p>

Structures and Systems

We have established items to assess what impact investment projects will have on the natural environment in the ESG Checklist for Investment — a checklist that must be submitted when entering into new business investment projects. We check whether or not there will be an impact on ecosystems attributable to the applicable project and whether or not there will be an impact on the natural environment (e.g., depletion of resources). If an impact is recognized, we perform risk management in advance of executing the project. For example, upon risk analysis, we make requests to external specialist organizations for additional due diligence if necessary.

Initiatives

Consideration for Biodiversity in the Pulp Manufacturing Business

For more information see Wood, Wood Products, Papermaking Raw Material, and Paper Products Celulose Nipo-Brasileira S.A.(P156).

Guidelines for Mine Closure

In our mineral resource development business, we have prepared a guideline for mine closure based on international standards*. In addition to land reclamation, mine closure plans should be designed so that there is as little negative impact and maximum profit as possible on the local society and economy. To achieve that, such proper measures should be taken as to prepare funds for closure, ensure the safety of waterways constructed at the time of the mine's operation, and to prevent contaminations with chemicals being used. Towards future mining closure, we have cooperated with partners, assessed the environmental impact and formulate mine closure plans as stipulated by the countries where projects are, and put the system in order to check the implemented process of the plan.

* EHS Guidelines (Mining) of the International Finance Corporation (IFC)

Support for a Biodiversity Conservation Program in the Amazon

ITOCHU has supported the Field Museum Concept since FYE 2017. This is a biodiversity conservation program in the tropical rainforest of the Amazon being advanced by the Wildlife Research Center of Kyoto University together with the National Institute of Amazonian Research in Brazil for environmental conservation and biodiversity.

The Amazon is an area equivalent to more than half of the tropical rainforests on the earth — it is also known as a treasure trove of ecosystems. However, rapid economic development and local residents cutting down the forest due to their lack of environmental education has led to the gradual loss of this precious ecosystem over the last few years. The Wildlife Research Center of Kyoto University is working together with the National Institute of Amazonian Research to conduct research and dissemination activities to maintain the precious ecosystem of the Amazon. Japan and Brazil have been working together to conduct research and develop facilities for conservation using the advanced technologies that are the specialty of Japan.

We supported the construction of the Field Station. This is a base for the natural observation and research of the diverse creatures and ecosystem of the Amazon in the Cuieiras region at a branch of the Amazon River. This facility was developed through industry, government and academia collaboration. In addition to a multipurpose building with a facility where visitors gather for seminars and research presentations (visitor center), there is also an accommodation building. The opening ceremony for this facility was held in May 2018. The station has made the long-term monitoring of animals and plants possible in an excellent region where a submerged forest and terra firme (solid ground) both exist. This has seen it attract attention both in Brazil and elsewhere around the world. In the future, advanced research will be conducted on the Amazon's tropical rainforest in the medium-to-long term. At the same time, environmental educational activities will be further simulated. It is hoped that this will lead to the conservation of the biodiversity in the Amazon. In addition to research on the Amazon's aquatic life (river dolphins and manatees) and upper reaches of the tropical rainforest that were difficult to study until now, many plans are being considered for the future. In addition, for the purpose of saving the vulnerable species of the Amazon manatee, ITOCHU supports a program to reintroduce the Amazon manatee into the wild. The number of manatees being protected due to injuries associated with poaching is increasing. On the other hand, autonomous reintroduction into the wild is difficult. Accordingly, there was a pressing need to establish a project to reintroduce manatees into the wild. This project was aiming to reintroduce into the wild nine or more manatees and to semi-reintroduce into the wild 20 or more manatees during the period of the project over three years from FYE 2017. In reality, it has reintroduced into the wild 27 manatees and semi-reintroduced 28 manatees.



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



The logo of Manatee Homecoming Project



Completed Field Station



Endangered Species of the Amazon
Manatee

Project for Protecting Green Turtles, an Endangered Species

For the purpose of conserving biodiversity, ITOCHU Corporation support activities for protecting green turtles, designated as an endangered species.

Green turtles lay their eggs in Japan on the sandy beaches of Ogasawara Islands. People's lives are deeply connected to the natural environment surrounding green turtles. For instance, coastal development has reduced the availability of sandy beaches used as spawning grounds, the green turtles are caught as bycatch and eat refuse on the coast, mistaking it for food. The probability that a green turtle will reach maturity over a period of around 40 years is between 0.2% and 0.3% (the survival rate of young naturally hatched turtles). In order to cultivate an awareness of the environment on the part of employees, from July 23 to 28, 2019, ITOCHU conducted a Green Turtle Protection Tour on Chichijima in the Ogasawara archipelago, the largest green turtle breeding ground in Japan. Ten ITOCHU employees and family members took part in the tour.

Through ongoing support of activities to protect green turtles in the future, ITOCHU will contribute to the protection of marine and coastal ecosystems and halting of biodiversity loss, which make up part of the sustainable development goals (SDGs) adopted by the United Nations.



Green Turtles, an Endangered Species
in Ogasawara in the Ogasawara
archipelago



Green Turtle Protection Tour

Tropical Forest Regeneration and Ecosystem Conservation Activities on Borneo

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



Afforestation with Tour Participants



Endangered Species of the Orangutan

Hunting World's Borneo Support Activity

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

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



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



Kinabatangan River in Northeastern Borneo: Target Area of the Green Corridor (The plan is to secure 20,000 ha of land overall)

Cooperation with Stakeholders

Initiative Participation (Activities Through Business and Industry Groups)

We participate in the Japan Business Federation (Keidanren). We support nature conservation projects in developing areas mainly in the Asia-Pacific region and in Japan through the Keidanren Committee on Nature Conservation that was established in 1992 when the United Nations Conference on Environment and Development (Earth Summit) was held in Rio de Janeiro in Brazil. The Keidanren Committee on Nature Conservation has been working to build an environment in which the business community strives to conserve nature. This has included exchanges with NGOs, the holding of seminars and symposia, and the announcement of the Declaration of Nature Conservation by Keidanren, the Declaration of Biodiversity by Keidanren and the action guidelines for them (revised in October 2018). In addition, in recent years, the committee has also undertaken a tree-planting activity in the Tsunami Memorial Park Nakanohama (Miyako, Iwate Prefecture) that was affected by a tsunami as reconstruction support for Tohoku through the restoration of nature.

In addition, we have declared our approval of the Keidanren's Biodiversity Initiative announced on June 11, 2020.

Cooperation with External Organizations toward Sustainable Palm Oil

ITOCHU joined the Roundtable on Sustainable Palm Oil (RSPO) in 2006. We have set a target of handling only RSPO certified palm oil or palm oil equivalent to that by 2025. We are working on the procurement and supply of sustainable palm oil through cooperation and collaboration with other member companies.

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

Participation in the CDP

We participate in the CDP. This is an NGO with the largest database in the world related to environmental information (e.g., climate change measures of companies). We do this as part of our work to proactively disseminate information about our initiatives on ESG for various stakeholders around the world. We have been answering the written inquiries of CDP Forests to assess forest management in the supply chain of companies since FYE 2014.

Aside from our business activities, the ITOCHU Group also conducts activities to conserve biodiversity through activities to contribute to society.

Performance Data

Performance Data on Biodiversity

Amazonian Manatee Reintroduction Performance Indicators

Theme	Activities	Three-year (FYE 2017-2019) Performance Indicators	FYE 2017 Performance Indicators	FYE 2017 Results	FYE 2018 Performance Indicators	FYE 2018 Results	FYE 2019 Performance Indicators	FYE 2019 Results
Return to semi-captive environment	Release of manatees into a semi-captive lake (Manacapuru) or a preserve established in a river (Rio Cuieiras).	<ul style="list-style-type: none"> Release of 20 or more manatees into semi-captive lake. Establishment of a lake and preserve for return to a semi-captive environment. 	<ul style="list-style-type: none"> Launch of establishment of lake for return of manatees to a semi-captive environment in Manacapuru. Health check of 13 manatees living in the semi-captive lake. Release of 6 manatees in semi-captive lake. 	<ul style="list-style-type: none"> Began meeting for setting up a lake in Manacapuru. Conducted health checks of 12 manatees. Released nine manatees into the lake to keep them in a semi-wild state. 	<ul style="list-style-type: none"> Conduct health checks of 17 manatees. Release eight manatees into the lake to keep them in a semi-wild state. 	<ul style="list-style-type: none"> Conducted health checks of 24 manatees. Released 12 manatees into the lake where they remain in a semi-captive state. 	<ul style="list-style-type: none"> Release five manatees into the lake to keep them in a semi-wild state. 	<ul style="list-style-type: none"> Released 14 manatees into the lake where they remain in a semi-captive state.
Return to the wild	Release of manatees into the Amazon River.	<ul style="list-style-type: none"> Release of 10 or more manatees into the Amazon River. 	<ul style="list-style-type: none"> Release of 3 or more manatees into the Amazon River. 	<ul style="list-style-type: none"> Conducted a health check on a manatee that was recaptured after being released into the Amazon River and confirmed that both the length of its body and its weight had increased and that the manatee had adapted to the natural environment after being released into the river. Released five manatees into the Amazon River. 	<ul style="list-style-type: none"> Release five manatees into the Amazon River. 	<ul style="list-style-type: none"> Released 10 manatees into the Amazon River. Recaptured one manatee that had been released into the Amazon River and conducted health checks on it. Confirmed through the health checks that the recaptured manatee had grown in both body length and weight and that it had adapted to the natural environment smoothly after its release into the River. 	<ul style="list-style-type: none"> Release five manatees into the Amazon River. 	<ul style="list-style-type: none"> Released 12 manatees into the Amazon River.
Providing environmental training for local residents and raising their environmental awareness	Raising awareness of biodiversity conservation among local residents through a project for returning manatees to the wild.	<ul style="list-style-type: none"> Provide at least 100 local residents with learning opportunities every year. Have local fishermen understand the importance of protecting manatees, aiming to have two of them participate in this project. 	-	<ul style="list-style-type: none"> Asked more than 200 local residents to join us when we released the manatees. Through the protection of manatees, we raised their awareness of the importance of preserving biodiversity. Encouraged local fishermen to understand the importance of protecting manatees and had two of them participate in this project. 	<ul style="list-style-type: none"> Provide 100 local residents with learning opportunities. Have local fishermen understand the importance of protection of manatees, aiming to have two of them participate in this project. 	<ul style="list-style-type: none"> Raised awareness for biodiversity preservation through an environmental education program and a ceremony for releasing manatees at which 301 and 370 local residents participated, respectively. Two local fishermen took part in this project, continuing their practice from the previous year. 	<ul style="list-style-type: none"> Provide 100 local residents with learning opportunities. Have local fishermen understand the importance of protection of manatees, aiming to have two of them participate in this project. 	<ul style="list-style-type: none"> Raised awareness for biodiversity preservation through an environmental education program and a ceremony for releasing manatees at which 350 and 500 local residents participated, respectively. Two local fishermen took part in this project, continuing their practice from the previous year.

ITOCHU's Clean-tech Business

We engage in environmental clean-tech businesses that are projected have sustainable growth from a business perspective and are projected to contribute to society's shift toward decarbonization and circular economy. In doing so we employ a mid-to-long-term perspective in our business outlook and aim to leverage the latest technology available.

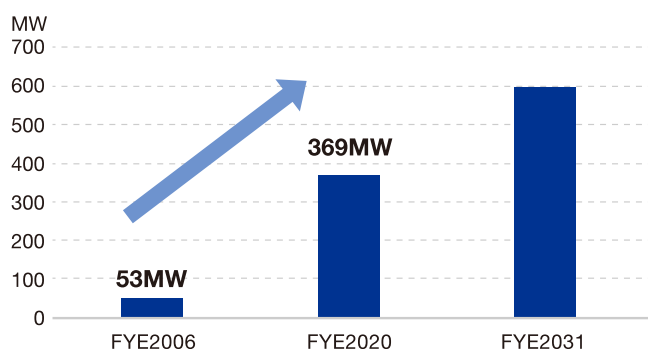
- 1. Renewable Energy (P76-77)
- 2. Ammonia Fuel (P78)
- 3. Energy-from-Waste (P78-79)
- 4. Energy Storage Systems (ESS) (P79-80)
- 5. Water Infrastructure (P80-81)
- 6. Green Buildings (P81-82)
- 7. Other Clean-tech Areas (P82-84)

1. Renewable Energy

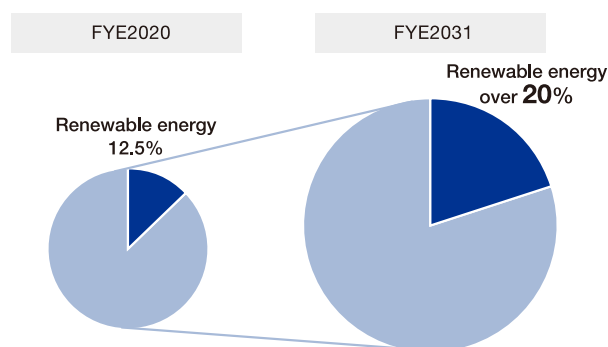
ITOCHU is involved in various aspects of power generation projects, aiming to optimize and maximize power generation efficiency. These include construction and refurbishment projects for all types of power plants worldwide, Independent Power Producer (IPP) businesses, as well as the operation and maintenance of power plants. Within the business activities introduced above, we are proactively promoting power generation methods that leverage renewable energy sources such as geothermal, wind, solar, and biomass. We are aiming for a renewable energy ratio of over 20% (equity interest basis) by FYE 2031 from 12.5% in FYE 2020 within our overall power generation business.

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

Renewable Energy Generation (Equity Interest Basis)



Target for Renewable Ratio of Total Generation



Breakdown of ITOCHU's Total Generation in FYE 2020 and Breakdown Target for FYE 2031

	FYE 2020	FYE 2020	FYE 2031 (Target)
	Generation Capacity on Equity Interest Basis (MW)	Ratio (%)	Ratio (%)
Wind	185	12.5%	20%<
Solar/PV Power	83		
Geothermal	83		
Biomass	20		
Renewable Energy (Total)	369		
Natural gas	1,621	87%	80%>
Coal-fired power	955		
Thermal Power (Total)	2,576		
Grand Total	2,945	100%	100%

For a list of our renewable energy-related businesses please visit P84.

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

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

Renewable Energy Highlights

— Wind Power

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

Butendiek Offshore Wind Farm in the North Sea of Germany

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



The Butendiek Offshore Wind Farm

— Solar Power/PV Power

ITOCHU is involved in six large-scale solar power plants in Japan, the United States, and in Spain. ITOCHU also has a capital alliance with VPP Japan, owning roof-top solar panels worth approximately 10MW. We aim to increase this to 100MW by FYE 2022.

Supplying Clean Energy with the Power of Sunlight Saga-Ouchi Solar Power Plant

– ITOCHU's Fourth Solar Power Plant in Japan –

The commercial operation of the Saga-Ouchi Solar Power Plant (power generation output: approximately 17,000 kilowatts) began in April 2018. Located in Ouchi, Karatsu, at the date of construction, this power plant was the largest mega solar (large solar power plant) in Saga Prefecture – the fourth mega solar we operate in Japan following those in Ehime, Oita and Okayama. The plant is projected to operate for 20 years under the cooperation of ITOCHU and Kyudenko Corporation. The estimated amount of annual power generation for this plant is approximately 24 million kilowatt-hours, equivalent to the annual power consumption of approximately 4,200 standard households, while at the same time contributing to the CO₂ emissions reduction of approximately 11,000 tons per year.



Saga-Ouchi Solar Power Plant

— Geothermal Power

ITOCHU has interests in an IPP project for Indonesia's Sarulla Geothermal Power Plant, one of the largest of its kind in the world. The financial closure of the \$1.17bn project was announced in May 2014, being co-financed by the Japan Bank for International Cooperation (JBIC), the Asian Development Bank (ADB), and other commercial banks. This the first of its kind aimed at the IPP of a geothermal power plant.

— Biomass

ITOCHU aims to contribute to the sustainable supply of biomass fuel by streamlining financing processes and leveraging construction and operation knowledge regarding such power plants.

2. Ammonia Fuel

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

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

ITOCHU Corporation announced today that it has come to an agreement with Imabari Shipbuilding Co., Ltd. , MAN Energy Solutions, Mitsui E&S Machinery Co., Ltd., ClassNK, ITOCHU ENEX Co. Ltd. on jointly developing ships equipped with a main engine using ammonia as its main fuel (hereinafter "Ammonia-fueled Engine").

The purpose of the joint agreement is not limited to the development of ships equipped with an Ammonia-fueled Engine, but also extends to the question of owning and operating the ships, supplying ammonia fuel and developing ammonia supply facilities. The consortium intends to promote initiatives to reduce GHGs with the cooperation of domestic and overseas companies, as well as the relevant government agencies.

Developing an Infrastructure to Support the Use of Ammonia as an Additional Source of Marine Fuel for Vessels

ITOCHU ENEX Co. Ltd., ITOCHU Corporation and Vopak Terminals Singapore Pte Ltd signed a non-binding memorandum of understanding to jointly study the feasibility of developing an infrastructure on 8 June 2020, to support the use of ammonia as an additional source of marine fuel for vessels in Singapore.

The purpose of the joint agreement is not limited to the development of establishment of supply chain of ammonia marine fuel in Singapore but also key element of the integrated project with development of zero-emission ship by ITOCHU and ITOCHU ENEX with other partners. ITOCHU group intends to promote initiatives to reduce GHGs with the cooperation of domestic and overseas companies, as well as the relevant government agencies.

3. Energy-from-Waste

ITOCHU has been expanding its involvement in the waste management business around the world to contribute to address the global waste management challenges and to realize a sustainable community. The energy-from-waste entails properly managing and incinerating municipal waste collected from homes and retail facilities, and utilizing the thermal heat to generate clean energy. Directing garbage straight into landfill sites without being incinerated or properly treated produces greenhouse gases comprised mainly of methane and causes leaching of toxic substances that pollutes soil and water sources. Therefore, it helps ease greenhouse gases emissions significantly by reducing the amount of landfill waste, maintains and improves public health, and produces a stable clean energy using their daily waste as a "resource". We will continue to contribute to the realization of a low-carbon society and circular economy.

Energy-from-Waste Projects in the United Kingdom

We are involved as a developer, investor, and operator in 4 energy-from-waste projects for local governments in the UK. In aggregate, these projects treat around 1.3 million tons of municipal waste annually, accounting for roughly for 15% of the UK's waste incineration market and generating enough electricity to power 160,000 British households.

Energy-from-Waste Public-Private Partnership Project in the Republic of Serbia

We are developing and executing a similar waste management and resource recovery PPP project alongside the city of Belgrade, the Republic of Serbia in Central Europe. The project will address one of the biggest environmental and social problems in Serbia—closing and remediating the existing landfill at the Vinča Dumpsite, an environmental catastrophe on the bank of the Danube River. It will also build and operate an energy-from-waste facility to treat municipal waste generated in Belgrade, and utilize the thermal heat to generate clean energy.

In September 2019, we achieved financial close for around EUR 300 million loan facility in project financing from the International Finance Corporation, a member of the World Bank Group, the European Bank for Reconstruction and Development, and the Development Bank of Austria. We are now moving forward with the construction of new waste management facilities that including energy-from-waste facility, demolition waste recycling unit and engineered landfill with biogas recovery and water treatment unit, which it will operate for 25 years following their completion.

The methane gas that until now has been a factor in environmental degradation will be captured and used, alongside the waste itself, as a source of energy to generate heat and electricity. The project will greatly reduce the amount of buried waste while supplying enough electricity to power 30,000 homes in Belgrade and providing heat in winter. Over a period of 25 years, the clean, fossil fuel-free power from project will reduce CO₂ emissions approximately 4 million tons, while the reduction in landfill waste will realize an additional greenhouse gas emission reduction equivalent to approximately 3 million tons CO₂. Furthermore, the contaminated water that previously drained into the Danube will be purified at a leachate treatment facility before being discharged. This helps to solve environmental and social problems in and around Belgrade. This business forms the core of Serbia's environmental and waste management policy going forward. We at ITOCHU hope that it will serve as a starting point for deep-reaching change in Serbia's waste management systems, the ways that citizens think about waste, and recycling initiatives.

ITOCHU aims to expand its involvement in the waste management business around the world to contribute to creating a sustainable community and to help reduce the burden on the environment.



Vinča Dumpsite, Belgrade, Republic of Serbia. Continued to receive municipal waste from the capital for more than 40 years, and now requires emergency action.



Construction site for energy-from-waste facility, Belgrade, Republic of Serbia.

4. Energy Storage Systems (ESS)

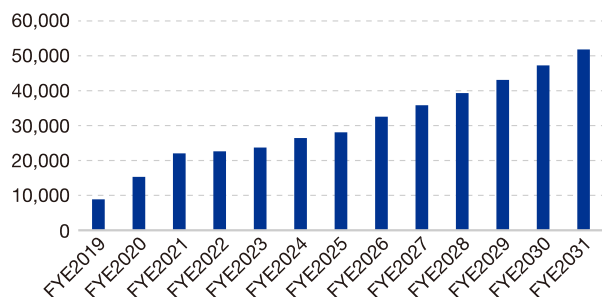
ITOCHU aims to promote de-carbonization and reduce environmental footprint by selling energy storage systems (ESS) that enhance and optimize the sustainable supply of renewable energy. As a demonstration of our commitment, we have set a clear sales target for ESS: 50 billion JPY by FYE 2030. Subsequently, by FYE 2031 we aim to reach a cumulative energy storage of 5,850,000kwh, which is approximately 22 times that of our baseline FYE 2020 performance.

Moving forward, we plan to strengthen our global energy procurement and sales network outreach. We also plan to expand our presence in foreign markets (especially in growing markets such as the United States and Australia), as well as our presence in application areas such as industrial use, ESS for large-scale commercial power supply, and the reuse and recycling of car batteries. ITOCHU believes that the culmination of these efforts will enhance our social impacts as well as elevate our corporate value proposition.

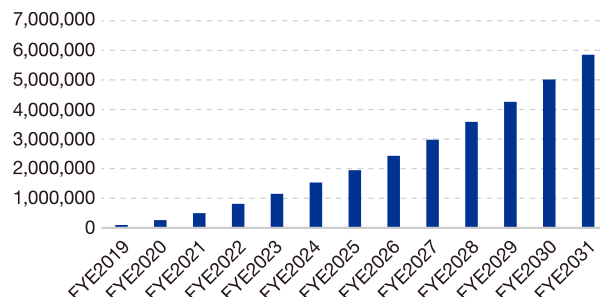
Sales and Cumulative Energy Capacity of Our ESS products

In cooperation with NF Corporation, ITOCHU Corp. developed Smart Star, a unique ESS approximately 30,000 units as of March 2019. With Smart Star being one of our main product lines, we have shown a steady increase in sales and cumulative energy capacity of the ESS products we have sold.

Annual Sales of ESS (1m JPY)



Cumulative Capacity of ESS Units Sold (kwh)



Other Initiatives

The Launch of Next-generation ESS Products Using AI Technology

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

For more details please visit <https://www.smartstar.jp/> (Japanese only).



External View of the Smart Star

Capital and Business Alliance with Sunnova Energy Corporation to Promote the Service and Capabilities of Energy Storage Systems in the United States

ITOCHU has made an equity investment in Sunnova Energy Corporation, the leading privately-held residential solar power and storage services provider in the United States. ITOCHU's investment in Sunnova, and the two company's proposed strategic partnership, furthers both company's support of solar plus storage services and products that can be deployed at scale.

As more utilities seek to decrease net metering credits offered to customers in the United States, ITOCHU believes that ESS demand will increase for households that need to store solar-powered energy generated and for households that require energy savings in the event of a short or long-term grid outage. Against this backdrop, Sunnova and ITOCHU intend to collaborate on the development of ESS solutions suitable for the U.S. market. Together, we intend to leverage "GridShare Client," the AI software of Moixa Energy Holdings Ltd. (U.K.) in which ITOCHU owns an equity stake, for Sunnova's solar systems.

5. Water Infrastructure

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

Contracting Projects for Water Supply and Distribution in Europe

In 2012, ITOCHU acquired an equity position in the Bristol Water Group (U.K.), making us the first Japanese company to participate in water service businesses in the U.K. The Bristol Water Group provides comprehensive water services from water source management to clean water treatment, water supply and distribution, billing and collection, and customer services to approximately 1.2 million people.

In 2014, ITOCHU acquired an equity position in CANARAGUA CONCESIONES S.A. (Spain), making us the first Japanese company to participate in water service businesses in Spain as well. CANARAGUA CONCESIONES S.A. provides water supply and distribution services to a total of 1.3 million people in the Canary Islands under a concession agreement with the local government.

Seawater Desalination

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

We have invested and are participating as the largest shareholder in a seawater desalination project with the Oman Power and Water Procurement Company (OPWP), which is under the umbrella of the Oman government. The project, situated in Barka, a northern region of the country, is the largest seawater desalinization project in the country, subject to a daily volume of 281,000 m³. The facilities involved use reverse osmosis membrane (RO membrane) to desalinate the water and are projected to operate for 20 years. The plant has started commercial operation in June 2018.

Other Initiatives

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

– Seawater Desalinization Business Largest in Oman –

We have invested and are participating as the largest shareholder in a seawater desalination project with the Oman Power and Water Procurement Company (OPWP), which is under the umbrella of the Oman government. The project, situated in Barka, a northern region of the country, is the largest seawater desalinization project in the country, subject to a daily volume of 281,000 m³. The facilities involved use reverse osmosis membrane (RO membrane) to desalinate the water and are projected to operate for 20 years. The plant has started commercial operation in June 2018.



Seawater Desalinization Plant

6. Green Buildings

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

Real Estate Business in Japan

ITOCHU engages in real estate primarily through its subsidiaries. Advance Residence Investment Corporation, a listed residential real estate investment trust (REIT) that is a subsidiary to ITOCHU, identifies sustainability as a top priority and is well regarded for its performance. For example, it participates in GRESB, a sustainability rating framework for real estate investors, and has 15 real estate assets with DBJ Green Building certifications, which accounts to 25.3% in surface area, and 5.6% in number of units among its entire portfolio. At ITOCHU Advance Logistics Investment Corporation, a listed REIT focused on logistics assets, we own 5 assets with DBJ Green Building certifications, which accounts to 65.5% in surface area, and 55.6% in number of units among its entire portfolio.

Overseas Housing Complex Business

ITOCHU is involved in housing complexes throughout Asia, from the development, management, and operation of assets. In Indonesia, we are involved in the Karawang International Industrial City (KIIC) project, which covers a surface area of 1,400ha with residents from more than 150 companies. The KIIC is equipped with infrastructures to ensure its stability, such as an industrial water plant, effluents water plant, and an emergency backup water reserve. Furthermore, we have taken measures to ensure the safety and security of the residents by implementing 24-hour security, maintaining a cooperate and communicative relationship with the local police authorities, securing emergency lines to request fire and medical related assistance. We have also considered an environmental sustainability perspective in the design of the KIIC by implementing smart street lights^{*}, the first of its kind in Indonesia's housing complexes.

* Smart street lights: An IoT solution that maximizes the efficiency and efficacy of LED its brightness adjustments. To date approximately 1,200 have been installed in KIIC.

7. Other Clean-tech Businesses (Links)

Renewables

- Investment in Wind Power Generation Plants in Nebraska and Minnesota
(https://www.itochu.co.jp/en/news/press/2020/200317_2.html)
- Establishment of a joint venture company for the Operation of Mutsu Ogawara Onshore Wind Farm Project in Aomori
(<https://www.itochu.co.jp/en/news/press/2019/191216.html>)

Alternative Fuels

- Start of an Overseas Demonstration Project to Culture Euglena
(<https://www.itochu.co.jp/en/news/press/2019/191127.html>)
- Conclusion of a Memorandum with euglena Co., Ltd. for the Start of an Overseas Demonstration Project to Culture Euglena
(<https://www.itochu.co.jp/en/news/press/2019/190619.html>)

Power Management

- Initiative for Distributed Solar Power Supply Projects in Japan and Asia
(<https://www.itochu.co.jp/en/news/press/2019/190328.html>)
- Expansion of Energy Storage Systems in North America, Australia and Europe :Investment in Eguana Technologies Inc.
(<https://www.itochu.co.jp/en/news/press/2020/200316.html>)
- Strategic Investment in Winch Energy Limited Promoting Development of Non-Electrified Regions
(<https://www.itochu.co.jp/en/news/press/2020/200210.html>)
- Establishment of joint venture for energy storage system
(<https://www.itochu.co.jp/ja/news/press/2019/191125.html>) (Japanese only)
- Capital and Business Alliance with Automotive Battery Reuse and Recycling Company
(<https://www.itochu.co.jp/en/news/press/2019/191028.html>)

Fuel Economy

- Next-Generation Mobility Business in China
Capital Contribution to Singulato, an EV Manufacturer, and DST, a Company Providing Rental and Maintenance Service for Commercial EVs
(<https://www.itochu.co.jp/en/news/press/2018/180829.html>)
- Family Mart began demonstration tests using electric trucks
(https://www.family.co.jp/company/news_releases/2018/20181217_01.html) (Japanese only)

At the end of January 2019, Family Mart began demonstration tests using electric trucks.

– The first 2 rooms and 2 temperature zones (chilled food / rice delivery) installed in an electric commercial vehicle with a high-power rapid charger –

With the aim of contributing to a low-carbon society, Family Mart Co., Ltd., one of ITOCHU's subsidiaries, will introduce electric trucks. The trucks are the first commercial vehicles of its kind to employ 2 rooms and 2 temperature zones (chilled food / rice delivery) and also the first to install a rapid chargeable compatible with CHAdeMO Ver 1.2*. The trucks will be deployed for a test run spanning 2 years from January 2019 and will serve deliveries 3 times a day in designated regions of Tokyo, Saitama, and Ibaraki prefecture. Results from the test run will inform decisions on wider deployment of electric trucks in Family Mart's operations.

* CHAdeMO is the brand name of the EV quick charging method and the international standard for quick charging. Ver 1.2 is the latest standard for quick charging up to 150 kW.

Water Infrastructure & Distribution

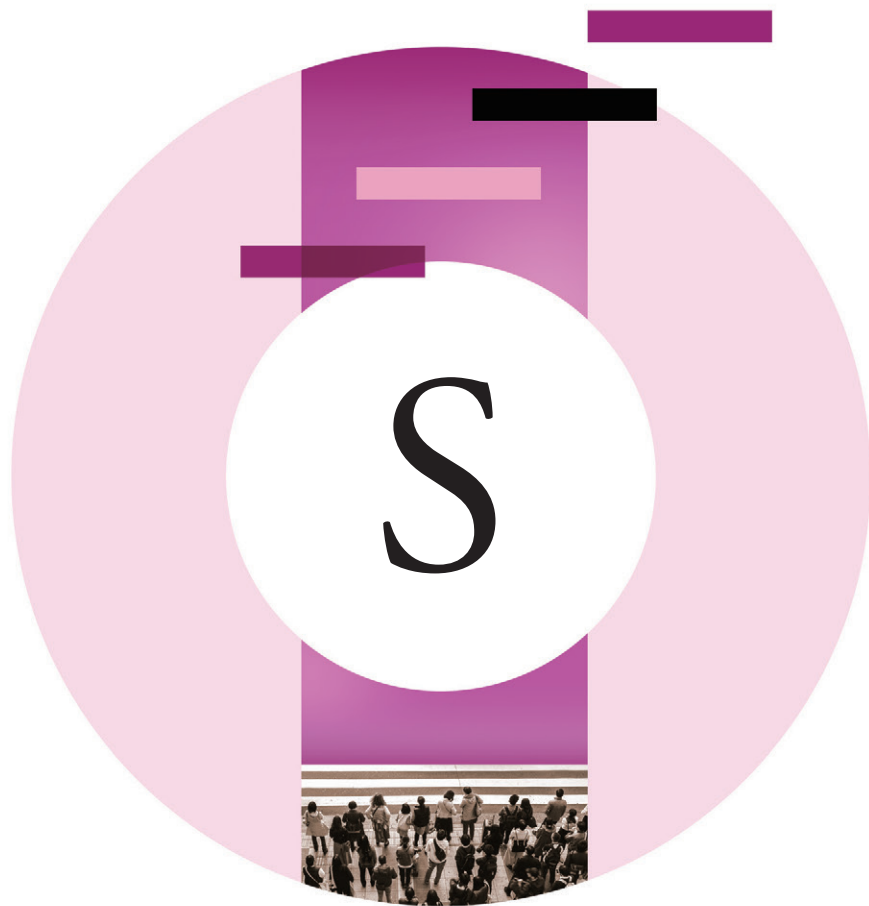
- Equity Position in the UK's Bristol Water
(<https://www.itochu.co.jp/en/news/press/2012/120511.html>)
- Equity Position in CANARAGUA CONCESIONES S.A. in Spain
(<https://www.itochu.co.jp/en/news/press/2014/140226.html>)

Water Treatment & Purification

- PPP Desalination Project in Victoria, Australia
(<https://www.itochu.co.jp/en/news/press/2009/090803.html>)
- Acquisition of Recycled Wastewater Treatment Facility in Australia
(<https://www.itochu.co.jp/en/news/press/2015/151221.html>)
- Start of Commercial Operation of Oman's Largest Seawater Desalination Plant in Barka
(<https://www.itochu.co.jp/en/news/press/2018/181031.html>)

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

Details of Effort	Name of Business Operator / Investment Project	Country	Generating Capacity / Size	Greenhouse Gas Reduction Figures
Wind Power Generation Business	CPV Keenan II Wind Power Generation Project	USA	152MW	Approx. 400,000 tons / year
	Cotton Plains Wind and Solar Pear Generation Business	USA	217MW	Approx. 560,000 tons / year
Offshore Wind Power Generation Business	Butendiek Offshore Wind Power Generation Project	Germany	288MW	Approx. 750,000 tons / year
Waste Management Projects	ST&W Waste Management Project / South Tyne & Wear Energy Recovery Holdings Limited	England	Incineration treatment of 260,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 31,000 homes	Estimated 62,000 tons / year
	Cornwall Waste Management Project / Cornwall Energy Recovery Holdings Limited	England	Incineration treatment of 240,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 21,000 homes	Estimated 60,000 tons / year
	Merseyside Waste Management Project / Merseyside Energy Recovery Holdings Limited	England	Incineration treatment of 460,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 63,000 homes	Estimated 130,000 tons / year
	West London Waste Management Project / West London Energy Recovery Holdings Limited	England	Incineration treatment of 350,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 50,000 homes	Estimated 83,000 tons / year
	Serbia Waste Management Project / Beo Cista Energija (Under Construction)	Serbia	Incineration treatment of 340,000 tons / year of general waste Scale of power generation: Equivalent power consumption of 30,000 homes (planned)	Estimated 120,000 tons / year
Geothermal Power Generation	Sarulla Operations Ltd	Indonesia	330MW	About 1,350,000 tons/year
Photovoltaic Power Generation	Oita Hiyoshibaru photovoltaic power plant large-scale solar power plant	Japan	44.8MW	Estimated 32,000 tons/year
	Shin-Okayama photovoltaic power plant large-scale solar power plant	Japan	37MW	Estimated 26,000 tons/year
	Saijo Komatsu photovoltaic power plant large-scale solar power plant	Japan	26.2MW	Estimated 17,000 tons/year
	Saga-Ouchi photovoltaic power plant large-scale solar power plant	Japan	21MW	Estimated 11,000 tons/year
Biomass Power Generation	Ichihara Biomass Power Plant	Japan	49.9MW (Planned start of operation Oct. 2020)	Estimated 136,000 tons/year




Society

Labor Practices: Employment and Benefits

Action Plan

Risks	Opportunities
<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, and others. 	<ul style="list-style-type: none"> Improvement of labor productivity and health and motivation, securing of excellent human resources, enhanced capability of responding to changes and business opportunities, and other events that will result from the creation of a workplace that provides job satisfaction, and others.

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators (Non-consolidated)	Degree of Progress
	Improving operating efficiency and addressing the issue of long-working hours through work style reform	Head-quarters	Human Resources Affairs	We will promote a well-balanced working style and reduce the total number of working hours, aiming to improve employee engagement.	<p><ITOCHU Corporation></p> <ul style="list-style-type: none"> Promote the morning focused working system. Conduct regular monitoring of employees' work situations. Promote work automation with IT tools, including the robotic process automation (RPA), as well as mobile work. Promote projects for improving the operating efficiency at each organization. <p><ITOCHU Group></p> <ul style="list-style-type: none"> Efficient way of working, appropriate working hours management, and educational and awareness-raising activities at the ITOCHU Group. 	<ul style="list-style-type: none"> FYE 2021: Reduce the annual average overtime hours by at least 10% compared to the period prior to the introduction of the morning-focused working system. FYE 2021: Percentage of employees who leave the office building at 20:00 or later at 5% or fewer. FYE 2021: Paid leave acquisition rate at 70% or higher. Rate of positive responses to the "employee engagement" item in the engagement survey: 70% or higher. 	<p><ITOCHU Corporation></p> <ul style="list-style-type: none"> We have reduced annual average overtime hours by 11% compared to before the introduction of the morning-focused working system (achieved in FYE 2018). We have 5% of employees leaving the building after 8 p.m. (FYE 2019). We have 67% of employees acquiring paid leave (FYE 2019). We plan to complete approximately 100 scenarios in FYE 2019 for RPA. We will also introduce a data analysis tool (HANABI). We are currently running 151 scenarios. (As of February 2020) In FYE 2019, we plan to implement BPR (business improvement) at the organization level in three divisions (Fresh Food Division, Automobile, Construction Machinery & Industrial Machinery Division and Apparel Division). The positive answer rate to the "Employee Engagement" item from the FYE 2019 Engagement Survey was 76%. *We did not conduct a survey in FYE 2020. The latest data is for FYE 2019.

Policy and Basic Concept

In running a global business in a wide range of domains, consolidated group companies join together to operate as the ITOCHU Group. ITOCHU has more than 120,000 consolidated employees as of the end of FYE 2020. ITOCHU is implementing various initiatives that aim to optimize labor standards and create a working environment where our diverse body of employees can reach their full potential. Some of our notable initiatives include: the introduction of a "work style reform" such as through morning shift systems and "Dress-down Days," the establishment of various systems to support employees with caring duties, and the promotion of social activities among employees at our recreational facilities.

Structures and Systems

ITOCHU provides support to ITOCHU Group companies regardless of their area or field of operation to ensure that a management system is set in place to provide an optimal working environment for employees, at minimum complying with local laws and regulations. ITOCHU Group companies have reporting lines aligning to each division company at ITOCHU in accordance with their business areas, and each division company is responsible for following up on necessary measures to support its subsidiaries.

Risk Assessment for Labor Practices in Business Investments and Financing Projects

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

For further details, please refer to the ESG Risk Assessment for New Business Investment Projects (P152).

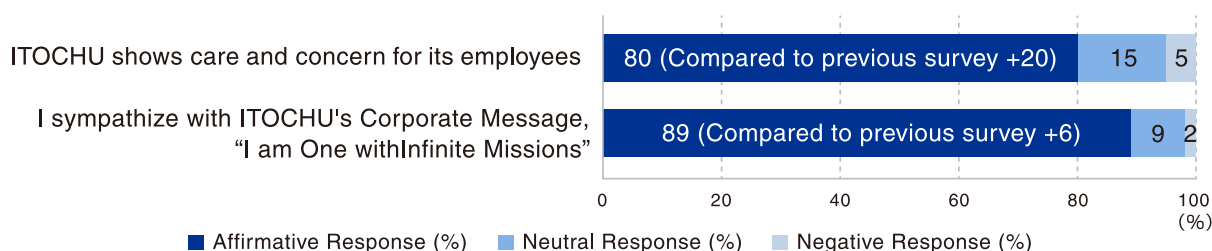
Ensuring Compliance to Labor Standards

At ITOCHU, it is mandatory for employees upon recruitment to complete training on working conditions, which includes issues related to salary, working hours and holidays, occupational safety and health, benefits, and prohibited actions and behaviors. Additionally, we are taking necessary measures to align the labor standards of our group subsidiaries to that of ITOCHU – these measures aim to elevate the baseline labor standards of our subsidiaries. We also provide our subsidiaries with support regarding the enhancement and optimization of working environments. Our labor standard expectations are published on the intranet in Japanese and English, which are the common working languages of the ITOCHU Group, with aim to facilitate their implementation.

Employee Engagement

ITOCHU Corporation believes that raising the level of motivation, satisfaction and engagement (the degree to which employees with a strong desire to contribute to ITOCHU can capitalize on their own abilities optimally at their own initiative) of employees will improve the corporate value.

In the survey conducted in FYE 2019, the results exceeded those of the previous survey (conducted in FYE 2015) especially for the question "ITOCHU shows care and concern for its employees". The positive answers were 10 points higher than the average of Japanese companies that conducted the survey (over 60 large companies). Above all, the level of engagement remained high, which has allowed us to conclude that many employees are proud of working for ITOCHU Corporation and engage in work with strong motivation to contribute to the company and with the aim of achieving better-than-expected results on a voluntary basis.



Promotion of Working-Style Reforms

ITOCHU Corporation believes that employees are its greatest asset, and that the full exertion of each individual employee's capabilities will lead to an improvement in corporate value. Based on this belief, ITOCHU has pursued a range of initiatives to develop environments where all employees can utilize their respective characteristics and concentrate on work at ease. The morning-focused working style, which we introduced in October 2013 as a measure for working-style reforms, has greatly influenced the government and many companies. More than six years after its introduction, it continues to give the results steadily as the core element of the company's working-style reforms. In June 2017 we implemented a "Dress-down Days" initiative to as a new approach to our work style reform to establish a non-confining work environment where each and every employee is encouraged to demonstrate their individual strengths. In August 2017, we introduced initiatives to support balancing cancer care and work to create a workplace in which all employees, regardless of whether they suffer from cancer or long-term illness, can continue to work without concern toward their fullest potential all the while maintaining motivation and finding meaning in their work. As the leading company in "working-style reforms" and "Health and Productivity Management, ITOCHU will continue to implement a range of initiatives in a pioneering manner to establish an environment where employees find it worthwhile to work for the company.

Working Hours Management / Morning-Focused Work

Not only do we comply with legislation like the 36 Agreement, but we are focusing on work-style reform aimed at reducing total number of hours worked.

ITOCHU has long sought to reduce overtime work from a perspective of managing employee health and promoting effective operations. To achieve a more effective working style, we reconsidered the way of thinking that assumes employee will work overtime and determined that a shift in employee awareness was needed. So in October 2013 we introduced a morning-focused work system intended to help shift work habits from night-focused to morning-focused. This progressive approach has impacted not just the industrial world, but the political and business establishment as well. It has grown into a large movement that is changing the way Japanese people work. More than six years after its introduction, the approach continues to produce steady results and is the core element in our work-style reforms.

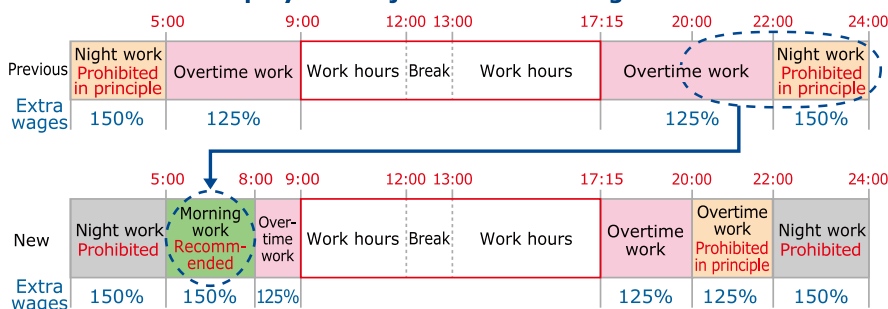
ITOCHU believes its initiatives as a pioneer in work-style reform will both empower individual employees to change their approach to work, and promote balanced operational reforms. In this way, the Company is striving to achieve a work environment that enhances operational effectiveness, helps maintain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

Outline of Initiatives

- Night work (10 p.m. - 5 a.m.) is prohibited. Working between 8 p.m. and 10 p.m. is prohibited in principle. However, work after 8 p.m. may be allowed in special circumstances after prior approval if it is unavoidable.
- We pay increased wages at the same rate as for night work to encourage employees to work earlier in the morning (5 a.m. - 8 a.m.)(employees subject to time management: 150%; employees not subject to time management: 25%).
- We also provide light meals to employees who begin work before 8 a.m. to aid in managing their health.

Morning-Focused Work System Diagram

Time Schedule: Employees subject to time management



Providing light meals to employees

Effects of Initiatives

		Prior to Introduction	First Year after Introduction	Five Years after Introduction
Left bldg.	8:00 p.m. or later	Approx. 30%	Approx. 7%	Approx. 5%
	(10:00 p.m. or later)	(Approx. 10%)	(Almost 0)	(Almost 0)
Entered bldg.	8:00 a.m. or before	Approx. 20%	Approx. 34%	Approx. 44%
Hours of overtime per person		–	Approx. 7% decrease	Approx. 11% decrease

Dress-down Days

On the specific days of the week are designated "Dress-down Days," and employees are allowed to dress down even more than they could during the previous Casual Fridays. In lieu of business suits, they can wear what they like as long as it can be considered "work clothes" suitable for business settings. Employees may even wear jeans and sneakers, and are encouraged to wear outfits that express the freedom characteristic of ITOCHU. This program aims to have employees consider how best to dress down with consideration for their relationships with customers and the people around them. This will develop their ability to think flexibly and foster a workplace environment that facilitates the creation of new ideas. The following key measures were implemented in FYE 2018 to increase employee awareness of the program and encourage its spread. We have implemented the following as representative measures since its introduction in FYE 2018 to educate and enlighten employees.

— FYE 2018

- A program in which personal stylists give 10 or so employees a complete makeover and get them to try new styles. The program is conducted three times a year (summer, autumn/winter and spring) in cooperation of Isetan Shinjuku Store of Isetan Mitsukoshi Ltd.
- Internal company events that invite employees to wear a specific item ("Jeans Day" and "Sneakers Day", etc.) and which involve related events on the same day. These could be sales, lectures by stylists on dressing well, etc. in cooperation with ITOCHU Group/associated companies.

— FYE 2019

- We have established a new permanent concept space called the "D+ Lounge" just for Dress-down Days on the second floor of the Tokyo Headquarters. This space offers events relating to personal appearance every month to refine the power of expression of our employees. These events include personal color diagnoses, stylist consultations, shoe shining, first-class shaving experiences and make-up lectures for working women.

— FYE 2020

- We have established Dress-down Every Day to enable employees to think about what clothes to wear to work in response to the time, place and occasion (TPO) and the weather every day only in the summer (May to August). Every day during this period is a Dress-down Days regardless of the day of the week.
- We hold posture correction events with stretching in the D+Lounge and sales events for employees with the cooperation of ITOCHU's group companies and business partners.

— FYE 2021

- We have further evolved this initiative as Dress-down Days four days a week from Tuesday to Friday.

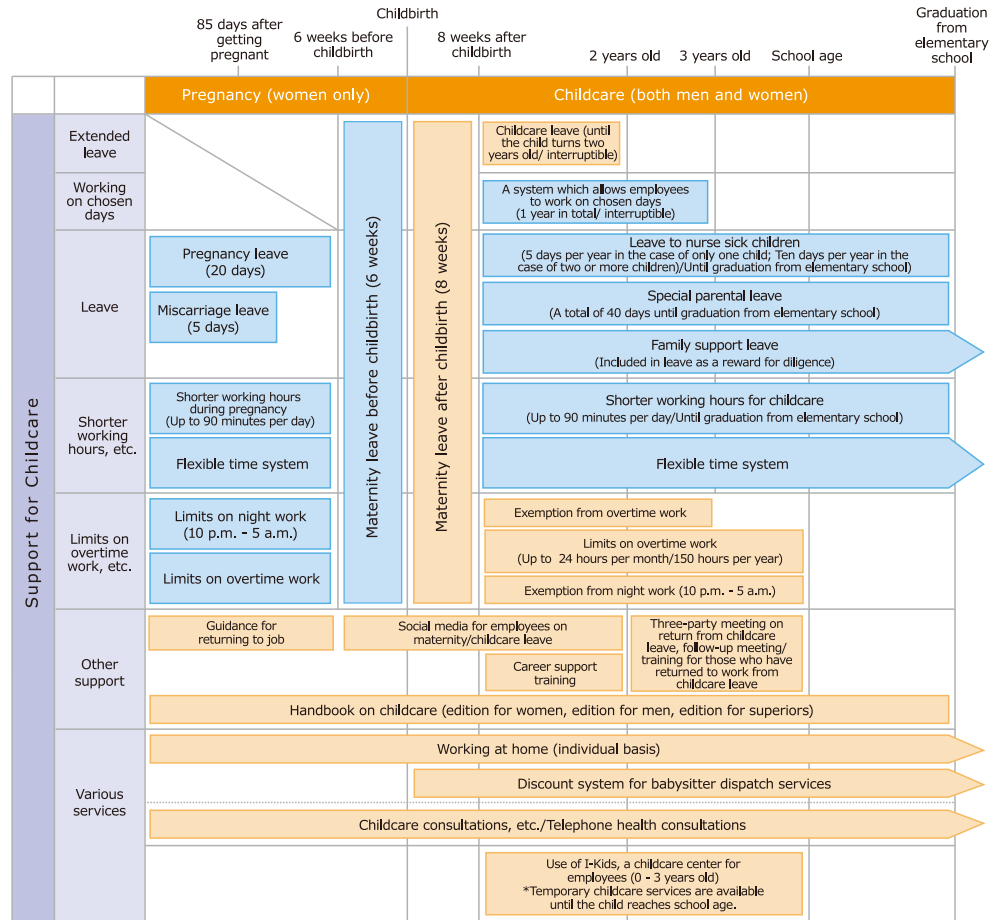
* Applies to both full-time and part-time employees.

Balancing Work with Childcare and Nursing Care

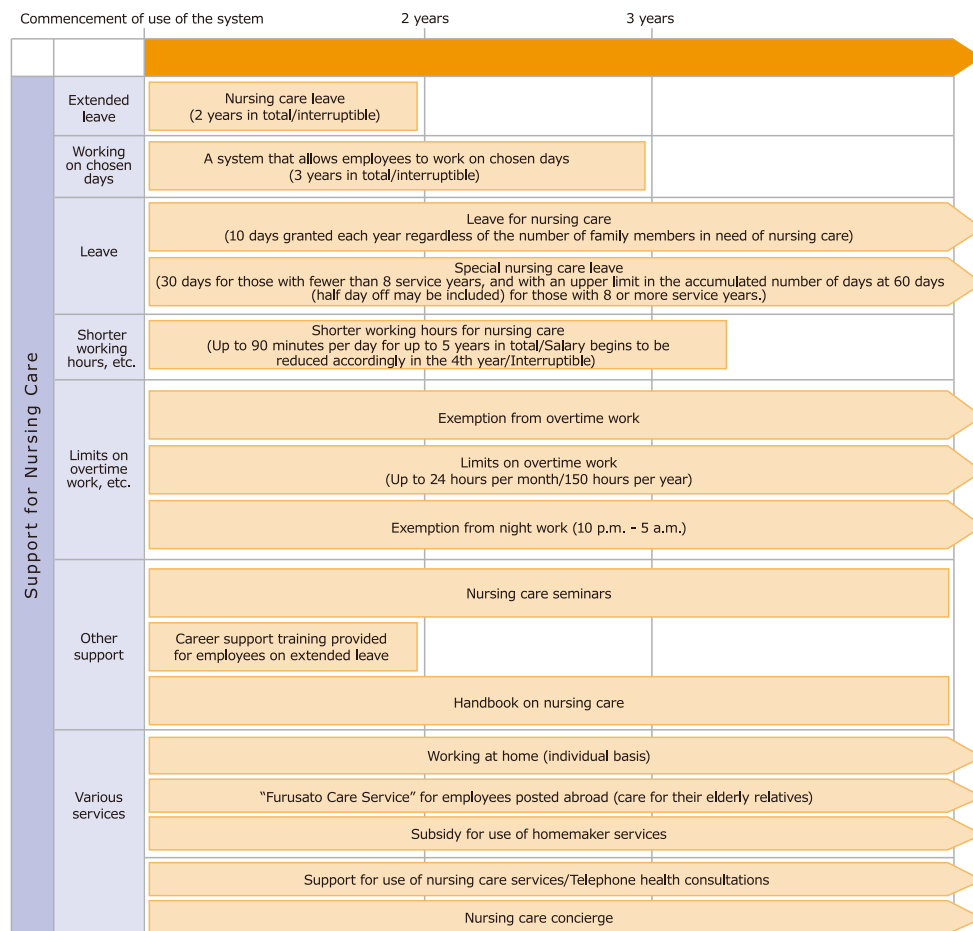
ITOCHU Corporation goes above and beyond the requirements of the law to arrange programs available to both male and female employees that help them balance work with their childcare and nursing care obligations. This allows employees to continue making full use of their skills during their careers at the company, while resting assured they can handle stages of life where they must take care of children or elderly family members at home. Over 50 male employees have been taking childcare leave a year since FYE 2016, so the use of this system has become established. Meanwhile, in FYE 2017 we trialed a telecommuting program for employees raising children or providing nursing care at home. This was followed in FYE 2018 by the official introduction of a telecommuting program which employees who meet certain conditions can take advantage of. Eligible employees include those with time constraints due to childcare or nursing care obligations, as well as those who face difficulty making the commute to work due to pregnancy, illness or other such reasons. We continue to hold nursing care seminars every year in light of the fact the importance of preparing for nursing care has also become a social problem. At the same time, we introduced a service to provide nursing care information online in FYE 2018. We then introduced a one-stop nursing care assistance service to meet the needs of those seeking advice in April 2019.

Support Programs for Balancing Work with Childcare & Nursing Care

Support for Childcare



Support for Nursing Care



■ Use of Childcare & Nursing Care Programs

Use of Childcare & Nursing Care Programs★

(Unit: people)

		FYE 2018			FYE 2019			FYE 2020		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Childcare	Childcare leave	57	76	133	52	100	152	59	109	168
	Leave to nurse sick children	65	123	188	66	124	190	74	139	213
	Shorter working hours for childcare	0	79	79	1	84	85	0	97	97
	Special parental leave	12	36	48	14	42	56	6	47	53
	Percentage of employees returning to work*	97%			97%			98%		
Nursing Care	Nursing care leave	1	0	1	1	0	1	1	0	1
	Special nursing care leave	2	4	6	0	8	8	3	10	13
	Leave for nursing care	17	36	53	16	44	60	29	42	71
	Shorter working hours for nursing care	0	10	10	0	4	4	0	2	2
Family Support Leave		122	108	230	130	95	225	96	96	192

* The percentage of employees returning to work after childcare leave is calculated according to the following formula :
the number of employees returning to work after childcare leave during the current or the following fiscal year/the
number of employees who finished taking childcare leave during the current fiscal year.

★Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000. (P216)

■ ITOCHU Kids Day for Visiting Mom & Dad at Work

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



Children exchange business cards with the President COO

Employee Benefits

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

Employee Cafeteria

The employee cafeteria at the Tokyo Headquarters underwent large-scale renovations in May 2013 that transformed it into a brighter and a more comfortable meeting place. Since then we have taken further steps to make the cafeteria a more attractive space for employees. These include introducing a Wellness Cafeteria menu created under the supervision of Kagawa Nutrition University* which aims to help employees improve their health. We have also revised our menus and altered the layout of the room based on employee feedback. Nearly 1,600 people use the employee cafeteria every day.

This special cafeteria can also be used to share meals with customers, and operates as a pub at night. It has a regular Happy Hour, during which alcoholic beverages are available for free or at a discount. This boosts communication between people from both inside and outside the company. In 2017, the menu was fully revised and the cafeteria underwent major renovations once again. This has made it a great place for employees to interact over meals.

- * Kagawa Nutrition University is a pioneering force in nutrition education. The menu it helped create focuses on daily specials with healthy dishes that fulfill different nutritional requirements. These include an energy value of around 600 kcal, salt content of 3 g or less, and vegetable servings of 140 g or more.
- * Can be used by both full-time and part-time employees

Cooldown Rooms

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

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

Shower Lounge and Shower Room

In the summer of 2016, ITOCHU installed a shower lounge on the third floor of our Tokyo Headquarters, and a shower room on the second basement floor. Their goal is to help create a workplace environment that encourages job satisfaction. The seeds of this idea were accounts from employees who often found airport shower rooms crowded when returning from business trips on early morning flights. Many reported using external facilities (such as gyms and saunas) on their way to work. In response to this feedback, ITOCHU established shower facilities at Headquarters so that



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

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

The Hiyoshi Dormitory

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

It also incorporates measures that take into account Health and Productivity Management. The cafeteria provides breakfasts and dinners that take into account a nutritional balance from the viewpoint of policies such as health and productivity management. We have also partnered with a local fitness club to give residents opportunities to exercise. As a rule, smoking is prohibited throughout the dormitory, including private rooms, and is only allowed in designated smoking areas. We also provide a program that utilizes a smartphone app to assist those who wish to quit smoking. Through initiatives like these, we hope to create an environment that encourages employees to voluntarily reform their work-style and improve their health.

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

* Intended only for full-time employees

"SOGO-KAI" Associations

"SOGO-KAI" associations are groups where fellow employees can assemble to enjoy the same sports or cultural activities. Spreading out from Tokyo and Osaka, there are more than thirty such associations active within the company nationwide. They boast a combined membership of more than 1,200 employees. The associations are not limited to current ITOCHU Corporation employees. Many former employees and Group company employees also take part. These associations use sports and cultural activities to promote exchange and communication across different generations and organizations.

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

Employment and Benefits Data

Employee Status★ (as of March 31 for each respective year)

	Non-consolidated					Consolidated	
	Employees	Men	Women	Avg. Age	Avg. Annual Salary (Yen)	Employees	Temporary Staff
2020	4,261	3,267	994	42	15,657,603	128,146	46,567
2019	4,285	3,283	1,002	42	15,207,832	119,796	38,721
2018	4,285	3,284	1,001	42	14,609,151	102,086	29,976

Employees by Operating Segment★ (as of March 31, 2020)

(Unit: people)

	Textile	Machinery	Metals & Minerals	Energy & Chemicals	Food	General Products & Realty	ICT & Financial Business	The 8th	Others	Total
Non-consolidated	385	456	170	327	440	262	193	43	1,001	3,277
Consolidated	7,869	13,842	501	12,688	38,494	17,530	20,392	13,999	2,831	128,146

Overseas Bloc Employees by Region★ (as of March 31, 2020)

(Unit: people)

	North America	Latin America	Europe	Africa	Middle East	East Asia	Asia & Oceania	CIS
National Staff	131	141	233	60	124	630	624	82
Rotational Staff	55	29	48	14	21	78	108	16
Overseas Trainees	14	5	8	3	3	15	23	1
TOTAL	2,466							

* Employees assigned to overseas subsidiaries and overseas branches/offices

- * Regarding range of tallied data, figures not labeled as Consolidated are placed under Non-consolidated.
- * Overseas bloc employees by region counts employees who are assigned to overseas subsidiaries or overseas branches/offices.

Turnover — Non-Consolidated Employees*★

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Voluntary resignation rate	1.2%	1.6%	1.7%	1.6%
Avg. Years Employed	16.9	17.3	17.5	17.8

* Positions: career-track, clerical, special
Turnover rate is calculated according to the following formula.
voluntary resignations ÷ employees at end of fiscal year

ITOCHU Corporation has a long average number of years employed of 17 years and only around 2% of employees voluntarily resign. It is a company where many employees choose to stay for the long-term.

★Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000. (P216)

Labor Practices: Labor Union

Policy and Basic Concept

ITOCHU Corporation hopes to achieve an environment in which employees can leverage their individual talents and concentrate on their work without worry. To this end, we maintain a system of rich employee benefits and employee welfare facilities. Our original employee welfare measures include a morning-focused work style, health management, support for living with cancer and dress-down day. These have met with praise both inside and outside the company, and have contributed to increased employee motivation.

ITOCHU has established a labor union with which we hold constructive discussions to improve the working conditions as well as economic status of its constituents.

* See "Employee Benefits (P92-93)" for details on the primary employee benefits that have been introduced and expanded in recent years (for both full-time and part-time employees).

Targets

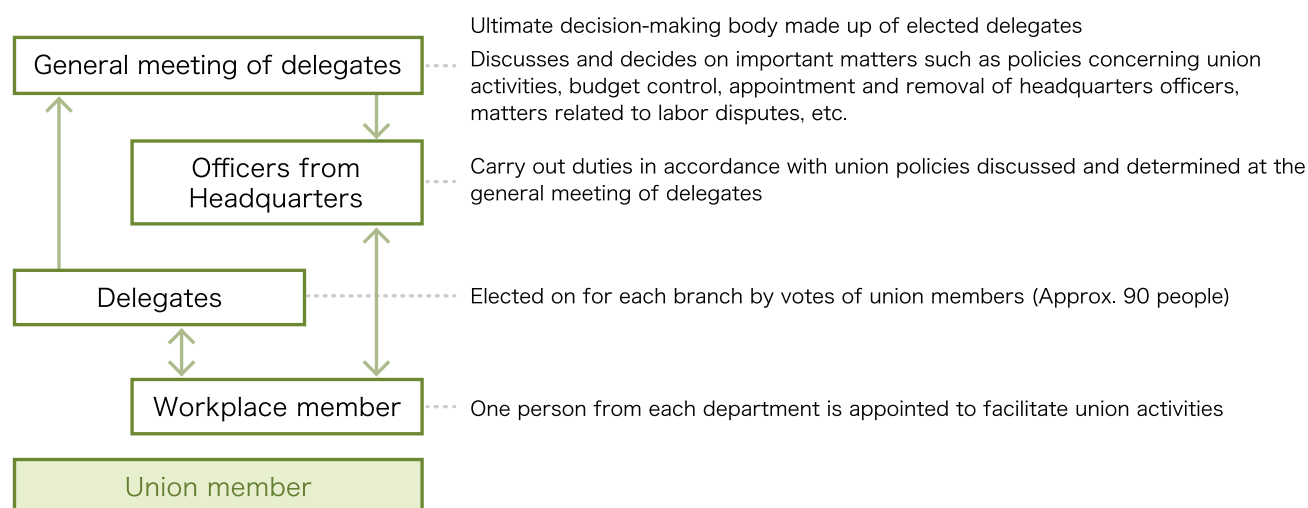
- We are aiming for a 70% or higher rate of positive responses to the "employee engagement" items on our engagement survey.
- FYE 2021: Reduce the annual average overtime hours by at least 10% compared to the period prior to the introduction of the morning-focused working system.
- FYE 2021: Paid leave acquisition rate at 70% or higher.
- FYE 2021: use stress checks to keep rate of high stress individuals below 5%.

Structures and Systems

ITOCHU Corporation has had a labor union since its founding. The objective of the Labor Union is to improve labor conditions and other economic concerns of its members. The Labor Union carries out all required operations to fulfill this objective.

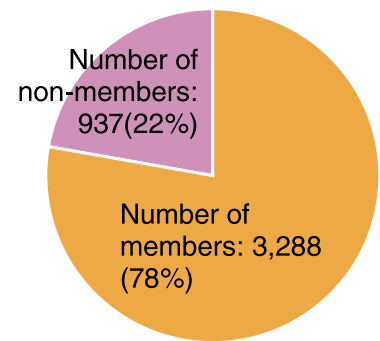
(Article 3, Rules of the ITOCHU Labor Union)

- Headquarters: General meeting of delegates and officers at headquarters
- Branch: Six branches (Tokyo, Osaka, Nagoya, Tohoku, Hokuriku and Kyushu)



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

1. Providing disadvantageous treatment to a worker because the worker is a union member, or on similar grounds
Example: Discharging or transferring a worker because the worker has gone on strike as a union member, or on similar grounds
2. Refusing to bargain collectively without justifiable cause
Example: Refusing to come to the bargaining table or sending someone without authority as a representative to attend a collective bargaining session as a representative
3. Interfering with or providing financial assistance for the organization or operation of a labor union
Example: Interfering with or interrupting the union's events or providing financial support for union operational expenses
4. Providing disadvantageous treatment, such as dismissal, to a worker in response to an allegation made by the worker to the Labor Relations Commission
Example: Providing treatment, such as dismissal or wage reduction, to a worker in response to an allegation made by the worker to the Labor Relations Commission, or to a similar action by the worker



Ratio of ITOCHU Labor Union members as of April 1, 2020

Initiatives Together With ITOCHU Labor Union in FYE 2020

April 2019 to March 2020 (monthly)	Health Committee
June	Account settlement meeting
September 2019, March 2020	Labor-management committee for time management
November 2019, January 2020	Management meeting with the Division Company President
February 2020	Labor-management committee for salary

Activities by the Headquarters of the Labor Union in FYE 2020

April 2019 to March 2020 (twice a week)	General Meeting of Officers
April, June	General Meeting of Delegates
July	Meeting attended by three top-ranking officers from each branch
July, December	Overseas Life Fact-Finding Investigation
September	Labor Union event at Tokyo Disney Land
October to December	Influenza Vaccination Expense Subsidy



Masato Ikehata
President,
ITOCHU Labor
Union

Comments from the ITOCHU Labor Union President

My name is Masato Ikehata. I joined ITOCHU in 2003 and I will now serve as the ITOCHU Labor Union President in FYE 2021.

FYE 2021 has been marked by the beginning of upheaval. This includes the spread of coronavirus infections around the world and a large drop in crude oil prices. The global economy has rapidly entered a recession. There has also been a huge impact on the trading company industry.

In addition, our daily lives have been changing in a major way (e.g., self-restraint on going out and telecommuting). Inevitably, changes in our work styles are required. Under such circumstances, I imagine the responsibilities and expected roles that should be performed by the ITOCHU Labor Union will also change. I, together with all the officers at the headquarters, will perform my duties with a sense of crisis.

I have organized the missions, action guidelines and vision of the labor union below, so please read about them.

- **Missions of the Union (= the Meaning of the Existence of the Union and the Values at the Basis of Our Activities):**

"To protect our members" and "To build a good company"

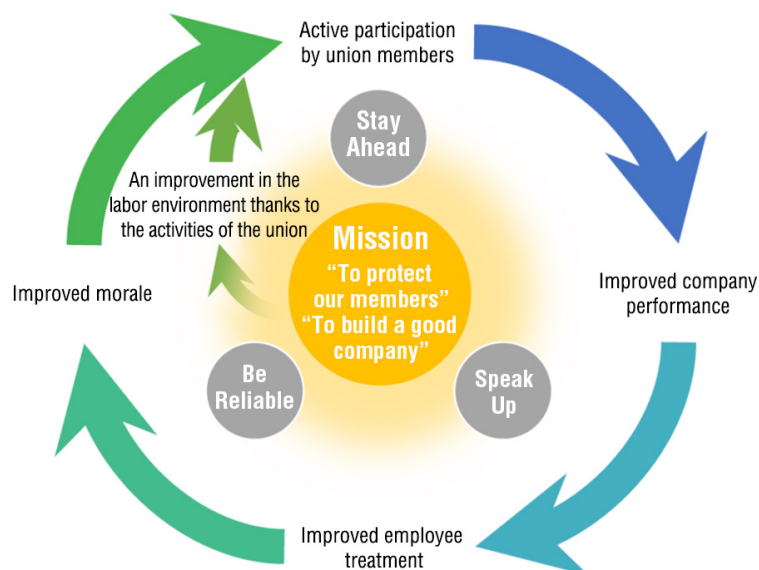
- **Action Guidelines (= the Key Phrases We Value in Our Daily Work):**

- Stay Ahead: Proactively adopt advanced concepts and work styles to constantly strengthen the organization
- Speak Up: Strengthen the ability to speak up and inform everyone about the activities of the union to gain a correct understanding
- Be Reliable: Build a relationship of trust with union members and use that as the basis to perform activities with a sense of unity

- **Vision (= Ideal Future State):**

We are aiming to achieve a virtuous cycle of corporate management by improving the labor environment and the economic status of our members.

((1) An improvement in the labor environment thanks to the activities of the union accelerates the virtuous cycle of (2) active participation by union members, (3) improved company performance, (4) improved employee treatment, (5) improved morale and then back to (2) again)



We will aim to achieve treatment and an environment suitable for a top trading company both in name and substance under the two missions of the union to protect union members and to build a good company. Under that aim, we hold negotiations and discussions with the company.

Dialogs with the Labor Union

ITOCHU Corporation discusses a wide range of issues with the ITOCHU Labor Union in order to achieve our corporate mission "*Sampo-yoshi*." We held a total of six sessions of settlement of accountings meetings with the CFO, management meetings with the the Division Company President settlement of accountings meetings with the CFO and other collective bargaining and labor-management committee meetings in FYE 2020. Recurrent, active discussion between labor and management makes both cognizant of the challenges facing the company and keeps them on the same page. This builds a healthy relationship that enables them to consider and implement measures for improvement.

Dialogs with the President




ITOCHU proactively establishes opportunities for the President and employees to engage in direct two-way dialogue. The President visited approximately 30 Japanese and overseas branches, local subsidiaries and group companies where opportunities for dialogue with the President are usually limited to hold dialogue meetings in FYE 2020. The President personally conveyed the management policy and his passion toward the realization of that directly to employees in these dialogue meetings. At the same time, the employees were also able to directly express their own opinions and ask questions to the President. Therefore, these were valuable opportunities to deepen two-way communication. The content of these meetings is wide-ranging - even including private matters in addition to the management policy. Accordingly, these are always extremely lively meetings.

Dialogs with the Division Company President

ITOCHU proactively establishes opportunities for the company president and corporate officers to engage in dialogue with employees. Normally, all the employees under the control of an organization are gathered together once every half a year. The top management of that organization then speaks in their own words about the company-wide management policy, organization targets and strategies toward target achievement. It is possible for employees to give their opinions and ask questions at these dialogue meetings. These are valuable opportunities for all employees, including the top management, to think about what we should personally do to further grow the organizations to which we belong.

Labor Practices: Diversity

Action Plan

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators (Non-consolidated)	Degree of Progress
  	Creating an environment that allows diverse human resources to exercise their potential	Head-quarters	Human Resources Affairs	We will prohibit all types of discrimination, including those based on age, gender and nationality, and respect human rights. We will create an environment that will permit the active participation of employees whose work hours are limited due to childcare, nursing care, diseases or similar circumstances.	<ul style="list-style-type: none"> Continue fair and equitable recruitment and promotion. Create a work climate of mutual respect and support. Reasonable accommodations concerning the work environment of people with disabilities. Respond to LGBT considerations and provide employee training on LGBT. Enhance on-site day-care centers and nursing care support services. Enhance individual support for employees provided in accordance with their life stage and career. Promote flexible ways of working by making use of mobile work. Support the active participation of senior human resources over 65 years old. 	<ul style="list-style-type: none"> FYE 2021: Percentage of female career-track employees among all career-track employees: 10%. FYE 2021: Percentage of female career-track employees among employees in leadership positions at 10%. FYE 2021: Proportion of our workforce with disabilities at 2.3%. 	<ul style="list-style-type: none"> The percentage of female career-track employees among all career-track employees is 9.7% (as of January 2020). The percentage of female career-track employees among those in leadership positions is over 8.1% (as of January 2020). Proportion of our workforce with disabilities: 2.16% as of February 2020 (insufficient by one person) We have been applying to make IHGS applicable as a special subsidiary in our group since February 2020. We achieved the required number of hires as of February 2020 in the three companies of ITOCHU, Unedus and IHGS. We will continue to promote the employment of those with disabilities over our entire group.

Policy and Basic Concept

Amid intensifying global competition, ITOCHU Corporation believes that organizational diversity is essential if we are to provide direct answers to the diverse needs of the market and continuously create new business and added value.

ITOCHU Corporation respects human rights and prohibits all forms of discrimination, including that based on race, religion, age, gender and nationality. ITOCHU Corporation uses diversity seminars and organization manager training to publicize the tools available to employees and to raise awareness about the importance of communication. We do this so that they do not fall victim to power harassment* or sexual harassment (including unfairly disadvantaging, engaging in hateful speech against or otherwise harassing employees who are sexual minorities). Another reason is so that pregnant employees and those who are doing their best to balance work while raising children or providing nursing care at home can feel their contributions to the workplace are worthwhile.

With regard to employees facing the constraints imposed by child-rearing or caring for a family member at home, superiors encourage them to make good use of the tools provided by the company to strike an appropriate work-life balance, while the company makes it known that it is also important to review the work duties, responsibilities and work arrangements for the workplace as a whole. Additionally, the company makes thorough initiatives to provide a workplace environment where discriminatory remarks about sexual orientation/gender identity and comments premised on subconscious gender stereotypes are not tolerated. Employees also have access to consultation services.

* Acts toward a co-worker in the same workplace that utilize the perpetrator's superior position or advantageous interpersonal relationships (or other aspects of the workplace), thereby causing psychological or physical distress, or degrading the workplace environment, in a way that goes beyond the appropriate bounds of work duties.

Targets

ITOCHU Corporation is working on the following targets that were set in line with our diversity policy.

Issues to Address

Provide an environment where diverse talent can thrive.

Commitment

Respect human rights and prohibit discrimination of any type, including age, gender, nationality and disability.
Provide an environment where employees can thrive even if their working hours are limited for reasons such as child-rearing, nursing care or illness.

Specific Approaches

- Continue fair hiring and promotion practices
- Create a workplace culture supportive of mutual respect
- Rational consideration toward the working environment for disabled persons
- Adapt to the needs of LGBT employees and provide employee training on the subject
- Improve company daycare and nursing care support services
- Improve individualized support for employees' life stages and careers
- Promote flexible work arrangements through telecommuting
- Support to senior citizen employees above the age of 65 so they can thrive

Success Indicators

- FYE 2021: Share of women among career-track employees above 10%
- FYE 2021: Share of women in supervisory positions above 10%
- FYE 2021: Share of disabled employees at 2.3%

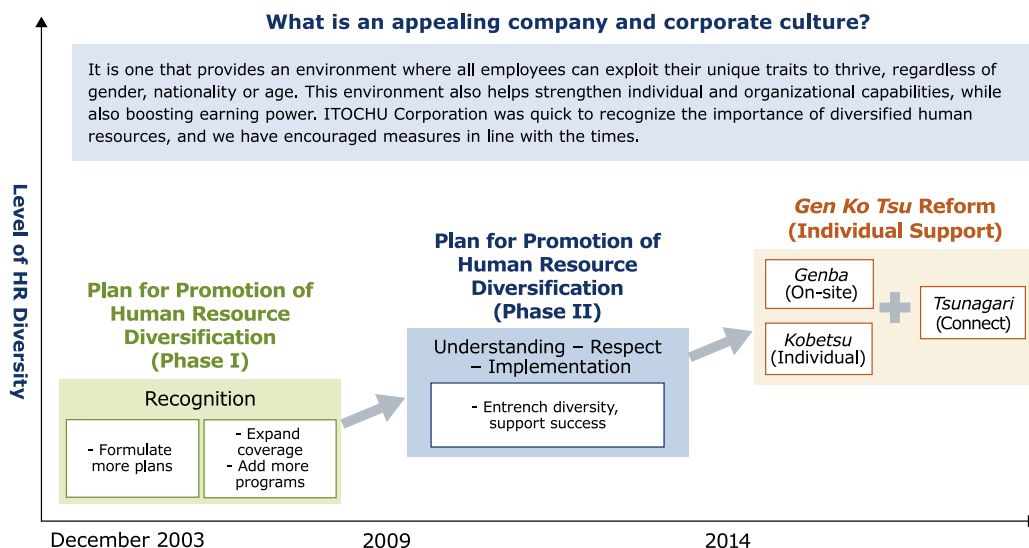
Women in Career-Track & Managerial Positions (as of March 31 for each respective year)

Year	2018	2019	2020	FYE 2021 Goal
% of Women Managers	6.8%	7.6%	8.1%	Over 10.0%
Women/All Managers	173/2,558	195/2,555	209/2,566	
% of Career-Track Women	9.0%	9.4%	9.7%	Over 10.0%
Career-Track Women/Total	313/3,461	327/3,463	335/3,462	

Support for Diverse Talent

ITOCHU Corporation formulated a Plan for Promotion of Human Resource Diversification in December 2003 that furthered the diversification of our talent, entrenched that diversification and helped these employees succeed. We will continue to build an appealing company and corporate culture by providing an environment where each and every employee can exploit their unique traits to thrive and by working to strengthen our individual and organizational capabilities.

ITOCHU Corporation HR Diversity Initiatives

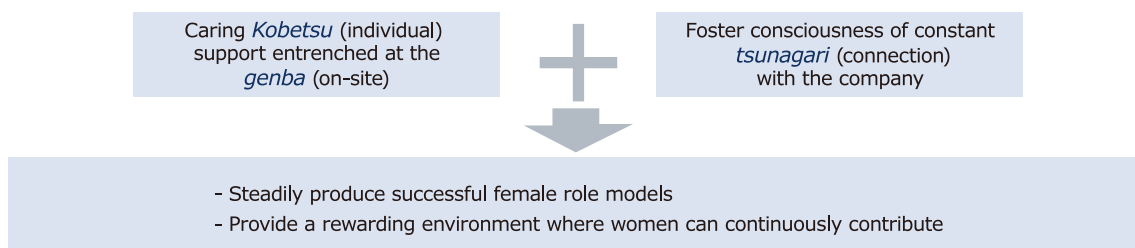


Support for Female Employees

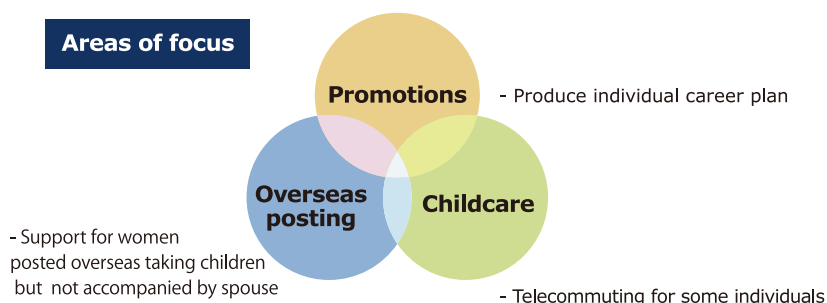
Our support for women gets the greatest amount of focus in our initiatives to diversify human resources. By implementing the Plan for Promotion of Human Resource Diversification, ITOCHU Corporation has hired more women to meet our target, while we also provide programs to support work-life balance beyond the level required by law. At present, while these programs serve as a safety net, we provide attentive individual support that is tailored to each person's stage of life and career through Gen Ko Tsu Reform. Meanwhile, to create models of successful women and provide them with rewarding work—with our focus being on developing future managerial candidates—we conduct training that fosters career awareness among young career-track women and raise awareness among organization managers through their training programs. (See below for our action plan stipulating specific targets and initiatives moving forward.)

- Action Plan Based on the "Act of Promotion of Women's Participation and Advancement in the Workplace" and the "Act on Advancement of Measures to Support Raising Next-Generation Children" (https://www.itochu.co.jp/en/csr/pdf/action_plan.pdf)

Gen Ko Tsu Reform



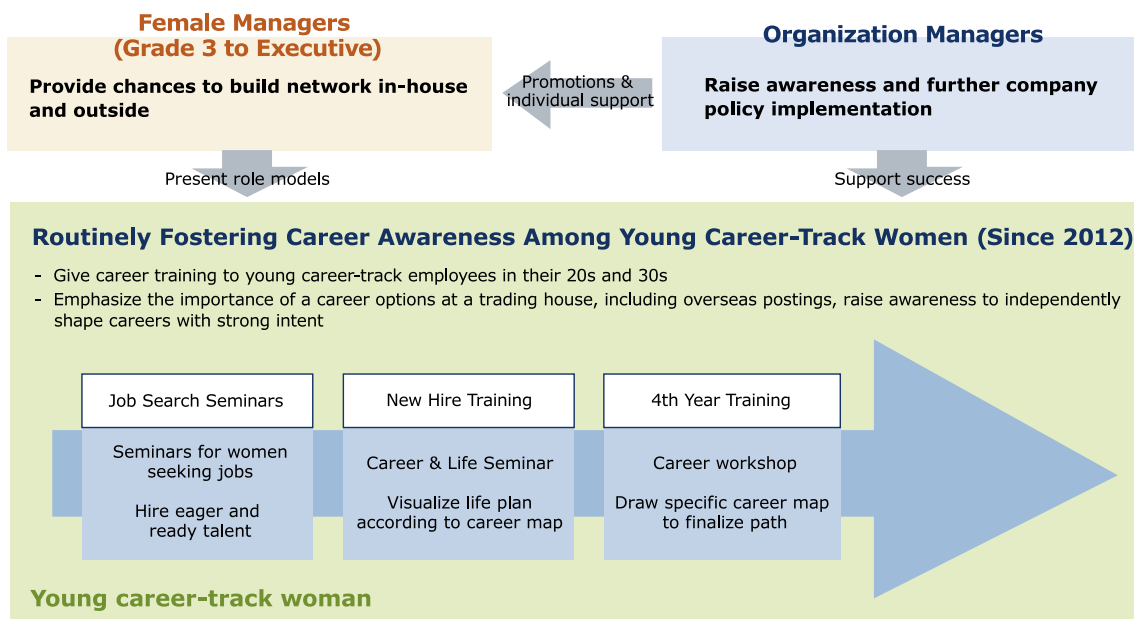
Areas of focus



(A symposium on gender equality hosted by the Cabinet Office)

Fostering Career Awareness Among Career-Track Women

- The environment we aspire to: Measures to aid the rise to the level of female manager/young career-track woman/organization manager help career-track women lift themselves up as the next generation of role models, and organization managers proactively provide support.



Measures to Support Career-Track Women

Stage	Environment & Issue Recognition	Specific Action
Initial Hiring (1989-2003) Legally required	<ul style="list-style-type: none"> ● Hiring of women required by equal opportunity law for men and women enacted in 1986 	<ul style="list-style-type: none"> • Continuous hiring of career-track women (several every year) • Transfers from clerical positions • Introduce child-rearing support program
More female employees & programs (2004-2011) Welcoming company for career-track women	<ul style="list-style-type: none"> ● Formulation of Plan for Promotion of Human Resource Diversification (Dec 2003) ● Hiring more women and providing duties throughout the company is essential to proactively promoting women to leadership ranks ● To entrench women in the company, provide an environment where they can balance work with child-rearing/nursing care 	<ul style="list-style-type: none"> • Set numerical targets • Introduce of mentoring program • Expand child-rearing support program • Introduce leave for employees whose spouses are transferred overseas • Set up company daycare • Hold various forums
Individual Support (2012-) Rewarding company for career-track women to work at	<ul style="list-style-type: none"> ● Programs provided beyond legally required level ● Bulk of career-track women enter their 30s, with major life events to follow ● Via the Gen Ko Tsu Reform, individual support to hard-working women independently shaping their careers 	<ul style="list-style-type: none"> • Switch from job transfer/leave to rehiring program • Support overseas postings (for employees transferring overseas with children but without spouse) • Identify and develop candidates for promotion • Subcommittee gathers opinions from women in the workplace • Foster career awareness (forums, etc.) • Guidance before maternity leave, three-party meetings before returning from childcare leave • Interviews before and after overseas postings • Introduce work-from-home program • Greater use of transfer program (earlier year of eligibility, transferee follow-ups) • Career-track women sent to outside managerial training

Share of Women in Career-Track/Managerial/Executive Positions★ (as of March 31 for each Respective Year)

(Unit: people)

	Career-Track			Managerial			Executives & Directors		
	Total	Women	Share	Total	Women	Share	Total	Women	Share
2020	3,462	335	9.7%	2,566	209	8.1%	45	4	8.9%
2019	3,463	327	9.4%	2,555	195	7.6%	44	2	4.5%
2018	3,461	313	9.0%	2,558	173	6.8%	45	2	4.4%

★Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000. (P216)

Clerical Career Support

ITOCHU Corporation has been running the Career Workshop for Clerical Staff for top-grade clerical employees since FYE 2016. This is training aiming to improve skills to cultivate a mindset as a model of core personnel responsible for administration work and to demonstrate leadership in the workplace through company-wide role assignment. This training sees the participation of 10 to 20 employees from the target group all over the company every year. These employees prepare action plans relating to organizational issues and experience mentoring and other missions and roles over approximately one year.

Social Inclusion Support for Disabled Persons

To provide the handicapped possessing physical, mental or other disabilities with a workplace that is motivating and rewarding, we established ITOCHU Uneedus Co., Ltd., our first special subsidiary, in Yokohama, Kanagawa Prefecture in 1987. The disabled person employment rate in ITOCHU is 2.21% as of March 2020. We are promoting an expansion in the range of work and recruitment of disabled persons in anticipation of an increase in the statutory employment rate in the future.

Initiatives by ITOCHU Uneedus Co., Ltd.

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



Left: New Offices of ITOCHU Uneedus Co., Ltd.
(Tsuzuki Ward, Yokohama)

Right: Work in the Cleaning Department
(<http://www.uneedus.co.jp/> (Japanese only))

Employment of Disabled Persons

Employment of Disabled Persons★ (as of March 1 for each Respective Year)

	Percentage of Disabled Employees (%)
2020	2.21
2019	2.17
2018	2.04

* The figures of employment ratio of people with disabilities in 2018 and 2019 are the combined total of ITOCHU Corporation and the certified special-purpose subsidiary, ITOCHU Uneedus Co., Ltd. The employment rate was calculated with ITOCHU Human Resources & General Affairs Services Inc. also added to group applicability (special case of an affiliated company) for 2020.

★Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000. (P216)

Support for Middle-aged and Older Employees' Success

ITOCHU has long been proactively promoting activity support of middle-aged and older employees. We employ all those who so desire under the Employment Extension System after they reach retirement age at 60 years old in light of the point of view of the decreasing birthrate and aging population in Japan and activity support for diverse personnel. This means we are developing an environment in which middle-aged and older employees can continue to work utilizing the wealth of knowledge and experience they possess even after they have reached the retirement age. We also hold training such as life planning seminars for employees at the age of 58 years old and future course selection briefings for employees at the age of 59 years old. Therefore, we are supporting work styles and money plans after the extension of the employment of employees. We will do yet more to create an environment where middle-aged and older employees can continue performing motivating, rewarding work more than ever.

Initiatives Conducted Overseas

In South Africa, where the ITOCHU Group's Integrated Auto Service (IAS) is located, the "Broad-Based Black Economic Empowerment" (B-BBEE) program has been introduced to improve the status of people who have unjustly suffered discriminated and other disadvantages during the apartheid era. The "B-BBEE" program assesses a company's contribution to resolving these issues based on a scorecard with evaluation criteria set by the South African Government, which include elements such as ownership, management control, employment equality, skills development, priority procurement, business development, and socio-economic development. The IAS has received a Level 4 certification issued by Metanoia Ratings in 2019, with a score of 80.01 out of 100.

Accolades for ITOCHU Corporation

ITOCHU Corporation's initiatives in "Creating Environments that Bring Out the Best in Employees" have won much praise.

We won the Excellence Award (Family-Friendly Enterprises Category) at the Minister Prize in Equal Employment/Work-Life Balance organized by the Ministry of Health, Labour and Welfare in FYE 2018.

		 ○ファミリー・フレンドリー企業部門 平成29年度
Platinum Kurumin Authorization	New Diversity Management Selection 100	2017 Award for Excellence from the Minister of Health, Labour and Welfare for "Excellent Equal Opportunity/Work and Family-Life Balance Companies" ("Family-friendly Companies" Category)
Companies making excellent initiatives to provide employees with support at work as well as with childcare receive approval to display the Platinum Kurumin Authorization mark. (Received in 2016 / Ministry of Health, Labour and Welfare)	A project for selecting excellent companies that provide diverse human resources with opportunities and an environment for exercising their potential. (Selected in March 2016 / Ministry of Economy, Trade and Industry)	A program recognizing companies that promote exemplary programs with an equal emphasis on work and childcare/nursing care. (Selected in November 2017 / Ministry of Health, Labour and Welfare)


* Related data: Employee Status (P93)

Share of Women in Career-Track/Managerial/Executive Positions (P103)

Number of Hires by Gender (P132)

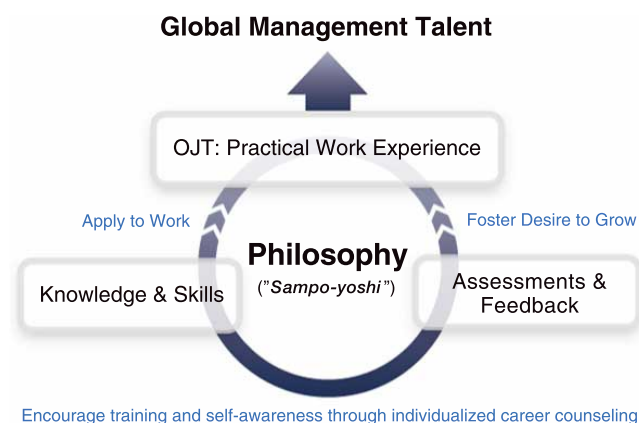
Employee Training

Action Plan

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators (Non-consolidated)	Degree of Progress
	Sustainable development of employees' capabilities	Head-quarters	Human Resources Affairs	We will develop training programs on a global basis that respond to the changing times and business needs. 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 works through regular rotation. Foster career awareness among employees by enhancing personnel assessment, career vision training, career counselling systems and other programs/systems. 	<ul style="list-style-type: none"> FYE 2021: Annual E&D expenses exceeding one billion yen. Rate of positive responses to the "education and training" item in the engagement survey: 60% or higher. FYE 2021: Percentage of career-track employees who acquire business-level English skills in their first eight years at the company at 100%. FYE 2021: 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"> The positive answer rate to the "Education and Training" item from the FYE 2019 Engagement Survey was 71%. *We did not conduct a survey in FYE 2020. The latest data is for FYE 2019. We have been continually reviewing and developing training programs (e.g., the trial introduction of next-generation related training). We are running a trial to provide video content as part of career vision training with an eye on a learning environment that meets the diverse needs of our employees. <p>Below is the Outlook Current as of February 20 in FYE 2020:</p> <ul style="list-style-type: none"> Annual E&D expenses forecast ⇒ Over approximately 1.2 billion yen Acquisition rate of business level English skills for career-track employees in up to their eighth year since joining the company ⇒ 100% Overseas dispatch rate for career-track employees in up to their eighth year since joining the company ⇒ 80%

Policy and Basic Concept

ITOCHU Corporation's employee training is focused on providing practical work experience through on-the-job (OJT) training. This is supplemented by initiatives to foster a desire to grow through appraisals, assessments and feedback, as well as employees' acquisition of knowledge and skills through the training. We also provide growth opportunities tailored to employees' individual situations and careers. After becoming industry professionals who can thrive in any field, we train them into Global Management Talent who will lead our worldwide business in the future.



Human resource development is based on this philosophy. We will accomplish infinite missions by inheriting the intentions contained in the spirit of "Sampo-yoshi" (In Japanese, "yoshi" means "good", and "sampo" means three sides, and these three sides consist of (1) the seller ("urite"), (2) the buyer ("kaite") and (3) society ("seken"). "Sampo-yoshi" is therefore: good for the seller, good for the buyer and good for society).

Targets

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

Issues to Address

Sustained employee skill development

Commitment

We develop training programs on a global basis. We do this with a market-orientated way of thinking toward the development of marketing professionals who are able to continually transform business in line with needs while inheriting our corporate mission. We then utilize these training programs to continually produce talented people.

Specific Approaches

- Continuously develop and implement training programs at all levels
- Continue and augment overseas practical training assignments and language immersion assignments
- Provide various career paths and work experience through regular rotations
- Foster career awareness in individual employee through personnel assessments, career vision training and an enhanced career counseling program

Success Indicators

- FYE 2021: annual E&D spending over 1 billion yen
- Positive response rate of 60% or higher to "education & training" items on the engagement survey
- FYE 2021: 100% of career-track employees gain business level English skills after 8 years with the company
- FYE 2021: At least 80% of career-track employees take overseas assignments by eighth year with the company

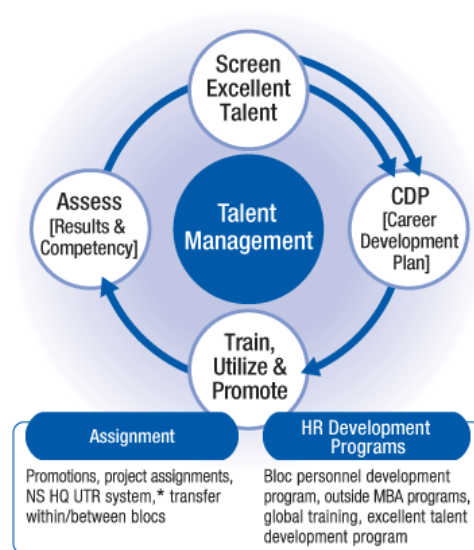
Structures and Systems

ITOCHU Corporation has been implementing a globally-minded personnel strategy since FYE 2008 with the goal of maximizing the value of our worldwide work force and optimizing this group of employees as a whole. Specifically, in FYE 2011 we established leadership standards, we created a database of organizational leaders worldwide,* and we constructed the Talent Management Process to hire, develop, utilize and promote excellent talent who will expand overseas revenues worldwide by coordinating with division companies and overseas blocs.

We also reflect the philosophy and values we have inherited over the 160 years since the foundation of our company in our recruitment standards and evaluation and training systems. With this, we are recruiting and training people who match the values of ITOCHU on a global basis.

* We created the ITOCHU Global Classification (IGC), global standards based on positions and duties for positions at all levels worldwide, in FYE 2010, which we use to place, promote and train personnel regardless of nationality.

* Relevant data: Overseas Bloc Employees by Region (P94)



* Program to accept overseas bloc employees at Tokyo Headquarters

Talent Management Process

Training System

The ITOCHU Corporation training system consists of company-wide training, along with line training for specific companies and administrative divisions that is tailored to the nature of their industry, specialties and so on. There is a wide range of training opportunities at various levels, not only for Headquarters employees, but also for those at certain overseas bloc companies and Group companies.

Overseas blocs arrange their own training systems to teach the skills and expertise required for their business and markets. In combination with the ITOCHU Corporation training system, they develop management talent capable of global success.

Classification Target	Head Office Employees			Group Company Employees	Local Hires
	Essential	Elective	Selected		
Officers	Training for Newly Appointed Officers			Training for Newly Appointed Officers	
General Managers	Training for Newly Appointed General Managers Training for Newly Appointed Administrative Officers of Group Companies	Post Multifaceted Observation Coaching		Strategic Management Decision Training	P3 Training
Section Managers	Training for Newly Appointed Section Managers		Short-Term Business School	Revitalizing People and Organizations Training Basic Management Training	GLP Training
Mid-level Employees	Training for Pre-Managers	GLP Training GNP Training (Advanced) Short-Term Overseas Business School		Mentor Training Global Mind Seminar Next Generation Business Leaders Training	GNP Training (Advanced)
Junior Employees	4th Year employees Training Basic Courses	GNP Training(Basic) Quick Mastery Course for Business Management Overseas Training for Junior Employees Intensive English Course		Step-up Training for Junior Employees	GNP Training (Basic) NS UTR Training
New Employees	New Employees Training			New Employees Training	
Clerical Staff	Newly Appointed GRADE B2 staff Training 6th Year staff Training New Employees Training	Career Workshop for Clerical Staff Overseas Training for Clerical Staff		Powering-Up Administrative Staff and Specialists Training	
Prospective Employees	Training for Prospective Employees			Training Available to Employees of Group Company	

Training Results

Time/Cost Allotted for Employee Skills Development Training

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Total annual training time (hours)	200,195	217,734	160,510	168,425

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Average training/development hours per regular employee (hours)*	46.72	50.81	37.46	39.58
Average training/development cost per regular employee (yen)	359,000	334,000	302,000	269,000

* Calculation method: total annual training hours / employees at end of fiscal year

Attendance in Major Training

Training	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Administrative Intern System	115	121	96	110
Global Development Program	128	134	141	154
Organization Manager Workshop	417	403	405	337
Short-Term Business School Dispatch	51	39	31	37
Junior Chinese/Special Language Dispatch	52	61	39	10
Chinese Lessons	469	614	237	158
Career Vision Support Training (total)	2,108	2,075	1,885	1,940

Key Points for Better Training

First, in FYE 2014 we created a training scheme for talent capable of shouldering administrative responsibilities at Group companies. Specifically, in FYE 2015, we started a training program to learn about accounting work efficiently in a short period of time through practice to strengthen the acquisition of basic knowledge on business management and risk management techniques. This is mandatory training for young employees. Additionally, we have a replete lineup of Group company employee trainings so that domestic Group company employees can upgrade their skills and expand their networks within the Group.

Furthermore, we conduct trainings in the Global Development Program and the Short-Term Business School Dispatch to develop global management talents with an overseas perspective. Meanwhile, we were among the first to offer a short-term overseas dispatch system in 1999. This program is designed to improve the English language skills of young employees at the headquarters and foster a global mindset. Chinese and other special language programs dispatch employees to emerging markets such as China and etc.. These are the core programs for our initiatives to foster specialists in each market.

For our training with an emphasis on practical on-the-job skills, we conduct Career Vision Support Training to develop industry professionals with diverse values, along with independent training programs that are based on each company or Headquarters administrative division's talent strategy and tailored for various objectives. Most recently, we have also been promoting the development of people capable of driving business into the next generation. We do this by providing our employees with opportunities for training and lectures aimed at studying cutting edge business model cases and acquiring IT expertise according to our Mid-term Management Plan.



Training in the Global Development Program

Talent Synergy with CP & CITIC

In January 2015, ITOCHU Corporation formed a strategic business and capital tie-up with Charoen Pokphand Group Company Limited (CPG) and CITIC Limited (CITIC), which are some of the leading conglomerates in Asia and China, respectively. Thereafter, in January 2016, the three-company group signed a memorandum to strengthen talent synergies as the foundation for producing medium- to long-term business synergies and raising enterprise value. According to the memorandum, the goal for the future is to build a robust network of talent between the three companies and construct a foundation that will support their strategic partnership. This will be accomplished by dispatching and exchanging talent between the three companies from the short-term to the long-term, dispatching trainees to join training programs at other companies, and conducting new joint training.



The 4th Three Companies' Combined Training Program (Tokyo) (July 2019)

In FYE 2016, the three companies held their first joint training in Tokyo. We held this combined training seminar for the second time in Beijing, where CITIC is based, in FYE 2018 and for the third time in Thailand (Khao Yai and Bangkok), where CPG is based, in FYE 2019. In FYE2020, we held this training for the fourth time in Tokyo. We select employees who match the business themes established in advance from the three companies. The participants come to fully understand each other's management policies, values, history and main business. They then thoroughly discuss the creation of business synergy. With this, the aim is to build a solid personnel network as partners.

The three firms are also steadily accepting trainees into their existing programs through short- to -long-term talent dispatch and exchange arrangements.

In addition, the strategic business and capital tie-up was accompanied by the FYE 2016 startup of a project to develop 1,000 Chinese-speaking employees, who account for one-third of all career-track employees. The project has made progress in laying a solid linguistic foundation. By the end of FYE 2018, we reached our goal of 1,000 people. We continue developing those employees even after that. The total number of trainees as of the end of FYE 2020 was 1,231. We will continue to build the foundations to further promote the expansion of business in China and the rest of Asia in the future.

ITOCHU Morning Activity Seminar

In September 2016, we began conducting early-morning training sessions and presentations as one measure to encourage shifts beginning in the early morning. The themes of these seminars are focused on the next generation of business and health. We held these seminars a total of 7 times with the participation of 3,162 people in FYE 2020. We received comments from the participants like the following: "I was able to hear stimulating stories before work, so I felt very positive." We plan to hold these seminars on a periodic basis in the future.



An ITOCHU Morning Activity Seminar

— Morning Activity Seminar Results

Major Seminars

Date	Title	Speaker
May 2019	Future of Artificial Intelligence: Beyond Deep Learning	PhD, Yutaka Matsuo, Professor of Graduate School of Engineering at the University of Tokyo
August 2019	Ideal Leaders for the Future: Styles and Readiness Necessary for Leaders to Create Leaders	Ryuji Nakatake, CEO at Teambox Inc.

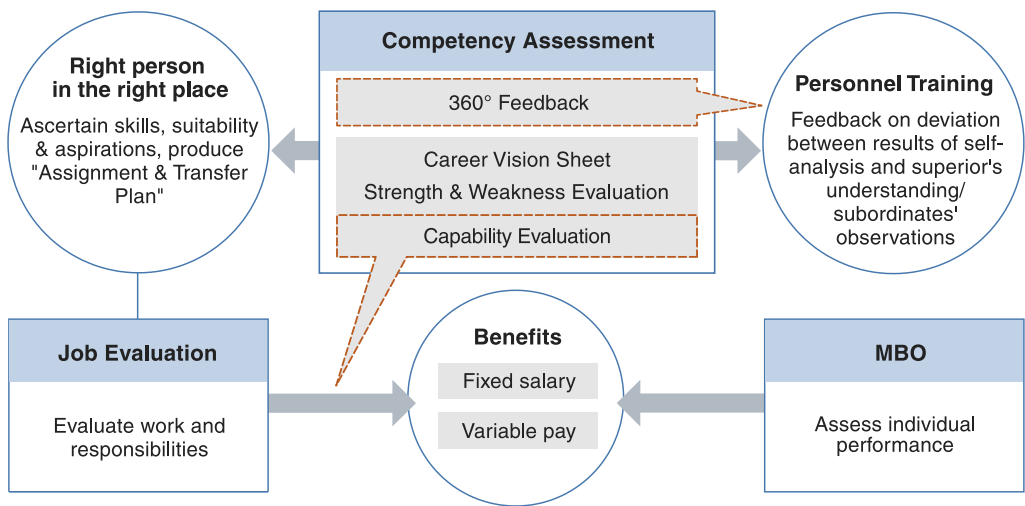
HR Appraisal & Assessment System

The HR Appraisal & Assessment System is a core part of the human resources organization that helps employees fully demonstrate their capabilities in a motivated and rewarding manner. It covers all ITOCHU Corporation employees. One part of the system is Management By Objectives (MBO), by which we assign individual employees with targets that match up with the management plan, then confirm execution. This approach helps us carry out business strategies. We have also created the Competency Assessment. This provides a comprehensive view of an individual employee's competencies, expertise, past career, aspirations and suitability, which we then use to plan assignments and transfers.

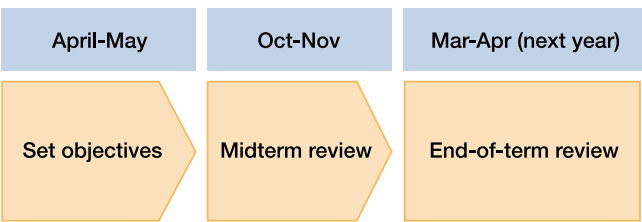
In order for these components of the HR Appraisal & Assessment System to function, we believe it critically important that superiors conduct fair and impartial evaluations and meet with their subordinates to provide feedback. 360° feedback* and assessor training enlighten superiors so that they will encourage employees to develop and grow.

* Multifaceted observation: A system by which feedback from observations by the organization managers themselves and subordinates are used to review everyday personnel management that the organization manager typically does not notice, followed, if necessary, by initiatives to make improvements or upgrade capabilities. We make sure to apply this approach every year.

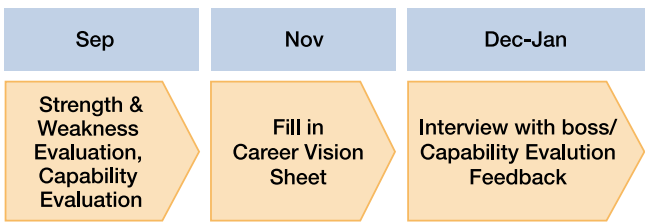
Overall Picture of the Personnel Evaluation Systems



Management By Objectives (MBO) Flow



Competency Assessment Flow



Career Support

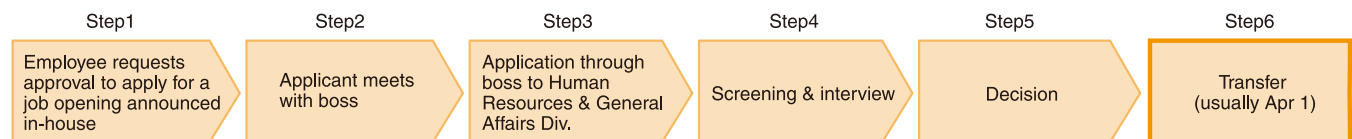
Career Counseling

The Career Counseling Center provides wide-ranging counseling and support services for the diverse careers of all employees, from new hires all the way up to organization managers. All the center's counselors are nationally certified career consultants. They discuss a broad array of topics with visitors to address their individual circumstances, including relationships with superiors, subordinates and other colleagues, how to go about one's work, one's future and so on. In addition, as a part of our employee training, we arrange for all young employees to undergo career counseling when they reach certain milestones in their ITOCHU careers. The center meanwhile serves experienced hires and middle-aged and older employees seeking to work beyond retirement age. There are over 500 consultation visits to the center each year. Here, visitors are provided complete confidentiality so they can feel at ease conversing with a counselor. The center's aim is for employees to develop an awareness about how to shape their career.

Formal Introduction of the Challenge Career System

We have introduced the Challenge Career System as a measure to increase the mobility of personnel for career-track employees working in Japan (excluding organization managers). With the system, employees can check a list of job openings announced on the company intranet, then inform their superior of their desire for a transfer. With the superior's approval, the system will try to match the employee with the desired division and, if successful, may make a transfer between Division Companies or Headquarters administrative divisions. The aim of this system is to strengthen organizational capabilities by motivating employees and fostering their career awareness with the provision of career selection opportunities. Five people transferred in FYE 2020 following on from six people in FYE 2019.

Challenge Career System Process



Promotion of Rotation

We have formulated rotation guidelines for young career-track employees. The aim of this is to stimulate the personnel in the next generation who will support management in the future. We have determined the training and transfer policy for each organization under the premise that participants will have finished their basic education by their second year in the company and that they will have experience of at least three positions, including positions overseas, by their eighth year in the company as a general rule. In addition, organization managers explain this training policy to young career-track employees and then hold career meetings to exchange opinions with them. With this, we have developed an environment in which it is possible for young employees to tackle the work in front of them with a view to the future. We have also created a mechanism for other organization members and employees in clerical positions so that they can achieve diverse careers by reviewing their transfer requests and rotation results every year.


ITOCHU Internship



ITOCHU provides an internship to students which allows them to tackle various challenging issues based on past business cases. We do this so that they can think about their careers in terms of working in a general trading company.

ITOCHU Website for students (Japanese only) (<https://career.itochu.co.jp/student/information/seminar.html>)

Occupational Safety and Health Management

Action Plan

SDGs Targets	Issues to Address	Co	Business Area	Commitment	Specific Approach	Performance Indicators (Non-consolidated)	Degree of Progress
	Improving the health of employees	Head-quarters	Human Resources Affairs	We will improve the health of employees to create an environment that will enable individual employees to better demonstrate their capabilities. We will build a system that helps employees with cancer or long-term illness to create a balance between treatment and work, thereby fostering a culture of mutual support.	<ul style="list-style-type: none"> Keep the percentage of employees who receive regular medical checkups at 100%. Establish well-equipped in-house clinics and a system for supporting each employee in receiving personalized medical care. Promote measures for helping employees create a balance between cancer treatment and work. Offer healthy dishes in the employee cafeteria. Promote the program for supporting smoking cessation treatment expenses. Utilize health management web tools for employees and continue to provide special programs for employees at a high risk for lifestyle-related diseases 	<ul style="list-style-type: none"> Percentage of employees who receive regular medical checkups: 100%. FYE 2021: Improve health indicators (such as BMI) compared to FYE 2017 values. FYE 2021: Percentage of employees who leave work due to cancer or long-term illness at 0%. FYE 2021: Rate of employees found to have a high level of stress in the stress check at 5% or lower. 	<ul style="list-style-type: none"> Regular medical checkup rate: 100% in FYE 2020. Rate of improvement in the health index (e.g., BMI) compared to FYE 2011: -2% in FYE 2019. Support for working while receiving cancer care: Job turnover due to cancer and long-term illnesses continues to be 0%. Rate of those found to have a high level of stress in the stress check: 2.9% in FYE 2020. Health management web tools for employees utilization: We are continuing to run a program for those at a high risk for lifestyle-related diseases among young employees and we expanded the scope to include those who are subject to specific health guidance (a total of 115 participants in FYE 2020). We held a company-wide walking event.

Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Metals & Minerals Company							
Ensure stable procurement and supply	 	Sustainable mine development that reflects consideration of the risks in occupational safety and health and environmental risks, and that contributes to local communities	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 we 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. 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. Donations to medical care, education and build infrastructure in local communities. 	<ul style="list-style-type: none"> We held internal EHS (Environment, Health and Safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. We checked the proper compliance to the EHS guideline by one new project and eight existing projects in our mining business, and also by one another resource-related project. We carried out activities that contribute to the local community as part of each project we invest in. As a special initiative, our Australian subsidiary, ITOCHU Minerals & Energy of Australia Pty. Ltd., together with other local group companies, contributed A\$200,000 in total to the Australian Red Cross Society as support to recover from the damage caused by the Bushfires.

Policy and Basic Concept

Occupational Safety and Health Management for Our Employees

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

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

1. Taking Responsibility for Employee Health

ITOCHU will take responsibility for the good health of each employee by actively supporting initiatives they take to maintain or improve their health.

2. Contributing to Society by Maintaining Good Health

ITOCHU will develop soundly over the long term based on an understanding that the good health of its employees is the foundation of the happiness of the employees themselves as well as their families, customers and wider society.

■ 3. A Legacy for Future Generations

ITOCHU will carry out its infinite variety of missions as a company in which healthy employees who are fulfilled both spiritually and physically unleash their individual strengths.

Going forward we will pioneer various initiatives that lead the way toward work-style reform and health management. And we will build an environment that allows employees to find meaning in their work.

| Occupational Safety and Health Management along the Supply Chain

Beyond our employees, ITOCHU Corporation also implements comprehensive measures to ensure the occupational safety and health of the stakeholders within our supply chain, including the companies we invest in and contractors. In 2013, we established ITOCHU Corporation's Sustainability Action Guidelines for Supply Chains to communicate our expectations for partners along the supply chain. The Guidelines covers key safety and health related issues such as "Management of working hours", "Management of health and safety", and "Management of employee health".

We believe it is important to gain the understanding and cooperation of all of our suppliers and contractors regarding our procurement-related policies. In keeping with this belief, in FYE 2014 we followed up on the Guidelines with approximately 4,000 suppliers with whom we have continuing relationships, in order to raise awareness and understanding of our expectations. In January 2015, we have made it a mandatory procedure to inform all new suppliers and contractors of the Guidelines. We anticipate that these activities will lead to an enhanced understanding among our business partners regarding our approach to sustainability.

| Safety and Health Related Risk Assessments for Investment Projects

ITOCHU Corporation considers ESG (Environmental, Social, and Governance related) aspects to be crucial in assessing potential risks for investment projects. In addition to financial risks and opportunities, our due diligence and risk assessment process for prospective investments therefore includes the use of a comprehensive ESG Checklist, which covers seven core subjects aligned with the ISO26000, as well as 33 sub-issues. One of the core subjects concerns Labor Practices, which includes sub-topics covering safety and health-related issues, such as labor standards, occupational safety and health, and stakeholder engagement to enhance health and safety practices. Our assessment of safety and health related risks for investment projects does not simply end at the initial investment. We conduct continuous management assessments and ensure that we monitor companies in our portfolio, ultimately to contribute to as much enhancement of business practices among investees as possible. For more information, please see ESG Risk Assessment for New Business Investment Projects (P152).

| Combatting Global Health Issues

ITOCHU Corporation has operations worldwide, with about 800 employees stationed overseas. As such, global health issues including HIV/AIDS, tuberculosis, and malaria, which are widely recognized as three of the deadliest infectious diseases today, are a major concern to our business, and we have implemented various initiatives in response.

With regards to our employees and their families, we conduct detailed preparatory seminars regarding safety and medical practices prior to overseas dispatch, including information on said global health issues. We also provide employees stationed abroad and their families with mandatory vaccinations aligned to the recommendations published by local governments. Vaccinations are administered by our Health Administration Center or a nearby travel clinic. Once dispatched, our employees and their families have access to specialized health care service companies that we partner with, which can provide information on local hospitals, details on how to avoid infection, and emergency treatment of illnesses.

In terms of community involvement, we have strived to enhance partnerships that can maximize our contribution to combatting global health issues. Since 2017, we are supporting Friends of the Global Fund, Japan (FGFJ) (<http://fgfj.jcie.or.jp/en/>) through our membership in the Japan Center for International Exchange (JCIE), which is responsible for the operation of FGFJ. We also work with Dole Philippines, one of our subsidiaries, to combat global health issues including HIV/AIDS, tuberculosis, and malaria, in the local communities. We will continue to expand initiatives in this area to fulfill our social responsibility as a global company.

Targets

Based on our policies regarding the management of occupational safety and health, ITOCHU Corporation aims to achieve zero workplace accidents and death incidents for FYE 2021 as well, and will work toward the following underlying targets.

| Issues to Address

Strengthening employee health

| Commitment

We will promote the health of each employee and establish an environment in which they can more fully display their individual abilities. We will foment a climate of mutual support by establishing a support system that helps employees with cancer and long-term illnesses balance work and treatment.

| Specific Approaches

- Continue 100% participation in medical checkups
- Maintain complete in-house infirmaries and a support structure for dedicated medical care for each employee
- Promote support measures for those living with cancer
- Offer a healthy menu in the employee cafeteria
- Promote programs to help people stop smoking
- Utilize health management web tools for employees and continue to provide special programs for employees at a high risk for lifestyle-related diseases

| Success Indicators

- 100% participation in medical checkups.
- FYE 2021: improve health indices (such as BMI) compared to FYE 2017.
- FYE 2021: 0% job separation rate due to cancer or long-term illness.
- FYE 2021: use stress checks to keep rate of high stress individuals below 5%.

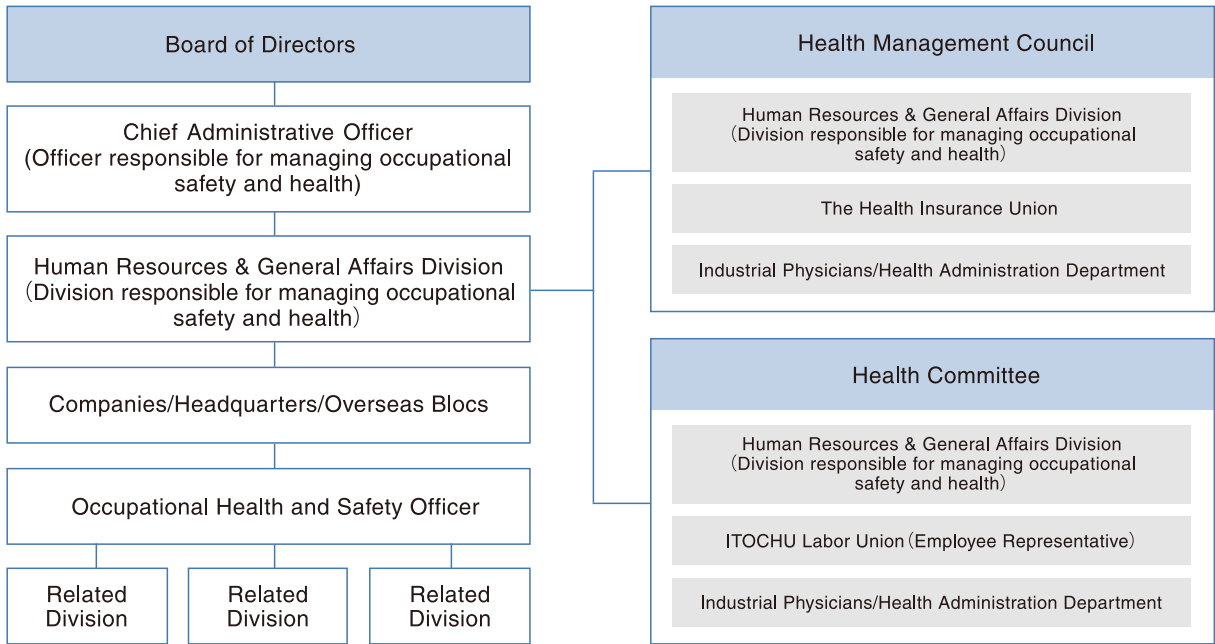
Structures and Systems

ITOCHU Corporation considers employees to be assets. One of the company's vital responsibilities is to ensure health and safety in the workplace so that employees can reach their full potential. We have built a robust system led by the President & Chief Operating Officer, not just for incidents, accidents, disasters and other emergencies, but also health management. This ensures that both ITOCHU Corporation employees working around the world and their families stay healthy and safe.

To implement our corporate mission of being "*Sampo-yoshi*," ITOCHU Corporation also discusses occupational health and safety with the ITOCHU Labor Union, which counts approximately 80% of employees as members. (see "Labor Union (P95-98)"). Recurrent, active discussion between labor and management makes both cognizant of the challenges facing the company and keeps them on the same page. This builds a healthy relationship that enables them to consider and implement measures for improvement.

See P120 for the number employees who have undergone training on health and safety standards.

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



We have a standard management and escalation procedure for all matters regarding occupational safety and health, both domestic and abroad. For each of our Companies, Headquarters, and Overseas Blocs, we have appointed an Occupational Health and Safety Officer, who is responsible for overseeing the execution of relevant initiatives. These Officers also serve as contact points to which workplace incidents and death incidents are reported to within their related divisions. Managers are also expected to relay and escalate these reports to the head office's Human Resources and General Affairs Division.

The Health Committee, chaired by the head of the Health Administrative Center and Human Resources and General Affairs Division, meets once a month to review and deliberate on important matters related to health. In case of emergencies that require immediate attention, relevant personnel are gathered to share insights on the issue at hand and escalate matters accordingly to the Health Committee. Emergencies can include health issues such as infection outbreaks, concerns raised by occupational physicians and risks associated with excessive working hours and working environments.

With regards to Health Management related initiatives and concerns, we hold a monthly Health Management Council to share progress and any concerns or risks regarding occupational health and safety.

Any critical issues identified in the Health Committee or the Health Management Council are escalated via the Human Resources and General Affairs Division to the Chief Administrative Officer (CAO), who holds the highest level of responsibility regarding health and safety. The CAO is responsible for reporting highly important issues to the Board of Directors and the Chairman & CEO. Matters that are not urgent are reported to the Board of Directors once a year, through the same reporting process.

In addition, we submit reports relating on health management and labor health and safety to the Board of Directors every year.

OHSAS18001 Certification Rate of ITOCHU Facilities

OHSAS18001 (Occupational Health and Safety Assessment Series) is a framework that certifies facilities with management systems that fulfill strict requirements for health and safety that address risks appropriately and enable continuous performance enhancement. The certification requires comprehensive elements such as a health and safety management policy, targets and action plans, the evaluation of initiatives implemented, and a process to reflect evaluation results for further improvement of the entire process. As of March 2019, among the 502 subsidiaries under ITOCHU Corporation, one company (0.2%) has acquired the OHSAS18001 certification.

Operation of the EHS Guidelines

The Metals & Minerals Company has established and is operating Environment, Health and Occupational Safety (EHS) Guidelines for its metal and mineral, coal and uranium mining businesses. EHS guidelines supports us to work on sustainable mining development leading to the stable supply of resources.

It is our obligation to avoid and reduce the EHS risks such as environmental pollution, health hazards of workers and operational accidents caused by our business activities (e.g., exploration, development and production). To that end, we have prepared EHS guidelines as technical reference documents summarizing the EHS issues and recommendations for risk management. For throughout implementation of the guidelines, we also utilize checklists available in Japanese and English.

EHS Guidelines apply to new investments, as well as projects in which we are already participating. We communicate intensively with our partners for consultation and improvement on resource development with greater consideration for the environment and safety. In FYE 2019, we performed checks on one new project and five existing projects in non-OECD countries. We then set items requiring follow-up.

We have prepared guidelines in line with global standards such as the International Finance Corporation (IFC) and standardized processes with checklists. Meanwhile, we continuously review the processes so that we can operate the guidelines flexibly to suit the individual risks of each project.

First of all, it is important that organization members have an awareness of EHS compliance. Accordingly, we aim to thoroughly spread information by conducting awareness activities using concrete examples every year. We held internal training courses for supervisors and company employees belonging to sections engaged in resource development in FYE 2019. The attendance rate of those subject to this training was 100%.

Health Administration Center

The Health Administration Center serves as the clinic for our headquarters in Tokyo and employs a total of 20 medical specialists, as well as x-ray technicians and pharmacists. For more than 30 years public health nurses have acted as "border-less medical concierges" who provide individual health guidance customized to the situation of every employee, both in Japan and overseas. This is based on close cooperation with medical specialists for various lifestyle-related diseases. In this way, the center supports ITOCHU Corporation health management through individual health management for each employee. Specifically, in addition to the specialized disease management mentioned above, the office provides general practice medicine (internal medicine, orthopedic surgery, dentistry), checkups (regular medical checkups, half-day complete checkups, and medical checkups for employees traveling overseas or returning from abroad on a temporary or permanent basis), various vaccinations, and examinations. It also offers medical counseling and provides information. In FYE 2020, almost 100% of our workers in Japan received regular medical checkups.

Mental Health

Concerning mental health, we have set up a stress management room in the company and offer counseling by a clinical psychologist. Employees can also seek counseling from a company physician or see a psychiatrist in-house. Our Health Insurance Union has set up a health consultation website called "Health & Mind Online" that enables employees to seek consultations by phone or over the net. On December 1, 2015, the Industrial Safety and Health Act was revised to require businesses to conduct employee stress checks once per year. ITOCHU Corporation's Health Administration Center took the lead in trialing stress checks a year early in October 2015. These were then introduced on a full-scale basis in FYE 2017.

Safety Measures for Employees on Travel or Stationed Overseas

ITOCHU Corporation operates worldwide with roughly 800 employees stationed overseas. The company also sends as many as ten thousand people on overseas business travel and works to offer health management to overseas staff. Since close communication between overseas locations and Japan is vital to overseas security management, we have stationed overseas safety specialists at our headquarters. They regularly exchange information about politics, economics, public safety and other factors with personnel and general affairs representatives assigned to each of the eight blocs worldwide. Staff meet through public security seminars, etc. They then disseminate appropriate measures throughout the company. We have also established a system to cover regions where information is more difficult to obtain through contracts with international security consultant firms.

Measures to Address Medical Issues and Prevent Infectious Diseases

Prior to being dispatched, all employees stationed abroad are required to undergo mandatory vaccination in line with governmental recommendations for each international region/country. ITOCHU's Health Administration Center provides employees with vaccination services – in case specific vaccinations are not available, we direct our employees to nearby clinics that specialize in vaccinations. All vaccination costs are also covered by the company. Moreover, we provide both the employees and their families with thorough preparatory seminars on health and safety matters regarding the countries they are assigned to. Global health issues such as HIV/AIDS, tuberculosis, and malaria are especially crucial for certain countries. Therefore, we ensure that the preparatory seminars cover these issues, and also provide follow-up seminars following their return to Japan.

Once our employees and their families arrive in their assigned countries, we provide medical support in various ways, such as partnering with a specialized health care service company (International SOS (<https://www.internationalsos.com/>)), to provide information on any potential issues that may occur, information on how to address and manage health emergencies, and support during emergencies, such as those that require emergency transportation.

Basic Health Management Support

- **Concierge without Borders:** This is a service that we provide to employees and their families to support them in addressing chronic conditions. Employees and their families can reach out via e-mail or phone call to occupational health nurses supported by specialized physicians, and receive advice on health-related issues as necessary.
- **Introduction of Local Medical Facilities:** We are able to introduce reliable local medical facilities in the countries we operate in, where employees can receive necessary medical services.
- **Routine Health Checkups:** In addition to pre-dispatch comprehensive medical examinations, we provide employees and their families with annual health checkups. These checkups can either be conducted upon short-term return to Japan, or in the countries where they are stationed in – including surrounding countries.
- **SECOM Furusato Care Service:** We provide support for our employees' elderly family members living in Japan. Our support covers a medical care system run by SECOM, which can be accessed year-round, at any time of day. The service allows for elderly family members to receive phone-based health support from a specialized nurse center.

Health-Related Emergency Support

- **International SOS:** This is a service that we provide employees and their families to support them in addressing acute medical conditions. The service provides access to a multi-language call-center where users can inquire about any local issues regarding safety, including terrorism, social disturbances, and medical concerns. Additionally, if our employees or their family members encounter any emergency such as injuries or acute medical conditions, they can access International SOS to request relevant support, which includes arrangements for appropriate transportation, accompanying doctors and nurses, as well as access to medical institutions that are equipped to address the emergency.
- **JOMF Kids' Net:** This is a service that we provide employees and their families to address child-related medical issues abroad. The service can be accessed via international phone call to receive advice from pediatricians in Japan.

Addressing Health and Disease Related Issues in Local Communities

ITOCHU Corporation engages in community investment in the Philippines to address global health concerns. This is conducted mainly through the Mahintana Foundation Inc. (MFI), an NGO that was developed by the Dolefil* SR Division of Dole Philippines, one of ITOCHU's subsidiaries. Along with MFI and local municipalities, ITOCHU has engaged in comprehensive development initiatives for over 40 years, including the creation of industries and labor markets, environmental conservation and reforestation, education, provision for basic needs, enhancement of employee benefits, and health and safety. Specifically regarding health and safety, global health concerns such as HIV/AIDS, tuberculosis, and malaria are particularly crucial, and we have implemented the initiatives listed below to prevent outbreaks of infectious diseases among employees and the local community:

* Dole Philippines's Pineapple Division

Social Issues	Initiatives
Infectious diseases	Vaccinations, education and training for dengue fever prevention, disseminating insecticide-treated nets (ITNs), extermination of insects, and promotion of vitamin A consumption
Healthcare	Promotion of vitamin A consumption, provision for pregnancy support, dental services, and education and training on adolescent health issues

Regarding malaria, the positive impacts of these prevention initiatives are continuing to spread, with an increasing number of surrounding regions reporting to be free of malaria infections.

Occupational Health and Safety Data

Safety initiatives in Japan incorporate countermeasures against large-scale disasters like earthquakes. These include creating a business continuity plan, preparing disaster supplies such as drinking water, food, and toilets, conducting emergency drills, and training employees to use our safety confirmation service. We encourage employees to prepare for large-scale disasters by making sure they have a way to contact their families in the event of an emergency, keeping a pair of comfortable walking shoes at work, and being sure they know their way home on foot.

Occupational Health and Safety Data (Individual Employees*¹) ★

(Unit: people)

	FYE 2017		FYE 2018		FYE 2019		FYE 2020	
	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees
Number who suffered from occupational accidents (number which occurred during commute)* ²	5 (4)	1 (1)	7 (5)	1 (1)	4 (2)	0 (0)	9 (8)	0 (0)
Number of Fatalities	0	0	0	0	0	0	0	0
OIFR (Occupational Illness Frequency Rate)* ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number who suffered Lost Time Incidents (LTI)* ⁴	0	0	0	0	0	0	0	0
LTIFR (Lost Time Injury Frequency Rate)* ⁵	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

- *1 Employees targeted: Full-time employees — career-track employees, clerical employees, those in special positions
Part-time employee — contract employees
- *2 Number who suffered from occupational accidents: The total number of those who suffered from of occupational accidents or non-LTI due to their work and those injured during their commute.
- *3 OIFR: The rate of incidence of lost-time accidents corresponding to disease per million hours (calculated as the number of people suffering from LTI due to illness divided by the total number of working hours times 1 million)
- *4 Lost time incidents (LTI) are situations in which a work-related injury or illness causes the victim to be absent from work on the following day. (occupational accidents)
- *5 LTIFR: The rate of occurrence of incidents that caused employees to miss work per million working hours (calculated as the number of sufferers of LTI divided by the total number of working hours times 1 million)

Performance Benchmarking Against Industry Average (Wholesalers and Retailers with Over 100 Employees)

	2016	2017	2018	2019
Lost-time incident rate	1.74	1.94	2.08	2.09

* The data above references the Ministry of Health, Labor and Welfare's 2019 Research on Work-related Accident Trends

Total Number of Participants in Training Related to Health and Safety Standards (Individual Employees)★

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
General training covering health and safety standards *1	2,744	3,410	3,543	3,629
Human resources-led training covering health and safety standards *2	48	61	48	453

- *1 Training new recruits (career-track employees and clerical employees), managerial workshops, training for newly appointed section managers, pre-dispatch English and special foreign language training for young employees, evacuation drills at the Tokyo headquarters, and hands-on training for overseas safety measures.
- *2 Career vision training (including mindfulness classes and mental health management), morning activity seminar.

FYE 2020 Number of Employees that Received Our Main Health and Safety-related Training

(unit: number of employees)

Type of Training	Training Details	Number of Employee Attendees
Training new recruits	Employees newly joining ITOCHU are informed on the importance of health for their personal life and their career. The training includes information on mental health and lifestyle-related diseases. Employees are also educated on the company's health and safety management by our occupational physician and our clinical psychologist.	129

Type of Training	Training Details	Number of Employee Attendees
Managerial workshop on building a healthy workplace	This workshop is for all employees in management positions to educate and train them on building a healthy work environment. Training topics include how to manage the mental wellbeing of employees, and how to prevent and address cases of harassment.	337
New manager training on health management	For newly promoted junior managers, industrial physicians and clinical psychologists provide training on how to guide and manage the health and safety of subordinates through case-studies. The training also provides guidance on how to maintain one's own health once promoted to their new positions.	62
Training in preparation for overseas assignments or junior overseas training	The training is mainly conducted by our occupational physician, and covers health issues that are likely to occur in relevant countries, as well as crucial differences in medical environments and lifestyles between Japan and assigned countries. The training also covers necessary preparations that are recommended prior to dispatch, and information on how to receive health checkups during their assignment. We also provide the same training for the family members of our employees, and provide information on key contact points and resources in case of emergencies.	273
Hands-on training for overseas safety measures	We give hands-on training to learn lessons in preparation for when an emergency arises: what you will feel, think and do if you encounter terrorism, an explosion, shooting or kidnapping in addition to what happens.	32

★Data assured by KPMG AZSA Sustainability Co., Ltd, an external assurance provider based on the international standard ISAE 3000. (P216)

Health Management

In FYE 2017 we began to work on health management in earnest. This entailed promoting a range of measures to improve employee health, based on the ITOCHU Health Charter (established in June 2016). These include the introduction of "Health MyPage," which allows all employees to manage their health status, individual programs for employees with a high risk of lifestyle-related disease (distributing wearable devices and offering expert advice on health and diet), and better support for those trying to quit smoking (reimbursing medical costs involved in quitting). And in April 2018, we opened a new health-focused integrated dormitory for unmarried employees. In an initiative to increase the health awareness of each employee, we introduced the "Health MyPage" app in April 2017. This app lets employees view medical checkup results via a PC or smartphone, and permits centralized management of lifestyle data, such as number of steps walked that day, weight, percent body fat and calorie intake. We also launched a personal guidance program for young employees with a high potential risk of lifestyle-related diseases. Participants receive wearable devices which collect data on exercise and sleep, and manage data on diet as well. This enables them to receive daily diet and exercise instructions online from a health coach and national registered dietitian. So far, more than 450 people have taken advantage of the opportunity and made progress under the program.

Our Health Insurance Union operates two recreation centers in Japan, and implements initiatives which include cooperating with the Health Administration Center to fully cover the cost of treatment that helps employees stop smoking.

Moreover, in August 2017 we began to lead the way in Japan with company initiatives to support balancing cancer care and work from the three perspectives of prevention, treatment, and coexistence. We are striving to create a workplace in which all employees, regardless of whether they suffer from cancer or long-term illness, can continue to work without concern toward their fullest potential, all the while maintaining motivation and finding meaning in their work.

Policies for Living with Cancer

In August 2017, we began to implement measures to support balancing cancer treatment and work in accordance with the ideas behind the ITOCHU Health Charter enacted in June 2016.

It is said that, today, one in two Japanese will develop cancer at some time in their life. Every year, 850,000 individuals are diagnosed with cancer, with working-age adults accounting for 30%. Cancer typically requires a certain period of intensive treatment, followed by careful, long-term follow-up care. At ITOCHU, some employees continue to work while fighting cancer, and some have succumbed to the struggle. We believe that providing a work environment where employees may continue to work without fear, and without giving in to cancer, leads to positive work on the part of the employees and energizes the organization. So we have decided to keep the following three perspectives in mind as we implement this measure.

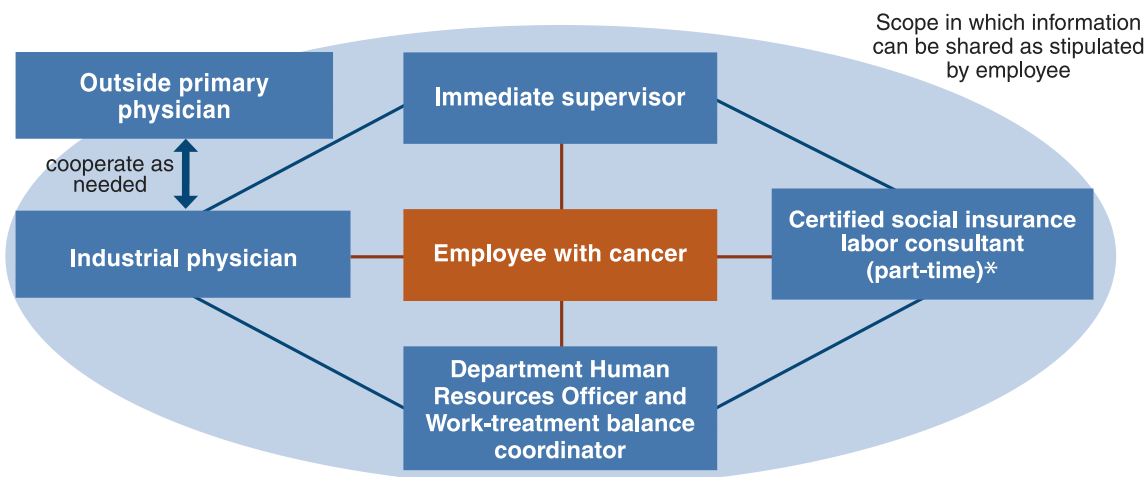
- Establish an environment in which employees can seek counsel and share information without concern
- Strengthen the system that the entire organization uses to support prevention, early detection, and treatment of cancer
- Establish internal systems and programs which permit employees to continue to work and play active roles while they receive treatment

We are newly promoting the following policies as support to balance cancer care and work from the three perspectives of prevention, treatment and coexistence. This is in addition to developing a support structure for long-term illnesses that includes the health management structure we have enhanced up to now, high-cost medical expense subsidies, and a flexible work and holiday system.

- Cooperate with National Cancer Center
 - Prevention: To improve the rate of early detection, we have added special cancer examinations under the supervision of cancer specialists to our regular medical checkup.
 - Treatment: If an exam comes back positive, we refer the employee to the National Cancer Center for detailed examination. If cancer is detected, we immediately coordinate with specialists from the National Cancer Center to arranged state-of-the-art treatment.
- Establish a system that offers support for balancing work with cancer treatment (See the figure below.)
 - Assign a coordinator who supports balancing work with cancer treatment, and foster a system and climate in which other employees, including the head of the organization, can help the employee with cancer to balance treatment and work. After receiving the initial report, formulate a plan to support balancing treatment and work which follows a prescribed flow that is dictated by the individual patient's condition.
 - Create a handbook explaining how to support balancing treatment and work, and establish a leave system that allows such support to be provided.
 - We assess the content of work-life balance support plans as individual performance goals (management by objectives) under the purpose of assisting the implementation of these plans.
- Enhance financial support for advanced cancer treatment
 - The company purchases a blanket policy to provide financial support to employees who receive advanced medical treatment not covered by insurance.
- Expanded scholarships and job search support for the bereaved family
 - Increase the amount of scholarship money paid to bereaved children through graduate school by roughly two to three times what it had been previously.
 - If a bereaved child or spouse desires to work for the ITOCHU Group, every initiative will be made to find a place for them within the Group.

By promoting these measures, we hope to create a workplace in which all employees, regardless of whether they suffer from disease, can continue to work as much as they like without concern, and reach their fullest potential. We aim to build a working environment where employees are able to maintain their motivation while finding a sense of worth in their work.

ITOCHU Corporation Support System for Balancing Work and Cancer Treatment



* Career consultation desk provided by qualified counselor

Application to Group Companies

Due to our consolidated management, our initiatives with regards to occupational health and safety, and safety management, cover not only our employees (including contract employees) but also those of our group companies. Specifically, Group companies also conduct things like stress checks, safety initiatives in Japan, information on safety measures overseas, collaboration with overseas security and medical service companies, and seminars prior to overseas assignments. Group companies are increasingly adopting a morning-focused work style, and the group overall is striving to reduce the total number of working hours and promote employee health. In addition, we are working to strengthen the labor management of the overall ITOCHU Group by regularly conducting workshops that hone the knowledge and expertise of our personnel, and assessments of labor and human resources.

Details of Personnel and Labor Support Provided to Group Companies in FYE 2020

1. Labor management case study workshops

These workshops focus on case studies that highlight possible labor management cases including mental health problems and working hours management. Participants gain specialized knowledge and learn how to handle these types of problems. FYE 2020, 25 participants from 17 companies (January and February)

2. Labor management case study workshops (special edition)

In these workshops, lectures explain key points that are likely to cause problems for human resources and labor management and propose solutions to these problems. In FYE 2020, the workshop's theme was "Equal Pay", and gathered 104 participants from 61 companies.

3. ITOCHU Group Human Resources and General Affairs Liaison Council

This council aims to allow those in charge of human resources and general affairs from our Group companies to exchange information and strengthen relationships. Activities include discussing the latest trends in human resources and general affairs, sharing information about ITOCHU Corporation measures and support situation, and updating one another about the content of revisions to laws. FYE 2020, 151 employees participated from 94 companies.

4. Human resources and labor management assessments

These are health assessments aimed at checking whether rules, systems, and management related to overall personnel and labor affairs are operated in an appropriate manner. These include labor contracts, internal rules, occupational health and safety, and time management. We conducted assessment of 10 companies in FYE 2020.

5. ITOCHU Group Human Resources and Labor Management Portal Site

We established a new portal site in May 2018 to share the regulations and expertise of ITOCHU with group companies. The aim of this site is to strengthen the human resources and labor management in group companies. By the end of FYE 2020, 61 companies had registered to use this.

Ensuring Safety in Uranium Exploration

Uranium exploration is one of our business areas that requires careful attention to ensure the safety of employees and surrounding communities. Our engagement in uranium exploration occurs through JCU (Japan-Canada Uranium), in which we have a one-third share ownership. JCU currently owns interest in 13 uranium assets in Canada, where it conducts uranium exploration. Only one of these assets has completed the prefeasibility study, with the rest being suspended or still requiring more exploration work. Thorough prefeasibility and feasibility studies are crucial for us to understand the quantity of potential resources and economic value of each site, as well as technical and safety-related parameters and concerns. If JCU and its JV partners determine to proceed to development and production in the future, our policy is to continuously conduct meticulous measurements of radiation levels and implement necessary measures to limit radiation exposure among employees and surrounding communities to a minimal level. Likewise, it will also be our policy to minimize any risk of emitting low level radioactive waste.

Peaceful Usage of Nuclear Fuel

If JCU and its JV partners determine to proceed to uranium development and production, our policy is to strictly limit any usage of sold uranium concentrates to peaceful usage. The sole objective of our uranium exploration business is to contribute to the enhanced power generation for civilian use. Our minimum commitment to achieve this policy will be to meet any local or international regulations regarding security trade control. Furthermore, we will implement a chain of custody monitoring structures to ensure peaceful use among our direct customers as well as any customers involved in further resale.

Radiation Hazard Assessments

All JCU business activities related to uranium exploration are ensured to meet local laws that align with the International Atomic Energy Agency's (IAEA) guidelines for uranium development and production regulations. This includes our commitment to meeting IAEA recommendations and requirements, as well as Canadian local regulations regarding implementation of radiation hazard assessments and management to ensure its appropriate execution.

Management of Radiation Exposure to Employees and Communities

If JCU and its JV partners determine to proceed to uranium development and production, our first and foremost priority across all activities regarding uranium concentrates will be health, safety, security, and environment (HSSE). It is therefore fundamental for us to implement necessary measures to ensure the safety of employees and the community – especially those in close proximity to the site. This includes our commitment to meeting IAEA recommendations and requirements as well as Canadian local regulations regarding measurement of radiation exposure among all personnel at relevant facilities, cumulative radiation dosage management for employees, and thorough monitoring.

Regarding JCU's uranium exploration activities, throughout the past three years (2016-2018) we have not identified any cases of radiation levels that exceed natural levels in relation to employees and the community.

Management of Radioactive Operational Waste

All uranium exploration projects we are involved in via JCU aim for the development and production of natural uranium concentrates. Therefore, any radioactive operational waste occurring from the mine and the refining facility will predominantly be limited to having naturally-induced low level radioactive wastes. We will commit to meeting IAEA recommendations and requirements as well as Canadian local regulations regarding the appropriate management and disposal of these radioactive wastes.

Throughout the past three years (2016-2018), we have not generated any high-level, mid-level, or low-level radioactive operational waste.

External Appraisal/Assessment

In FYE 2016 ITOCHU Corporation obtained the highest rank in the Development Bank of Japan (DBJ) Health Management Rating System for the first time as a general trading company. We were also selected as a Health and Productivity Stock for two years in a row in 2016 and 2017 in the health and productivity management program jointly sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

We succeeded in these areas thanks to positioning work-style reforms and Health and Productivity Management as important management strategies. We introduced a morning-focused working system ahead of other companies, and cooperated with industrial physicians and the Health Insurance Union to promote aggressive measures for improving health throughout company.

In FYE 2018 ITOCHU received the Minister of Health, Labour and Welfare Prize during the 2017 Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control, which is sponsored by the Ministry of Health, Labour and Welfare. The award was granted in recognition of our Support Measures for Balancing Cancer Care and Work, which began in FYE 2018. We also won an award of excellence, during the Tokyo Metropolitan Government awards commending companies that implement excellent initiatives to help cancer patients balance cancer treatment and work.











Our Balancing Cancer Care and Work Support System was acknowledged in FYE 2019. We received the Award of Excellence in the Corporate Human Resources category at the Nihon no Jinjibu HR Awards 2018. The Nihon no Jinjibu HR Awards are awards that honor innovators in fields such as human resources, personnel development and labor management. We also received the Gold Award at the 1st gan-ally-bu Awards. The gan-ally-bu Awards are awards aiming for workplaces and a society where it is possible to work actively while receiving cancer care.

 <p>2016 健康経営銘柄 Health and Productivity</p> <p>2017 健康経営銘柄 Health and Productivity</p>	 <p>がん対策推進 企業アクション</p>	 <p>がん治療と仕事の両立 TOKYO WORK CIRCLE PROJECT</p>
<p>Health and Productivity Stock 2016-2017</p>	<p>Award for Companies Promoting Cancer Control in the Action Plan for Promotion of Cancer Control, sponsored by the Ministry of Health, Labour and Welfare</p>	<p>Tokyo Metropolitan Government award commending companies which implement superior initiatives to help cancer patients balance cancer treatment and work</p>
<p>Selects companies engaged in strategically carrying out initiatives with regard to employee health from a management perspective (Selected February 2017 / Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE))</p> <p>* First general trading company to be selected two years in a row</p>	<p>This program recognizes companies that are proactive in taking cancer control measures and which are engaged in comprehensive, advanced cancer control measures. (Selected in February 2018 / Ministry of Health, Labour and Welfare)</p>	<p>This program recognizes companies that implement superior initiative to help employees with cancer balance treatment with work. (Selected in February 2018 / Tokyo Metropolitan Government)</p>

		
The Best Practice Enterprise	Nihon no Jinjibu HR Awards 2018 Award of Excellence in the Corporate Human Resources Category	1st gan-ally-bu Awards
These awards are held once a year to select just one company in each prefecture as The Best Practice Enterprise that is working proactively to reduce long working hours as a part of the overwork elimination campaign. (November 2017 / Tokyo Labor Bureau)	This is an award system that honors innovators in fields such as human resources, personnel development and labor management. (November 2018)	These awards were established to realize workplaces and a society where it is possible for cancer patients to work actively while receiving care. They were established by the gan-ally-bu private sector project working on the problem of cancer and employment in which employees work while receiving cancer care. (October 2018)

Respect and Consideration for Human Rights

Action Plan

Risks				Opportunities			
<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. And others. 				<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. And others. 			
Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company							
Respect human rights	 	Establishing a supply chain reflecting consideration for human rights and the environment	Supply chain management	We will promote information-sharing in the overall Group and establish a safe, secure supply chain, thereby helping customers with risk reduction and contributing to sustainable economic development.	Make Group-wide efforts to review the social and environmental safety of the supply chain and make improvements as necessary, thereby promoting the establishment of a safe, secure commodity supply system.	FYE 2024: Establish and visualize the supply chain of the overall Group, from material procurement to sales, to ensure a responsible procurement policy.	We implemented this in 50 companies in Southwest Asia (e.g., Vietnam and Indonesia) compared to the 80 companies that was our target in FYE 2020. Separately, we conducted a fact-finding investigation questionnaire on the status of compliance with the Labor Standards Act and Industrial Safety and Health Act for foreign technical intern trainees in 211 sewing plants in Japan.
Machinery Company							
Respect human rights	 	Improving water and hygiene infrastructures	Water and environmental projects	We will contribute to improving the hygiene environment, 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 environmental impact.	Expand and diversify the investment portfolio in the water and environment field.	Water Field We own a water supply service business in the U.K. and Spain and a seawater desalination business in Australia and Oman. We are continuing to work to expand our seawater desalination and water supply/sewerage business.
		Establishing a supply chain reflecting consideration for human rights and the environment	Overall electric power and plant projects	We will contribute to improving the quality of life of all stakeholders in the supply chain and business investment destinations.	Set rules on due diligence related to social and business environmental safety for suppliers and business investment destinations based on the distinctive characteristics of each business, implement due diligence, and strengthen monitoring continuously.	FYE 2020: Aim to implement the due diligence described on the left in all new development projects.	Environment Field We operate four waste incineration and power generation business projects in the U.K. In addition to this, we entered into a financing contract for a public-private partnership (PPP) waste disposal power generation project in Belgrade, Serbia in September 2019. We are aiming for operation in 2022.
Metals & Minerals Company							
Respect human rights	 	Sustainable mine development that reflects consideration of the risks in occupational safety and health and environmental risks, and that contributes to local communities	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 we 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. 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. Donations to medical care, education and build infrastructure in local communities. 	<ul style="list-style-type: none"> We held internal EHS (Environment, Health and Safety) training courses for supervisors and company employees belonging to sections engaged in resource development. The attendance rate of those subject to this training was 100%. We checked the proper compliance to the EHS guideline by one new project and eight existing projects in our mining business, and also by one another resource-related project. We carried out activities that contribute to the local community as part of each project we invest in. As a special initiative, our Australian subsidiary, ITOCHU Minerals & Energy of Australia Pty. Ltd., together with other local group companies, contributed A\$200,000 in total to the Australian Red Cross Society as support to recover from the damage caused by the Bushfires.
Energy & Chemicals Company							
Respect human rights		Establishment of an energy resources development system that goes well with local society and environment	Exploration & Production of Oil & Gas	Contributing in the development of local society by advancing exploration & production projects that accommodate social and environmental concern.	Implementation of projects in compliance with the laws and regulations of the respective government and internationally-recognized administrative body.	<ul style="list-style-type: none"> Be compliant with HSE (Health, Safety and Environment) standards in the respective government and the ones set by internationally-recognized administrative body. Reduction of HSE issues that involve serious damage to human beings and/or environment. 	<ul style="list-style-type: none"> We are appropriately complying with the HSE management standards of the government and management body in each country. We are managing the number of incidents, their severity and content monthly in accordance with in-house regulations. (There have been no serious operational incidents as of the end of January 2020 in this fiscal year.)
Food Company							
Respect human rights	 	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 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 compliant with supplier-specific codes of conduct in our bases in producing areas in cooperation with suppliers. Palm oil: Promotion of progress information disclosure upon also clarifying the KPI indicators by publishing our procurement policy. 	<ul style="list-style-type: none"> We are currently giving guidance to producers in each producing area country to meet the certification standards. The aim of this is to expand transactions for certified coffee beans (e.g., those of the Rainforest Alliance and C.A.F.E Practice). We have published our procurement policy with our started target of switching all the palm oil we procure to sustainable palm oil supplied from supply chains compliant with RSPO/MSP/ISPO by FYE 2026. We are promoting the construction of procurement and supply structures in light of industry trends and the situation in suppliers.
			Fresh food field	We will contribute to increased employment and an improved living environment by fostering local industries.	We will cultivate new producing areas. We will do this to expand employment and improve the living environment through diversification of producing areas in light of weather risks and through the development of local industries in our Dole business.	Aim for the start of the commercial production and export of pineapple processed foods in FYE 2022 by cultivating pineapples in Sierra Leone as the cultivation of a producing area followed by the development program in the Philippines.	We are promoting the expansion of a pineapple farm and the construction of a pineapple processed food manufacturing plant in Sierra Leone.

Human Rights Policy of the ITOCHU Group

The ITOCHU Group has adopted the "ITOCHU Group Human Rights Policy" (hereinafter "the Policy"), drafted based on our Corporate Mission, Code of Ethical Conduct, and The Basic Policy on Promotion of Sustainability. This Policy iterates our commitment to respect the human rights of our stakeholders and address negative impacts that may arise from our business activities.

1. Policy Scope and Our Expectations Toward Business Partners

This Policy applies to all worldwide executives and employees of the ITOCHU Group, including contractors and temporary employees. The ITOCHU Group also expects business partners and other relevant stakeholders to comply with this Policy.

2. Endorsement of International Agreement

The ITOCHU Group supports international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, which we have been a signatory to since 2009. We will also implement measures aligning to the United Nations Guiding Principles on Business and Human Rights.

3. Legal Compliance and Respect for Internationally Recognized Human Rights

The ITOCHU Group will comply with the laws and regulations in the respective countries and regions where we perform our business activities in addition to Japan. If there is a contradiction between internationally recognized human rights and the laws and ordinances of a country or region, we will pursue a method to maximize respect for international human rights principles.

4. Management Approach

The ITOCHU Group will build structures to realize this Policy. The Sustainability Officer will bear the responsibility to oversee the compliance and implementation situation of this Policy.

5. Human Rights Due Diligence

Based on the United Nations Guiding Principles on Business and Human Rights, the ITOCHU Group will implement human rights due diligence in order to identify, prevent and mitigate negative impacts on human rights and fulfill our commitment to accountability.

6. Remedy and Rectification

If the business activities of the ITOCHU Group induce a negative impact on human rights or if involvement in such becomes clear, we will strive to remedy and rectify that through appropriate procedures and dialogue.

7. Dialogue and Consultations

The ITOCHU Group will leverage external human rights expertise in its implementation of human rights due diligence and will engage in dialogues and consultations with our stakeholders – especially those potentially subject to adverse impacts from our business activities.

8. Education and Awareness

The ITOCHU Group will provide appropriate education to all executives and employees (including contractors and temporary employees) and strive to raise human rights awareness in order to incorporate and implement this Policy in our business activities.

9. Communication on this Policy and Our Relevant Initiatives

This Policy will be approved by senior executive in charge of sustainability and be reported to our Board of Directors and we will widely publish it to the public. We will also report on our human rights initiatives based on this Policy on the ITOCHU website and in our ESG Report.

April 2020

Fumihiko Kobayashi

Member of the Board

Senior Managing Executive Officer

Chief Administrative Officer

Individual Policy

Respect and consideration for human rights is an important issue for ITOCHU as we deploy our business activities in various regions around the world. ITOCHU also asks all our stakeholders to approve, understand and put into practice the human rights policy of ITOCHU in addition to education for employees to respond to this important issue.

Response to Modern Slavery and Human Trafficking

ITOCHU is committed to initiatives to ensure that there is no modern slavery or human trafficking in our supply chain and business activities. We are participating in the United Nations Global Compact. Together with this, we are reflecting the concept of the United Nations Guiding Principles on Business and Human Rights in our business activities. The existing principles of ITOCHU contain initiatives to ensure that modern slavery and human trafficking do not occur in our sales activities and supply chain across the world.

* Reference : Status of Initiatives at ITOCHU Europe PLC. (Slavery and Human Trafficking Statement)
(<https://www.itochu.com/uk/en/sustainability/#ModernSlavery>)

Consideration for Foreigners

If foreign workers, interns and trainees are accepted in our supply chain, we pay full attention so that we comply with the labor related laws and ordinances in the country concerned and so that we do not commit acts contrary to the purpose of that acceptance system. We do this from the point of view of respect for human rights and relief because such people are liable to become the target of illegal acts due to their low social and economic status.

Respect for the Rights of Children

ITOCHU supports the United Nations Convention on the Rights of the Child and Children's Rights and Business Principles. We respect the four pillars of the United Nations Convention on the Rights of the Child - a child's right to life, development, protection and participation.

ITOCHU has adopted the development of the next generation as one part of our Basic Activity Guidelines on Social Contribution. We perform activities to support the healthy development of the young people who will be responsible for the next generation.

Related activities can be found at "Growth of Future Generations
(<https://www.itochu.co.jp/en/csr/social/future/index.html>)".

Security Company Appointment Concept

The United Nations adopted the Code of Conduct for Law Enforcement Officials in December 1979. This aims to ensure that member states thoroughly implement and promote the appropriate roles of law enforcement officials (e.g., the police and military authorities) and respect and protect the dignity of humans while carrying out their duties. ITOCHU supports the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials in which the United Nations has established the principles on the use of firearms by law enforcement officials under the above code of conduct. We select security companies according to the content of that.

Respect for the Rights of Indigenous People

We recognize that indigenous people have their own culture and history when we conduct business activities in regions where indigenous people live as part of our commitment to respect human rights. We respect and take into consideration the rights of indigenous people established in the laws of the countries and regions where we perform our business activities and international agreements (e.g., the Declaration on the Rights of Indigenous Peoples and the International Labour Organization (ILO) Convention 169). When examining new business investment projects, we also strictly enforce prior checks concerning the impact on the rights of indigenous people by that business.

Structures and Systems

ITOCHU promotes the formulation and implementation of action plans with respect and consideration for human rights serving as one of our key issues. Under the sustainability promotion structure, the person responsible for this issue is the Sustainability Officer while the Sustainability Management Department serves as the secretariat. The secretariat performs a review every year together with the persons responsible for ESG in each division. This content is deliberated on and reported to the Sustainability Committee. Important matters are also discussed and reported to the Board of Directors.

* Reference : Sustainability Promotion Structure Chart (P9)

Human Rights Due Diligence

— Initiatives

The ITOCHU Group is fulfilling our responsibility to respect human rights based on the Human Rights Policy of the ITOCHU Group we formulated in April 2019. Specifically, we identify and evaluate the negative impact from the corporate activities of the ITOCHU Group on human rights that may affect society. We then work to prevent and mitigate that through appropriate means. In addition, we disclose information on the progress and results of our action. In FYE 2021, we started building human rights due diligence process in our Food Company that greatly contributes to maintaining a safe and stable lifeline for consumers.

— New Business Investment Projects

For more details, please refer to "ESG Risk Assessment for New Business Investment Projects (P152)".

— Existing Business

When entering into business with new suppliers, ITOCHU informs all applicable suppliers in advance of the Sustainability Action Guidelines for Supply Chains. If a matter in violation of the purpose of this policy is confirmed, we seek corrective measures from that supplier. At the same time, if it is judged that correction is difficult even though we have made continuous requests for correction, we deal with this under a stance of reviewing our business with that supplier.

We also perform due diligence with the seven core subjects of ISO26000 serving as the mandatory survey items (including modern slavery and human trafficking) when making new investments with major suppliers. We conduct additional due diligence with external specialist organizations for investment projects requiring a professional point of view.

Supply Chain Management

For more information see Sustainability in the Value Chain (P150-151).

Risk Assessments

We conduct risk assessment on human rights including modern slavery and human trafficking. We do this through group company fact-finding surveys in which we visit sites together with external experts as appropriate. This is in addition to our supplier surveys in due diligence. We have also established policies and responses for procurement by product in regards to products with a significant impact on society and the global environment. This is an attempt to reduce the risks in our supply chain.

* Reference : Human Rights Audits in the Poultry Industry in Thailand (P151)

Consultation Desk

Employee Consultation Desk

We have established an employee consultation desk called 7830 (Nayami Zero) to respond to worries and consultations from each individual employee. We have also posted the HR Help Guide Book on the Intranet and have widely informed employees about the consultation desk. This means we have established a structure in which it is possible for employees to consult with us.



HR Help Guide Book on the Intranet

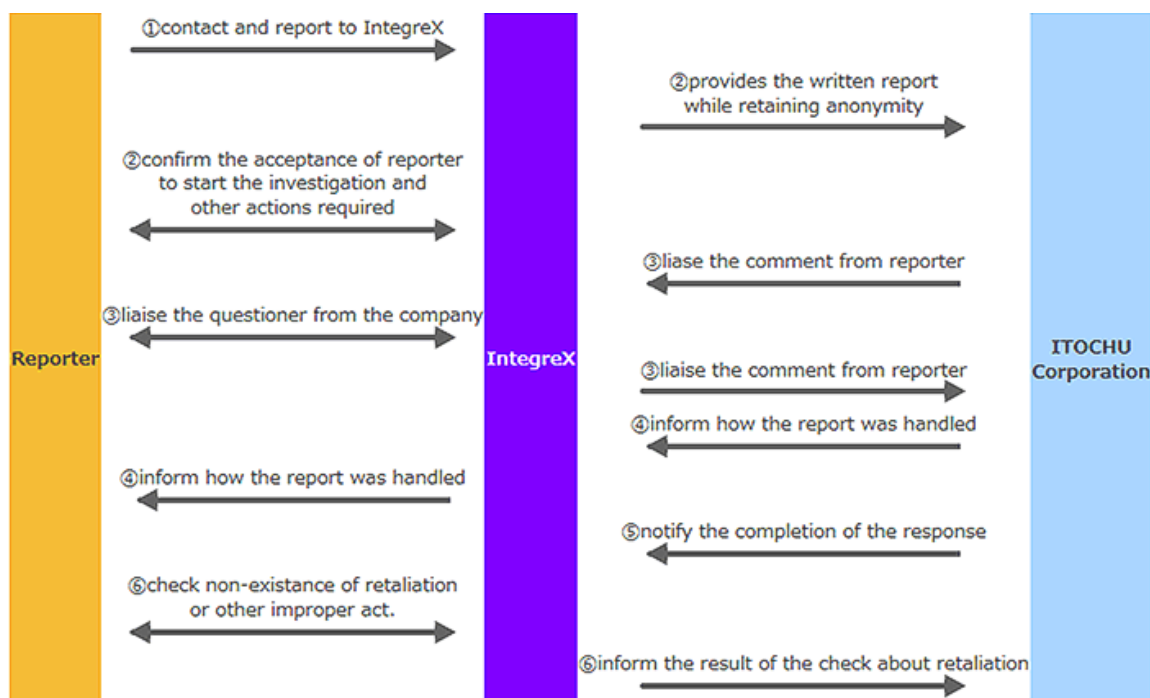
Career Counseling Center

ITOCHU established our Career Counseling Center ahead of other companies. This office accepts workplace culture, human relations, treatment and harassment related consultations in addition to consultations on the careers of individuals by telephone, fax, e-mail and the post. Full-time office employees deal with these consultations.

Hotline

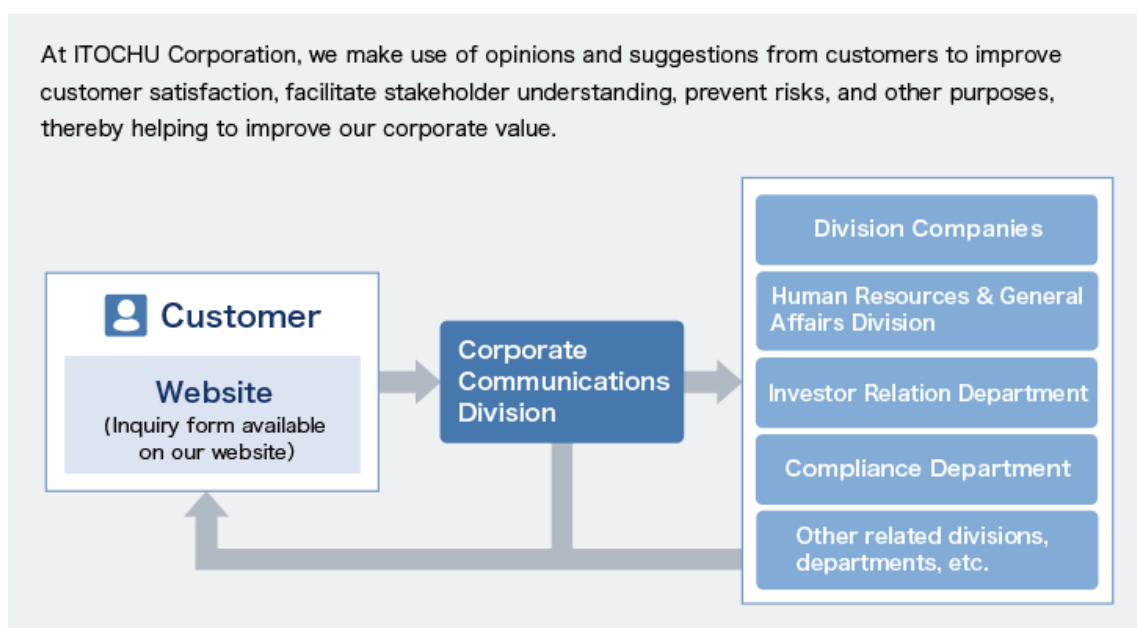
In addition to a direct hotline to those responsible for compliance in each division, we have also established multiple desks to receive reports not only from our employees but also from the group companies and those who have contracts with ITOCHU both in Japan and overseas as ITOCHU Hotline System. These include external desks to receive reports by specialized operators and by external lawyers.. Our hotline system prohibits unfavorable treatment (e.g., retaliation) against internal information reporters. It also accepts information reporters to make reports anonymously.

Flow of Report



■ 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.



Inquiries

<https://www.itochu.co.jp/en/inquiry/index.html>

Initiatives

Implementation of Fair Recruitment

Human resources are the greatest management resources for ITOCHU - a general trading company deploying a variety of businesses around the world. ITOCHU conducts activities to recruit those newly graduating from universities and graduate schools every year. The table below gives our recruitment record over the last three years.

Number of Hires by Gender★

(Unit: persons)

	New-graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
FYE 2021*	84	36	120				
FYE 2020	98	31	129	4	6	10	139
FYE 2019	103	35	138	11	4	15	153

* The figures as of April 1st, 2020

We also offer internships (work experience workshop) every year separate to our recruitment activities. The aim of these internships is to provide support to university and graduate school students in forming their careers. We provide opportunities to deepen knowledge about the business of trading companies and about working in a trading company.

ITOCHU recruits employees chiefly on the basis of their personal character. We recruit employees fairly and impartially without concern for their age, gender, nationality or otherwise. We have provided human rights education with lecturers from the Tokyo Metropolitan Human Rights Promotion Center and have also reflected that content in our interviewer education. We have also established a watchdog system in which employees are selected and notified to serve as watchdogs to establish a fair recruitment screening system.

Training

We raise awareness about the relationship between our corporate activities and human rights in our various internal training programs. We develop the mind to respect human rights that should be possessed as an ITOCHU person in our new employee training. For example, we hold training to acquire consideration for nationality, age and gender (including sexual minorities such as LGBTs) from the basic concept of human rights and points of concern. We raise the problem of sexual harassment (including discriminatory behavior and harassment toward sexual orientation and gender identity) and abuse of authority in internal training aimed at organizational heads. We provide education and instruction for measures when harassment has actually occurred and when we have received reports of such. We strive to create an environment that does not allow harassment on a daily basis. Through these initiatives, we are aiming for a thorough understanding toward human rights. We are also striving to raise awareness in various regions by looking at consideration for human rights in our supply chain in pre-overseas assignment training. There were 720 participants in our human rights training in FYE 2020.

FYE 2020 Human Rights Training Record

(Unit: persons)

	No. of Participants
New employee training	129
Organization Manager Workshop	337
Training for newly appointed section managers	62
Pre-overseas appointment training	254

In addition to the above training, we made business and human rights one of the themes in our sustainability e-learning in FYE 2020. Please see the Spreading Sustainability at Itochu page (P25-26) for more details.

Sustainability Seminars

We have continued to hold internal seminars since FYE 2008 on human rights issues. The aim of this is to adopt insight and opinions from those outside the company. We made business and human rights (in the supply chain) a theme in FYE 2019.

We conducted awareness activities for business and human rights. The purpose of these was to learn about the latest trends concerning corporate activities and human rights problems and to make use of that in our business as a general trading company which deploys various businesses across the world and which plays an important role in the supply chain.

Seminar Details (P26).

Various Publications

We are endeavoring to raise awareness of human rights. The aim of this is to ensure that human rights violations do not occur in the workplace. We are doing this through various publications that we distribute to all our employees.

- We convey our basic concept on respect for human rights through the ITOCHU Group corporate code of ethical conduct and Human Rights Policy of the ITOCHU Group to all our employees.
- We call on our employees not to induce human rights violations in business in our compliance handbook. We do this by establishing pages on respect for human rights and harassment with concrete examples.
- We have prepared a handbook on communication with our suppliers. We deploy a check mechanism in which those in charge of surveys can understand the actual state of the management of human rights and labor practices in important suppliers more clearly and so that they can then offer advice on making improvements. At the same time, we utilize this in keeping our employees informed.

Countermeasures Against Harassment

ITOCHU is raising awareness on the importance of making systems well-known and engaging in communication through organizational head training. We are doing this so that pregnant employees and employees persevering with their work while being engaged in childcare and nursing care can also contribute to their workplaces with a sense of their work being worthwhile. This is without employees in the workplace being subjected to abuse of authority or sexual harassment (including disadvantaging and harassing employees who are applicable to sexual minorities). Superiors encourage employees with restrictions due to balancing their work with childcare or nursing care to make use of the related systems appropriately. In addition to this, we are also ensuring employees are fully informed about the importance of reviewing work content, work division and work styles over the entire workplace. Furthermore, we have thoroughly established a workplace environment which does not allow discriminatory remarks relating to sexual orientation or gender identification and remarks made under unconscious assumptions of gender segregation. We have also established a desk to receive consultations from employees. The following are clearly defined as prohibited acts in human rights violations under the work regulations: discrimination relating to work by race, gender, religion, creed, nationality, body, illness, age or any other irrational reason; sexual harassment (including discriminatory behavior and harassment relating to sexual orientation and gender identity); and workplace bullying. The regulations stipulate disciplinary action to be taken against such behavior.

Foreign Technical Intern Trainee Survey on Working Environment

ITOCHU Modopal, a subsidiary to ITOCHU under the Textile Company, conducted a survey on its domestic production contractors, which constitutes of 211 sewing factories. The survey inquired whether or not the contractors were employing foreign technical intern trainees, and if the contractor answered affirmatively, continued to ask how it manages legal compliance to labor standards and health and safety standards specifically regarding the foreign trainees. The latest survey results showed that there are no cases of non-compliance to relevant laws and regulations.

In order to facilitate the survey and enhance its results, ITOCHU's head office sustainability management department held a seminar for sales representatives and production managers prior to sending out the questionnaire. The seminar, entitled "Sustainability Promotion and Foreign Technical Intern Trainees", aimed to enhance participants' understandings of human rights risks and how to mitigate them.

ITOCHU will continue to make Group-wide initiatives in identifying risks along the value chain that can potentially lead to human rights violations, and strive to uphold its commitment to respecting human rights.



Seminar on "Sustainability Promotion and Foreign Technical Intern Trainees"





Cooperation with Stakeholders

Participation in Workshops on Human Rights Issues

- Business and Human Rights Training: Effective Stakeholder Engagement
- Supply Chain Labor and Human Rights Audit (Practical) Training (Lloyds's Register Japan)
- Caux Round Table
- Human Rights Education Subcommittee (GCNJ)

Responsibilities to Customers

Action Plan

Risks					Opportunities		
<ul style="list-style-type: none"> Decline in credibility that would result from the occurrence of a problem related to the safety or health of consumers and service users. 					<ul style="list-style-type: none"> Increase in demand for food safety and security and health improvement. 		
Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Machinery Company							
Contribute to healthier and more enriched lifestyles		Promoting good health among people	Sales of Cutting-Edge medical devices and provision of medical services	We aim to improve quality of life by providing cutting-edge medical devices and advanced medical services in the field of medical care, where technologies are innovated rapidly.	Promote sales of advanced medical devices, such as MRI-guided radiation therapy systems, and the business of supporting the operation of designated regional cancer care hospitals.	Increase the penetration of advanced medical devices in Japan, such as MRI-guided radiation therapy systems.	Currently operating at National Cancer Center and Edogawa Hospital. More than 300 patients are treated including intractable cancer (ex. pancreatic cancer). Since the technology is promising, Edogawa Hospital is now upgrading the system, which expected to operate in December 2020. With joint research with the National Cancer Center, we are on the way to establish the standard procedure to cure intractable cancers.
Energy & Chemicals Company							
Contribute to healthier and more enriched lifestyles		Promoting good health among people	Pharmaceutical products	Contributing to the improvement of people's health and working environment through accelerating the development of pharmaceuticals and other products in fields with significant needs including cancer-related fields.	Actively promoting to support the development and marketing of new pharmaceutical and other products.	Aiming to obtain approvals in Asia and North America for new pharmaceutical and other products of which we are engaged in supporting the development, and to launch them into the market.	<ul style="list-style-type: none"> We started selling a non-absorptive liquid to protect against oral mucositis (a liquid that controls and relieves the pain of oral mucositis caused by chemotherapy or radiotherapy when treating diseases such as cancer) in group companies (from May 2018 in Japan, from July 2019 in China and scheduled for sale in the future in Korea). We started full-scale sales with FDA approval in North America of a pain reliever through group companies (from March 2018). We started the sale in China of a percutaneous absorption 5-HT3 receptor antagonist (therapeutic medication for nausea and vomiting during cancer treatment) (from March 2019). This drug has been newly listed as a treatment choice in the Guidelines for the Treatment of Nausea and Vomiting During Cancer Treatment (published by the Chinese Society of Clinical Oncology in June 2019).
Food Company							
Contribute to healthier and more enriched lifestyles		Supplying safe, secure food	Overall food-related businesses	We will select and concentrate on suppliers who are capable of manufacturing and supplying safe, secure food stably.	Increase the number of persons with international certifications/qualifications related to audit the Food Safety Management System (FSMS) to enhance the capability of human resources for selecting suppliers.	Promotion of the appropriate appointment of the auditors in each sales division under the guidance of the ITOCHU food safety management organization.	The number of people who have acquired the assistant auditor increased by one in FYE 2020. We plan to increase this by two people in FYE 2021. We expect the total number of qualified persons over our entire group to reach nine.
ICT & Financial Business Company							
Contribute to healthier and more enriched lifestyles		Promoting good health among people	<ul style="list-style-type: none"> Support pharmaceutical development projects Business of providing health care management solutions for individuals 	We will provide value-added services for pharmaceuticals and medical sites, and will contribute to improvement of people's Quality Of Life (QOL) by utilizing cutting-edge ICT tools.	We will optimize healthcare utilizing medical data.	<ul style="list-style-type: none"> Realization of new services and business development relating to medical data Expansion of existing business (number of people subject to health checkup data management to reach 1 million by the end of FYE 2021) 	<ul style="list-style-type: none"> With the interest to maintain and promote health continuing to grow in company employees, the number of persons subject to health checkup data management is steadily increasing. We expect this to reach 750,000 persons by the end of FYE 2020. We have carried out investments including, SaaS for dispensing pharmacies, dentistry-related data, genomic data and pharmaceutical data. We will contribute to improve the quality of life with highly efficient operations by utilizing the aforementioned data.

Policy and Basic Concept

ITOCHU, which engages in multifaceted corporate activities in a wide range of fields in various regions around the world, believes that meeting the expectations of society through our business activities will maintain sustainability and lead to further growth.

ITOCHU has limited direct access to consumers in much of our business due to our characteristics as a trading company. Nevertheless, we recognize the importance of quality and safety management. We fulfill our responsibilities to customers by promoting initiatives to ensure this concept penetrates into the value chain.

Product Safety

ITOCHU complies with our obligations as stipulated in safety related laws and ordinances for the products we handle. We are striving to ensure safety by formulating product safety manuals for each company based on our policy of providing even safer products with greater peace of mind to our customers. We will continue to work on providing safe products with peace of mind in the future. We will do this while promoting internal education, setting up departments responsible for product safety, establishing information transmission routes and reviewing our response in the event a product accident does occur. For related initiatives, please refer to "Sustainable Procurement: Policies and Initiatives by Product Type (P154-167)".

Responsible Marketing

We engage in responsible advertising and marketing that fully takes into account our social responsibility. We do this under our Corporate Mission "*Sampo-yoshi*", the ITOCHU Group Corporate Guideline of Conduct, "I am One with Infinite Missions," and our Code of Ethic Conduct. We accept expectations and requests from society through two-way dialogue with stakeholders. We then put them into practice.

— Advertising

We have unified the visual image of ITOCHU to improve and ensure the penetration of our brand image to customers. Internal regulations have been developed to advertise and perform publicity with the appropriate expressions, content and media. We also give due consideration to slander, discriminatory expressions, exaggerations and false representations, religious and political beliefs, the environment, third party privacy, personal information and intellectual property rights. This is done in accordance with our sustainability policy. We promote appropriate advertising and publicity initiatives by sharing knowledge on advertising and publicity activities through regular meeting for our group companies.

— Marketing

We are thoroughly committed to creating content and expressions that do not cause misunderstanding and which do not infringe upon the rights, credibility and honor of others. This is done under relevant laws and ordinances, our internal regulations, various internal training programs and our company-wide compliance structure. We carry out responsible marketing activities by emphasizing dialogue with the various stakeholders around us in the diverse business activities we deploy on a global scale.

Individual Policy

Safety of Food Products

The Food Company is engaging in food safety management based on the following mission and activity guidelines.

— Philosophy

FOR THE NEXT GENERATION

— Mission

1. To contribute to the sound development of society while gaining strong trust from consumers
2. To provide health and happiness to people by realizing rich food lifestyles through the stable supply of safe food
3. To contribute to the interests of consumers, business partners, shareholders and employees through fair corporate activities

— Activity Guidelines

The following serve as the concrete activity guidelines to achieve our basic philosophy and mission. We comply with laws and ordinances and the ITOCHU Group corporate mission and code of ethical conduct. We then thoroughly inform all relevant employees in the Food Company about these. Upon doing that, we engage in food safety management and fair business which form the basis of trust from consumers.

The Food Safety and Compliance Management Office gives instructions and guidance on the above in the Food Company Group.

Responsible Food Business: Commitments and Policies

The ITOCHU Group aims to support people's lives by providing various products and services. In doing so, we aim to ensure the best quality in our offerings by comprehensively managing the entire supply chain of our products and services, from the procurement of raw materials to the retailing of finished products. In keeping with this business approach, our Food Company consists of three divisions: the Provisions Division, the Fresh Food Division, and the Food Products Marketing & Distribution Division. The three divisions are designed to allow us to develop a value chain that caters to consumer needs, is ensured to add top-quality value, and seamlessly connects various processes, from the development of food resources, the supply of raw resources, production and processing, midstream distribution, and retail. Our Food Company synergizes these business aspects throughout the Japanese, Chinese, and greater Asian markets. At the same time, by continuously improving and refining our management and controls around food safety, we aim to become a leading company in the global food industry. ITOCHU Group takes a market-oriented approach, incorporating the needs and expectations of the market and consumers as an integral part of our business model. Our food retailing business, which includes FamilyMart, is no exception. We first and foremost consider the needs of our customers, and based on key insights we draw from market and consumer trends, we build our strategy and approach. This allows us to build a value chain that adds value from the procurement and production of raw materials, to the development and manufacturing of products. As for our food business, we identify the issues noted in the table below as material topics that especially require our careful management to provide safe and reliable food products. It is subsequently our policy to commit to addressing each of these issues.

Material Issue	Description	Management Approach
Reducing negative product impact of food products on customers	Ensuring the safety of imported food products, processed foods, and fresh food produces (e.g. managing issues regarding pollution, pesticide residues, abnormal prions, additives, and genetic modification)	<ul style="list-style-type: none"> ● Self-management system for food safety ● Assessments for supplier's management systems in place to ensure food safety (factory inspections and audits)
Responsible advertising, marketing, and promotion of food products	Provision of information regarding food allergies and additives.	<ul style="list-style-type: none"> ● Management rules for the registration of food labels ● Improvement initiatives regarding checks and verifications of food labels ● Training certified personnel regarding food labeling
Responsible advertising, marketing, and promotion of alcoholic beverages	Provision of information regarding the prevention of drinking among minors and pregnant women	Internal education programs on the liquor tax law
Access to better nutrition	<ul style="list-style-type: none"> ● Medical Foods – a service catering to home care patients ● Providing nutritiously balanced solutions to the elderly 	Cooperation with regional hospitals and nutritionist organizations

Improving Access to Better Nutrition

As part of its commitment to realize a high-value-adding business, one of our major concerns in the food business area is access to nutrition.

In developed countries, aging society is a pervasive issue. Elderly populations with unbalanced nutrition or lack of nutrition are increasing, straining medical budgets as well as caregivers. Furthermore, for conditions such as acute forms of diabetes and liver disease that require home care, there is a widespread need to secure nutrition balances that are healthy, nutritious, and prevent obesity.

At one of our subsidiaries, FamilyMart, we sell Medical Foods to home care patients that require dietary limitations due to conditions such as acute diabetes and liver diseases. Through our Medical Foods service, customers including those elderly can gain access to lunch deliveries that aim at the improvement of their nutrition.

Furthermore, based on thorough consultation with certified nutritionists, we provide health support products such as nutritious products that limit calorie and salt intake, health enhancement products that supplement the body with lactic acid bacteria and dietary fibers, and health enhancement products that limit the body's intake of excessive sugar or salt.

Furthermore, we recognize that in developing countries, hunger and malnutrition are socially important issues caused by various elements including poverty. At ITOCHU Group, in order to take action in solving these issues we have implemented various initiatives. For example, we provide financial support to the World Food Programme (WFP) and working with Table for Two (TFT), which aims to alleviate the dietary inequality between developed and developing nations. In this way, we aim to provide high quality, nutritious food solutions to the children of developing countries.

Throughout the initiatives introduced above, we provide products and services and engage in community investment activities to support the nutrition and health of people in and out of Japan. We will commit to continuing these initiatives to enhance self-care, reduce medical expenditure, and provide healthy food options to children living in poverty, to contribute to solving issues of access to better nutrition among underprivileged groups.

| Safety of Pharmaceuticals and Responsible Marketing

■ Pharmaceutical Quality and Safety

We contribute to the fulfillment of medical needs by delivering a stable supply of pharmaceutical raw materials and products at the level of quality required of pharmaceuticals. Additionally, we will satisfy latent medical needs by working on clinical development in new drug development to enable treatment of heretofore difficult-to-treat diseases. Our main market is Asia, including Japan, but we will also work on procurement and sales in Europe and the United States. We ensure safety in product supply and clinical development in accordance with Pharmaceuticals and Medical Devices Act.

■ Pharmaceutical Ads and Labels

Final pharmaceutical products are sold only to licensed companies. We do not engage in advertising. We are taking necessary measures to ensure appropriate product labeling throughout the manufacturing and deployment process in legal compliance with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices.

Structures and Systems

| Quality Management

With the diversification of dietary habits, the globalization of food distribution, and a growing awareness regarding health issues, consumers are increasingly paying attention to the safety and security of their food. At the same time, there have been cases of incidents and problems threatening food safety, such as those regarding Bovine Spongiform Encephalopathy (BSE), residual pesticides, and the distribution of foods using unauthorized additives. Our Food Company addresses these concerns and ensures measures are taken to prevent issues by establishing a quality control system overseen by its Food Safety and Compliance Management Office. The Food Quality and Compliance Management Team is responsible for addressing the following issues:

1. Facilitation of the Food Company and their respective domestic and overseas subsidiaries in their initiatives to design a food safety self-management system.
2. Management of the labeling, safety, and trade-related issues of our food products.
3. Provision of education and training to employees regarding food safety.
4. Provision of training to members of our food safety management team in China.
5. Enhancement of the food safety management audits and subsequent corrective guidance for subsidiaries and supplier factories.

In addition to the above, the Team is responsible for management of trade and logistics, management of compliance related issues, and CSR/environmental activities.

Supplier Management Audits for our Food Business

Due Diligence for New Suppliers

When the Food Company conducts business with a new business partner, the Company is required to assess the potential supplier's management level of the manufacturing process, and whether it has received certification from well-recognized institutions such as the ISO22000. In doing so, we use an internal assessment criteria that is designed to evaluate practices around food safety management.

Securing the Safety of Food through Regular Audits of Overseas Suppliers

ITOCHU established the Food Safety Management Office (now: Food Safety and Compliance Management Office) in the Food Company in FYE 2003. We are taking wide-ranging measures to ensure safety in the food business. As part of this, we have been conducting regular visits and audits of the food processing factories of overseas suppliers for imported food since FYE 2012.

The sales department is responsible for appointing an employee, local staff, or group subsidiary employee to perform site visits and audit the safety management system at least once a year. The frequency and timing as well as the specific sites subject to audits are agreed upon with the local factory, with consideration given to specific circumstances as the supplier's local laws, management capability, product, and hygiene-related risks associated to the manufacturing process.

Auditors are required to reference a Plant Audit Check Sheet that we have originally devised, which incorporates elements of well-known international food safety standards such as Codex HACCP, ISO22000, and FSSC22000. Any points of improvement identified through the checklist are appropriately addressed, and necessary corrective measures are ensured to be communicated. In addition to the above, we set up a new China Food Safety Management Team in Beijing in January 2015. The aim of this is to strengthen the safety management of food imported from China in particular. We have been dispatching a member of our Japanese staff with a wealth of practical experience in factory audits (IRCA* ISO22000 lead auditor) as a trainer. Through this, we have been building a management structure at a comparable level to that required in Japan. In addition to regular audits by Chinese supervisors, we are increasing opportunities for mutual confirmation through follow-up audits to ensure continuous improvement.

The systematic implementation of hygiene management according to HACCP is scheduled to begin with the recent revision to the Food Sanitation Act in Japan. We are considering expanding the sites we will visit and audit along the food chain in accordance with the sites subject to management in this system.

* International Register of Certificated Auditors

For overseas suppliers, our factory audit procedure and results are as follows:

Factory Audit Procedure

Process	Description
Target and frequency settings	The responsible sales department and the Food Safety and Compliance Management Office determines the frequency of audits for each factory identified as a manufacturing plant for imported food, in accordance with laws and regulations of the relevant country. The decision of the audit frequency considers specific circumstances such as the supplier's local laws, management capability, product, and hygiene-related risks associated to the manufacturing process.
Conducting the factory audits	The sales department is responsible for appointing an employee, local staff, or group subsidiary employee to perform site visits and audit the safety management system at least once a year based on the frequency setting - over 150 plants are currently subject to these site visits.
Issuing a findings report and requesting corrective measures (as per necessary)	The final report must be created in line with the GFSI/Global Market Program Ver 1 factory audit framework.



Food Audit

Regular Audits to Ensure Food Safety

	FYE 2018	FYE 2019	FYE 2020
On-site audit performance (number of companies)	186	196	197
Regular audits and follow-up audits in China (number of audits)	54	57	45

Subsidiaries that have ISO22000 or FSSC22000 Certifications

Furthermore, we also ensure food-related safety among our direct subsidiaries by implementing a management system that aligns to well-known international frameworks on food safety, such as Codex HACCP, ISO22000, and FSSC22000.

- Japan Nutrition Co., Ltd.
- Mirai Shiryō Co., Ltd.
- Prima Meat Packers, Ltd.
- Fuji Oil Holdings Inc.
- Sho-wa Co., Ltd.
- ITOCHU Sugar Co., Ltd.
- DOLE ASIA HOLDINGS PTE. LTD.
- PT. ANEKA TUNA INDONESIA
- PT. ANEKA COFFEE INDUSTRY

Staff Education and Training to Ensure Compliance to Responsible Advertising, Marketing, and Promotion Standards and Food Safety Standards

We provide e-learning as an education and training program to ensure responsible advertising, marketing, and promotion of food products, and compliance to food safety standards. We are looking to raise awareness and improve knowledge about responsible marketing, food safety, and compliance with relevant laws and regulations among employees. Furthermore, given the expansion of our food business and the subsequent increase in our auditing scope, we are also invested in training personnel capable of site audits.

Main content	<ul style="list-style-type: none"> ● Food safety and responsible advertising, marketing, and promotion ● Compliance ● Internal regulations and manuals ● ESG
Those subject to taking the education and training	<ul style="list-style-type: none"> ● All employees in the Food Company (including part-time workers, temporary workers, employees seconded from the company and employees seconded to the company) ● All employees in the Food Management Support Corporation (subsidiary to complement the functions of the Food Company)

Performance of Staff Education and Training to Ensure Compliance to Responsible Advertising, Marketing, and Promotion Standards and Food Safety Standards

	FYE 2018	FYE 2019	FYE 2020
Number of trainees	699	754	771
Attendance rate	99.9%	100%	100%

We will continue to provide this education and training with the aim of ensuring that knowledge becomes reliably entrenched.

Participation in Food Safety-Related Initiatives and Organizations

At ITOCHU Group, we aim to maintain and enhance our quality management to ensure that we supply safe and reliable processed foods. In doing so, we make sure to cooperate with external parties and are members to industry groups in order to engage in knowledge sharing and collaboratively work toward enhanced solutions.

■ Association for the Safety of Imported Food, Japan (ASIF) (Japanese only) (<http://www.asif.or.jp/>)

A group of concerned companies involved with importing, manufacturing, distribution, and sales formed ASIF in November 1988, beginning to work towards solving imported food safety issues. These activities led to the ASIF receiving permission from the Ministry of Health, Labour and Welfare in September 1992 to become an incorporated association. ASIF received authorization to become a public interest corporation on April 1st, 2011. ASIF is involved in a wide variety of activities to support food vendors in fulfilling the social responsibility of "delivering safe and secure imported foods."

In order to promote food safety, the ITOCHU Group collects information on the safety of processed food and perishable food regarding imported food product – e.g. imports, contamination, pesticides, abnormal prions, additives, and genetic modification – from the Association for the Safety of Imported Food of Japan. This information is reflected in our voluntary food safety management system as well as our supplier food safety management system (which includes factory inspections and audit).

■ Japan Food Hygiene Association (Japanese only) (<http://www.n-shokuei.jp/>)

This association was established on November 1st, 1948 as a collaborative initiative between private companies in the food sector and administrative organizations regarding the food hygiene law in order to enhance self-regulation in the market. The establishment of the organization shortly followed the enactment of the food hygiene law in 1947, which was created to prevent any accidents or issues regarding eating and drinking, as well as improve public hygiene in Japan.

Ever since its establishment, the association has continued its initiatives to cooperate with organizations throughout Japan, and contribute to the enhancement of food safety and hygiene among private companies. The association participates in a wide range of purpose-led initiatives for public interest, and provides training regarding the self-regulation of food safety management, provides assessments and verifications of certain food products, promotes food sales legal liability insurance, holds seminars and events, issues and promotes food hygiene related books and reports, provides informative guidance to consumers, participated in international cooperation regarding food hygiene, and promotion of relevant research.

Based on advice received from the Japan Food Hygiene Association, the ITOCHU Group is taking necessary measures to continuously improve its food safety management system by identifying ways to improve food hygiene and our self-management system.

■ Japan Plant Quarantine Association (Japanese only) (<https://www.zenshoku-kyo.or.jp>)

The Japan Plant Quarantine Association was founded on October 1st, 1986, with approval from the Minister of Agriculture, Forestry and Fisheries, aiming to comprehensively pursue public interests regarding plant quarantines. The Association engages in a variety of initiatives to enhance the safety of Japan's agricultural production and conserve its natural resources. For example, the Association conducts promotional activities to disseminate knowledge on plant quarantines to the general public, engages in research regarding plant quarantines, facilitates the establishment of inspection systems, and other various activities to enhance the smoothness of plant quarantine processes.

The ITOCHU Group, collects information on appropriate advertising and labeling methods that address food allergies and food additives from the Association for the Safety of Imported Food of Japan. This information is reflected in improvements made to our food label registration management rules, label verification methods, the quality of our inspection management, and trainings for qualified food labelers.

Quality Management in Our Pharmaceutical Business

Pharmaceutical undertakings require sector-specific expertise and is therefore primarily handled by designated group companies. We implement quality control to ensure quality in accordance with the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices. This includes, for example, assessing and confirming the quality of imported materials at our lab before it is sold.

Assessing Management Capabilities at Our Pharmaceuticals-related Suppliers and Contributing to Improved QOL

Regular Site Visits for Foreign Suppliers

Not only do we implement quality control at our lab but we also visit our overseas suppliers regularly and perform inspections to make sure that the manufacturing process conforms to the Pharmaceuticals and Medical Devices Act.

Contribution to Improving QOL in the Pharmaceutical Field

We contribute to controlling the rise of medical costs by providing a stable supply of raw materials for generic drugs. We will also invest in companies that develop regenerative medicines and new drugs to alleviate the side-effects of cancer and work to raise the level of future treatments and improve patient quality of life.

Initiatives

Initiatives to Support Socially Vulnerable Groups

FamilyMart

At FamilyMart, one of ITOCHU's subsidiaries in the Food Company, we engage in food retailing that first and foremost values the local community's needs. This means that we highly value the contributions we can make to socially vulnerable groups, and implement measures to address this issue throughout the FamilyMart business such as in the following ways.

Responsible Advertising, Marketing, and Promotion of Alcohol

At FamilyMart, we are promoting initiatives to prevent sales of alcohol and tobacco products to minors. In July 2017, we upgraded our register system to trigger an audio guidance after scanning alcoholic and tobacco-related products, which requires both the clerk and the customer to recognize a mandatory warning. This has allowed for us to improve upon maintaining and increasing awareness of the issue among our store staff, as well as facilitating the communication between store staff and customers to identify ages.

It is also mandatory at FamilyMart to train new staff members on age identification prior to selling any products in the store. Additionally, we conduct biennial trainings for all staffs throughout all FamilyMart stores on the selling of alcohol and tobacco-related products.

Furthermore, in order to ensure that our employees comply with these standards, in addition to tracking training records on a staff-by-staff basis, we also require store managers and supervisors to conduct checks on critical elements such as the installation of appropriate labels and signs above what is legally required, the appropriate division of products, and posters that we require be put up to clearly communicate that we conduct age identification and strictly prohibit sales of alcohol and tobacco-related products to minors.

Reducing Negative Impact of Food Products

In an increasingly ageing society, the demand for medical budgets and caregivers is rapidly increasing, becoming pervasive social issues in Japan. In light of this social issue, FamilyMart proactively sells products and services aimed at supporting the health of its customers, and has combined part of its business with drugstores. These initiatives aim to support the enhancement of healthy diets among customers, increase a self-care mindset among community members, and reduce medical expenditures.

Examples of Health-supporting Products and Services

- Selling Medical Foods: Medical Foods are products that specifically limit its containment of salt, sugar, and protein, which aims to meet the dietary requirements of people with acute diabetes and liver diseases who are subject to dietary restrictions and home care. FamilyMart provides these products in cooperation with local hospitals and relevant medical institutions.
- Selling products certified by nutritionists and the Smart Meal Certification: With thorough consultation with certified nutritionists, we have produced products that cater to nutrition needs, which limit calorie and salt, and increase nutrition balance. One of our lunch boxes sold on a reservation basis, known as the Aburi-Salmon Bento became the first convenience store produced food product to be certified as a Smart Meal^{*}, meaning that the lunch box was recognized for having a particularly balanced nutrition.
- Sales strategy that balanced an "on-and-off concept": We sell a variety of food products that as a collective, aim to increase intake of nutrition, such as products that focus on vegetable, lactic acid bacteria, and dietary fibers, and at the same time decrease intake of salt and sugar without compromising on flavor.

* This certification scheme is managed by the Healthy Food and Food Environment Consortium, which is composed of 10 academic organizations that specialize in health-related issues such as high blood pressure and diabetes.

Food Safety and Reliability

At FamilyMart, we aim to provide ready-made meals such as rice-balls, sushi, lunch boxes, deli dishes, salad, and sandwiches that ensure safety and reliability for our customers. In order to achieve this, we have voluntarily enhanced our safety and quality requirements to build upon what is legally required. Throughout each and every process of production, from procurement of raw materials and manufacturing to the logistics and sales of products, we make it mandatory to follow these strict requirements, and have implemented support systems to ensure that this can be sustained. We also especially value the continuous improvement of hygiene management among contracted manufacturing factories for our ready-made meals, and are implemented measures accordingly. Moreover, we are also invested in reducing additives in our food products, and aim to ensure that the safety and reliability of our products is at a high level.

Process	Initiative
Procurement of raw materials	<ul style="list-style-type: none">● Mandatory food plant inspection (50 items are comprehensively examined)● Assessment and approval of raw materials (identification of necessary quality certifications)● Responsible labeling of fast-food ingredients (including raw materials and country of production)
Manufacturing	<ul style="list-style-type: none">● Promoting HACCP implementation among contracted manufacturing factories for our ready-made meals● Training provision to our suppliers and contractors through the Nationwide Quality Management Conference● Quality audits conducted by third parties● Inspections conducted by FamilyMart plant managers● Reducing the inclusion of additives in our products
Logistics and sales	<ul style="list-style-type: none">● Ensuring a sales environment that addresses three fundamental requirements: hygiene management, expiration date management, and temperature management● Training for stores based on a hygiene tool

Community Engagement for a Brighter Future

As a member of the Japan Franchise Association, FamilyMart has been promoting the Safety Station Activity, an activity to help protect the safety of local communities, since 2000. This activity was launched by the National Police Agency, where initiatives, such as anti-crime measures, disaster prevention, safety measures, thorough prohibition against the sale of cigarettes and alcohol to people underage to urge those people to go home at late night, are actively promoted in collaboration with the government, municipalities, and community people. As part of our Safety Station activities, we also provide protection to vulnerable groups such as children, women, and elderly in case of emergencies, and provide guidance and support for youths to build an inclusive community. Furthermore, at our stores we also set up donation boxes as part of an initiative to contribute to the protection and development of future generations, as well as preserving the natural environment for these future generations.

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

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

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

| Initiatives to Ensure Responsible Labeling

The Food Company operates a food label registration management guideline, which provides a detailed framework for us to responsibly label our food products. To ensure compliance to the guidelines, we also provide training to staff that belong to relevant sales divisions and the Food Safety and Compliance Team. The training aims to enhance our staff's understanding of the food label registration management guidelines and their capability to conduct inspections and checks on appropriate food labeling. Given increasing importance for this issue and the increasing size of our food business, we are also aiming to leverage this training to increase the number of food labeling practitioners certified by the Food Labeling Certification Association, a Japanese industry organization. In this way, we maintain the necessary internal capacity to cooperate with specialized third party organizations to ensure compliance to our guidelines as well as legal requirements.

At FamilyMart, the responsible labeling of processed foods is especially important as our customers widely vary. For example, we recognize that we must ensure the safety of anyone with food allergies, and prevent the excessive intake of certain substances that can have heavy health consequences. Therefore for products sold at FamilyMart, in addition to the 7 items that are legally required in food labelling, we also make sure to label on the optional 20 items to maximize the safety and reliability of our products. We also set internal requirements on the labeling of information that can help consumers to better understand the food they purchase. Items we additionally require to label include raw ingredients, nutritional substances, and how to preserve the product.

With regard to processed food and alcohol, we especially make sure that responsible labeling is thoroughly addressed. For example, we have implemented measures to simplify and clarify the warnings related to alcohol poisoning, alcoholism, and underage drinking.

| Involvement in Industry Initiatives to Ensure the Safety of Alcohol Consumption

It is important to our business that we thoroughly address issues regarding the potential negative impacts of alcoholic products such as alcoholism, alcohol poisoning, and underage drinking. We also recognize that these negative impacts are also especially important with regard to vulnerable groups. Therefore, our subsidiaries that sell alcoholic products are members to industry organizations introduced below, in order to participate in knowledge sharing and be in tune with the latest market trends and best practices.

■ Gyoshuren Cooperative (Japanese only) (<http://gyoshuren.com/about/>)

The Gyoshuren Cooperative is an organization composed of trading companies that represent regions throughout Japan, which engage in alcoholic wholesale. Currently the cooperative consists of about 200 major wholesalers from throughout Japan.

ITOCHU SHOKUHIN CO., Ltd., an ITOCHU subsidiary, is a member to this cooperative.

— Tokyo Alcohol Retail Cooperative (Japanese only) (<http://tosyukyo.or.jp/>)

Tokyo Alcohol Retail Cooperative is an organization with corporate members that participate in the alcohol business, aims to elevate the level of social responsibility associated to acquiring an alcohol permit. For example, the organization promotes legal compliance, engages in awareness raising of the negative social impacts that must be managed across various product types, leads initiatives to maintain cultural traditions around alcohol, leads initiatives to enhance the current culture around appropriate amounts of alcohol consumption, and supports companies in achieving sustainable business models. Throughout these activities, the Tokyo Alcohol Retail Cooperative contributes to the health and wellbeing of the Japanese population, and promotes market competition that is fair and complies with high standards. The Cooperative highly values harmonious cooperation among member companies, and has supported the sustained management of businesses throughout the industry and has subsequently led the development of the industry in general.

Nippon Access, Inc., an ITOCHU subsidiary, is a member to this cooperative.

Contributive Initiatives to Alleviate Hunger and Poverty in Developing Countries

— World Food Programme (WFP)



Given the global level at which we operate our food business, hunger and poverty are important social issues that we recognize we have a responsibility to contribute to. One such way that we make our contribution is by being an official contributor to the Japan Association for the World Food Programme. As a contributor, we participate in various initiatives led by WFP.

In May 2019, we supported WFP's child hunger eradication campaign called "Walk the World". The annual global walk aims to raise awareness and funds, as well as encourage action to end child hunger. This campaign was held in Yokohama and Osaka, and 476 and 61 employees from ITOCHU Group as well as ITOCHU subsidiaries volunteered in each location respectively.



ITochu Employees Participating in the 2018 Walk the World Event

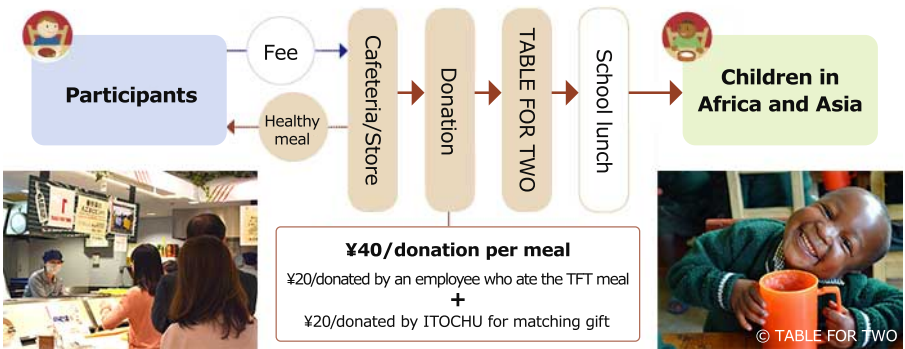
— Table for Two



Table for Two is an international NPO that was founded by an affiliate of the World Economic Forum's Young Global Leaders. The organization aims to right the imbalance between the 1 billion people in the world who suffer from undernutrition, and the 1 billion people in the world who suffer from obesity. The organization does so by implementing a "calorie transfer" program, where the organization partners with companies, universities, restaurants, and organizations throughout the world to provide more nutritious school meals to the former, and healthier meals to the latter.










Table for Two was founded in Japan in October 2007. Owing to ITOCHU's long –standing commitment to social contribution, we were one of the first companies in Japan to partner with Table for Two and implement the calorie transfer program in our employee cafeteria at the Tokyo, Osaka, and Nagoya offices the following April.

More specifically, whenever one of our employees chooses a healthier TFT meal from our cafeteria menu, 20JPY is donated per meal. In addition, through a matching gift scheme, the company also donates the same amount of money as the employee, making the total donation 40JPY per meal. The donation contributes to providing nutritious school meals to children in developing countries.



Sustainability in the Value Chain: Action Plan

Risks				Opportunities			
<ul style="list-style-type: none"> Decline in credibility that would result from the occurrence of a problem related to the safety or health of consumers and service users. 				<ul style="list-style-type: none"> Increase in demand for food safety and security and health improvement. Establishment of safe, stable supply system for product enabled by the consideration of human rights and improvement of work environment in the supply chain. Winning customer trust or creating new businesses with a stable supply of environmentally friendly resources and materials. And others. 			

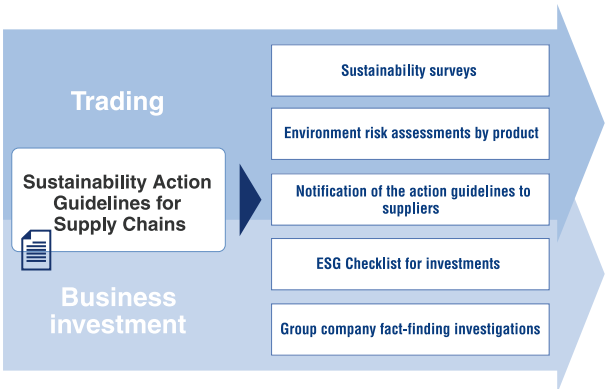
Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Textile Company							
<ul style="list-style-type: none"> Respect human rights Ensure stable procurement and supply 	 	Establishing a supply chain reflecting consideration for human rights and the environment	Supply chain management	We will promote information-sharing in the overall Group and establish a safe, secure supply chain, thereby helping customers with risk reduction and contributing to sustainable economic development.	Make Group-wide efforts to review the social and environmental safety of the supply chain and make improvements as necessary, thereby promoting the establishment of a safe, secure commodity supply system.	FYE 2024: Establish and visualize the supply chain of the overall Group, from material procurement to sales, to ensure a responsible procurement policy.	We implemented this in 50 companies in Southwest Asia (e.g., Vietnam and Indonesia) compared to the 80 companies that was our target in FYE 2020. Separately, we conducted a fact-finding investigation questionnaire on the status of compliance with the Labor Standards Act and Industrial Safety and Health Act for foreign technical intern trainees in 211 sewing plants in Japan.
Ensure stable procurement and supply		Provision of commodities that help achieve a sustainable lifestyle	Brand marketing business	We will contribute to increasing the visibility of a sustainable lifestyle by taking advantage of our strengths as a marketing company.	Raise awareness of an ethical, sustainable lifestyle through brand business, thereby promoting awareness-raising not only in the overall industry but also among consumers.	FYE 2021 : Take initiatives with new brands. Have a sustainable lifestyle understood and instilled more widely.	We have not entered into a contract with a new brand. However, we have realized cases using the fabric of FOOD TEXTILE that reuses ingredients scheduled to be discarded as dyes in our main brand of CONVERSE shoes.
Food Company							
Contribute to healthier and more enriched lifestyles		Supplying safe, secure food	Overall food-related businesses	We will select and concentrate on suppliers who are capable of manufacturing and supplying safe, secure food stably.	Increase the number of persons with international certifications/qualifications related to audit the Food Safety Management System (FSMS) to enhance the capability of human resources for selecting suppliers.	Promotion of the appropriate appointment of the auditors in each sales division under the guidance of the ITOCHU food safety management organization.	The number of people who have acquired the assistant auditor increased by one in FYE 2020. We plan to increase this by two people in FYE 2021. We expect the total number of qualified persons over our entire group to reach nine.
<ul style="list-style-type: none"> Respect human rights Ensure stable procurement and supply 	 	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 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 compliant with supplier-specific codes of conduct in our bases in producing areas in cooperation with suppliers. Palm oil: Promotion of progress information disclosure upon also clarifying the KPI indicators by publishing our procurement policy. 	<ul style="list-style-type: none"> We are currently giving guidance to producers in each producing area country to meet the certification standards. The aim of this is to expand transactions for certified coffee beans (e.g., those of the Rainforest Alliance and C.A.F.E Practice). We have published our procurement policy with our started target of switching all the palm oil we procure to sustainable palm oil supplied from supply chains compliant with RSPO/MSPO/ISPO by FYE 2026. We are promoting the construction of procurement and supply structures in light of industry trends and the situation in suppliers.
General Products & Realty Company							
Ensure stable procurement and supply	  	Using sustainable forest resources Realization of sustainable supply of natural rubber	<ul style="list-style-type: none"> Wood products & materials Pulp Woodchips Natural Rubber	We deal in sustainable forest resources to reduce the impact on the environment and prevent the increase of greenhouse gases. We shall use our best efforts to establish measures to identify any suppliers developing on High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatland, in order to avoid procuring rubber from them.	<ul style="list-style-type: none"> Continue to request suppliers who have yet to obtain certifications to obtain them. Conduct sustainability surveys of suppliers and visit them. We will establish a traceability system to make uncertain raw material procurement supply chain transparent.	FYE 2026: Aim to achieve a rate of 100% for certified or under high-level management materials that we handle. We aim to procure raw materials with traceability and sustainability ensured in natural rubber processing business.	<ul style="list-style-type: none"> Wood products & materials: We are continuing to encourage and review suppliers. We established a path to achieving ahead of schedule a rate of 100% for certified or under high-level management wood products & materials that we handle in FYE 2021. Pulp and woodchips: We achieved a rate of 100% for certified or under high-level management materials that we handle. We are developing a traceability system using blockchains. We plan to introduce this around the second quarter of FYE 2021.

Supply Chains

ITOCHU also gives consideration to human rights, labor and the environment in our supply chain and business investments. We do this through sustainability management tailored to each business activity. Through this, we have built a sustainable value chain. This is leading to an improvement in the competitiveness and corporate value of the ITOCHU Group.

Notifying Suppliers of the Sustainability Action Guidelines for Supply Chains

We believe it is important to acquire understanding and cooperation from our suppliers for our procurement policies. Accordingly, we once again notified approximately 4,000 suppliers engaged in ongoing business of the ITOCHU Sustainability Action Guidelines for Supply Chains in FYE 2014. We also stipulated that new suppliers must be notified of these guidelines in advance when engaging in business with us from January 2015. We are promoting on our sustainability policy in this way.



Sustainability Action Guidelines for Supply Chains

ITOCHU adopted the "Sustainability Action Guidelines for Supply Chains" to clarify and communicate the sustainability concerns we expect our suppliers to address. We will take necessary measures to communicate and cooperate with our suppliers to ensure responsible management of the following items:

1. Suppliers shall respect the human rights of all of its employees and shall not engage in inhumane treatments, including discrimination, harassment, abuse and corporal punishment.
2. Suppliers shall not engage in forced labor or child labor and must prohibit the employment of children under the minimum working age.
3. Suppliers shall not engage in employment discrimination based on characteristics including but not limited to gender, race, and religion.
4. Suppliers shall comply with statutory minimum wages and aim to exceed living wages. Also, suppliers shall not conduct unjust wage reductions.
5. Suppliers shall respect the freedom of association and right to collective bargaining of its employees and ensure that labor-management discussions on working conditions and environment are held, as appropriate.
6. Suppliers shall comply with statutory working hour restrictions. Suppliers shall also appropriately manage its employees' working hours and provide holidays and paid leaves as necessary. Finally, suppliers shall strictly prohibit excessive overtime work.
7. Suppliers shall take necessary measures to provide a safe, hygienic and healthy working environment to its employees.
8. With regards to its business activities, suppliers shall consider potential and existing impacts on local communities and the environment – such as impacts on nearby biodiverse habitats or pollution of the local ecosystem. Suppliers shall also take necessary measures to reduce its consumption of energy, water and other natural resources, as well as its emissions of greenhouse gases and waste.
9. Suppliers shall comply with all applicable local and international laws and regulations. Suppliers shall also ensure its compliance to fair business practices and anti-corruption.
10. Suppliers shall disclose information on all items listed above in a timely and appropriate manner.

Sustainability in the Value Chain: Structures and Systems

Supply Chain

Against a backdrop of an expansion in our business areas, ITOCHU's supply chain has become wider and more complex. There is now a further need for risk management concerning human rights, labor and the environment in the procurement of raw materials, producing areas, intermediate distribution and regions of consumption in addition to in the processes directly managed by us. We pay particular attention to the on-site management of suppliers who account for a relatively high share of our purchases. We view our consideration and sense of responsibility for these areas as matters of great importance to be addressed with high priority. ITOCHU has established the Sustainability Action Guidelines for Supply Chains. We strive to prevent the occurrence of problems by conducting investigations and reviews as below. If we discover a problem, we aim for improvement through dialogue with the concerned supplier.

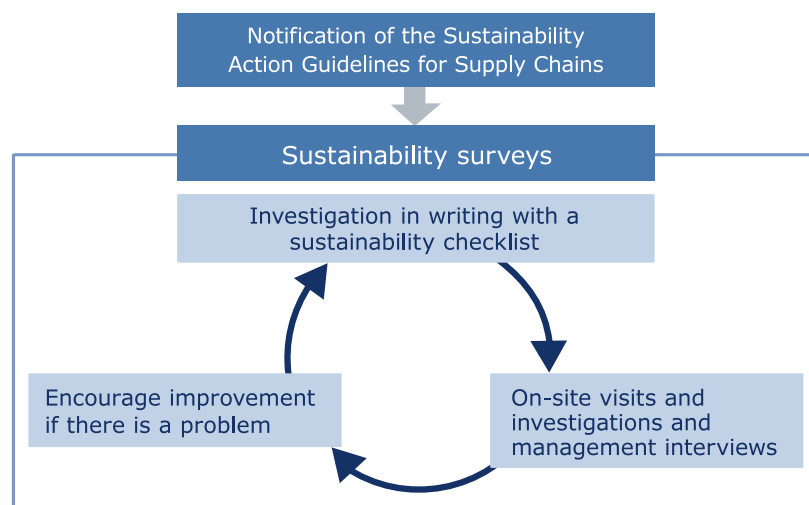


Figure of Supply Chain Management Promotion

Sustainability Surveys

Since FYE 2009, we have set the seven core subjects of ISO26000 as essential survey items to understand the actual conditions of suppliers. Following on from that, each company and applicable group company selects important suppliers based on certain guidelines (e.g., high risk countries, products handled and monetary value handled). The sales representatives of those companies and representatives from overseas subsidiaries and operating companies then visit those suppliers to conduct interviews. They also conduct sustainability surveys in a questionnaire format (sustainability checklist).

Sustainability Checklist

The Sustainability Checklist is used to conduct supplier surveys on their management of relevant sustainability risks. The Checklist is based on the seven ISO26000 core topics (organizational governance, human rights, labor practices, environment, fair business practices, consumer issues, community involvement and development) and is supplemented by department and product specific issues that we identified as relevant to our business and by extension our suppliers (see table below for our list of supplementary topics). Furthermore, based on opinions provided by external subject matter experts, we have constructed the survey questionnaire to consist of 19 core items centered around human rights and labor and environmental topics particularly associated to high sustainability risks – these items are our priority in supplier engagements.



Supply Chain Communication Handbook

Outline of Sustainability Survey

Applicable Survey Criteria	<ul style="list-style-type: none"> ● High risk countries ● Over a certain amount of money ● Handling of certain product groups
Main Questions Common to All Companies	<ol style="list-style-type: none"> 1. Organizational governance: Establishment of a responsibility-taking structure and internal report system 2. Human rights: Risk assessments of human rights violations in business, abolition of child labor, forced labor, harassment and discrimination, and payment of appropriate wages 3. Labor practices: Working hour management, health and safety management, and worker health 4. Environment: Waste and drainage treatment, handling of hazardous substances, and climate change and biodiversity initiatives 5. Fair operating practices: Prevention of corruption, information management, prevention of intellectual property right infringements and a sustainable procurement policy 6. Consumer issues: Quality control and traceability 7. Community involvement and development: Dialogue with consumers and neighboring residents

Department and Product Specific Supplementary Sustainability Items

Procured Resource Type	Additional Survey Items
Paper, wood-chips, timber, timber products	<ul style="list-style-type: none"> ● Implementation of forest conservation measures ● Third-party certification
Livestock products (meat)	<ul style="list-style-type: none"> ● Implementation of food safety measures ● Management of traceability
Textile (including raw materials)	<ul style="list-style-type: none"> ● Management chemical substance
Agricultural products (including palm oil)	<ul style="list-style-type: none"> ● Management of traceability ● Management of chemical fertilizers and pesticides
Seafood	<ul style="list-style-type: none"> ● Management of traceability ● Management of fisheries

We have also prepared a handbook on communication with suppliers. We are using this to inform our employees of how to communicate with suppliers. At the same time, we have set up a check system that enables those in charge to understand concretely the management situation in terms of the environment, human rights, labor practices and corruption prevention in important suppliers to give advice on making improvements. We will continue to conduct surveys and communicate with suppliers in the future to improve the awareness of our employees and to seek understanding and implementation from our suppliers.

Example Excerpt from the Handbook

Prohibition on forced labor

Companies must not force employees to work.

Forced labor means all labor forced on a person against his or her will. Examples include restrictions on an employee's freedom to leave his or her job until he or she repays a debt to the company or restricting an employee's freedom to leave his or her worksite under contract. Forced labor may be identified by asking employees what their work shifts are like, whether they have break times and whether they are able to eat meals. It may also be ascertained by observing their facial expressions. In a worst-case scenario, people are deprived of the freedom to live their lives; they have to live in a dormitory on the premises of the company's factory and are not allowed to go outside those premises. It is also effective to check whether there are employees who have come to work from areas far away or other countries in a company. Employers must be prohibited from taking the originals of passports, IDs and work permits because this can lead to force labor.

Reference

It is necessary to check for forced labor in factories in Japan as well as in emerging nations. In recent years, Japan's Technical Intern Training Program (TITP) has been criticized by some from overseas. Accordingly, please also check whether suppliers in Japan employ anyone from overseas and whether there are problems in terms of working hours and wages.

FYE 2020 Sustainability Surveys

We conducted surveys on a total of 316 companies, including 72 suppliers of overseas offices and group companies, in FYE 2020. We did not discover any serious problems requiring an immediate response from those results. We have also checked the prompt improvement measures and countermeasures taken by our business partners on problems raised as concerns at the time of the survey. We will continue to seek understanding for the concept of ITOCHU from our business partners and to communicate with them in the future.

Number of Suppliers Surveyed

	All (Non-tier 1 Suppliers)	Textile Company	Machinery Company	Metals & Minerals Company	Energy & Chemicals Company	Food Company	General Products & Realty Company	ICT & Financial Business Company
FYE 2020	316 (72)	50	15	20	39	102	85	5
FYE 2019	343 (101)	49	13	19	39	110	108	5
FYE 2018	333 (98)	46	9	20	45	103	105	5

In addition to the supplier survey based on our Sustainability Checklist as introduced above, our Textile Company conducted a domestic supplier survey in FYE 2019 on their management of technical intern trainees. For more information, please refer to Foreign Technical Intern Trainee Survey on Working Environment (P134).

The Sustainability Management Department also visits and surveys important suppliers together with external experts as necessary.

Results of Survey for Department and Product Specific Supplementary Sustainability Items

Procured resource type	Number of Suppliers Surveyed FYE 2020
Paper, wood-chips, timber, timber products	64
Livestock products (meat)	19
Textile (including raw materials)	6
Agricultural products (including palm oil)	4
Seafood	22

Human Rights Audits in the Poultry Industry in Thailand

Inspection of the CPF Saraburi Factory

We conducted a human rights audit targeting foreign workers in the Saraburi Factory (a chicken meat processed product factory) of Charoen Pokphand Foods Public Company Limited (CPF) — one of the main suppliers of the Food Company — accompanied by external auditors.

Recent years have seen an increase in cases where Japanese companies with Thai firms in their supply chain have been warned by NGO groups about human rights violations of foreign workers in the livestock and fishing industries in Thailand. We checked the factory for human rights risks in our supply chain through this audit.

This factory (slaughterhouse and food processing site) employs 3,400 Cambodians — equivalent to approximately 50% of its workers. That makes them an important part of the factory's labor force. We checked a number of items in this audit. These included the extent of signage in Cambodian in facilities in the factory, a check of the evacuation routes, the attendance management situation, and the personal storage situation of passports and work permits. In addition, we also randomly chose some Cambodian employees actually working there and interviewed them about their actual working conditions.

This audit did not find any violations of the human rights of foreign workers, and reaffirmed there is sufficient consideration for human rights and the proactive approach CPF takes toward sustainability.

CPF has developed a safe working environment for its foreign workers.



CPF Saraburi Factory



Those from CPF Who Cooperated with the Audit



Interview with a Cambodian Worker on His Actual Working Conditions



All Signs in Cambodian on Fire Prevention Facilities



Advice Not to Over-stack Auxiliary Feedstock

■ Regular Visits and Surveys of Food Processing Factories

The Food Company has been regularly visiting and surveying the food processing factories of its overseas suppliers since FYE 2012 in regards to imported foods under the initiative of the Food Safety and Compliance Management Office. In FYE 2020, we visited 197 overseas suppliers and deployed preventive measures to ensure safety in food transactions. We established a China Food Safety Management Team in Beijing in January 2015. With this, we have set up a structure to be able to audit our Chinese suppliers. We conducted regular audits and follow-up audits on 45 companies in FYE 2020. Please refer to Responsibilities to Customers (P139-140) to learn about our initiatives in detail

| Response to Suppliers in Violation of This Policy

When we have confirmed a case in which there has been a violation of the intent of this policy, we request corrective action from the applicable supplier. Together with this, we conduct an on-site investigation to give guidance and improvement support as necessary. We made 27 requests for correction to suppliers with an inadequate response to human rights in our surveys in FYE 2020. We are continuing to make requests in this way to non-compliant suppliers. If it is judged that correction is difficult even though we have made continuous requests for correction, we deal with this under a stance of reviewing our business with that supplier.

Business Investment Management

The business activities of companies in which we invest must recognize and deal with their possible impact on the environment and society. To that end, we strive to understand ESG risks and work on preventative activities. We perform risk assessments on ESG in general through the utilization of a checklist and visits and surveys to formulate the necessary measures. These are continuously reviewed and improved in the framework of our environmental management system.

| ESG Risk Assessment for New Business Investment Projects

It is compulsory in new business investment projects for the division making the application to use the ESG Checklist for Investments to evaluate the project in advance (perform due diligence). The division making the application looks at whether policies and structures have been established from a perspective of ESG. It also looks for the risk of a significant adverse effect on the environment, violation of laws and ordinances, and complaints from stakeholders. This checklist consists of 33 check items. These include elements of the seven core subjects* in ISO26000 — the CSR international guidelines.

The division making the application also then refers to review opinions based on risk analysis from relevant functional divisions (management divisions). If there are any concerns, it requests additional due diligence from external specialist organizations for matters requiring a professional point of view. The project is then only undertaken upon confirming that there are no problems in those results.

* Organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development

| Group Company Fact-finding Investigations

We have continued to conduct on-site visits and surveys in group companies since 2001 to prevent environmental pollution. We visited and surveyed a total of two companies in FYE 2020. We did this together with external experts upon consideration for the environmental and social risks of each company. We have completed investigations into a total of 285 offices as of the end of March 2019.

These investigations inspect the factory and warehouse facilities, the situation of drainage to rivers, the environmental law and regulation compliance situation, labor safety and human rights, and communication with the local community in addition to holding a question and answer session with management. We identify problems or demonstrate preventative measures. We then check to see whether the situation has been corrected.

Visit and Survey Report: DOLE PHILIPPINES Fact-finding Investigation



We visited and surveyed DOLE PHILIPPINES, a company which produces banana, pineapple and other fresh fruits and manufactures fruit cans in the Philippines, on January 20 to 23, 2020. We performed a detailed check concerning the environment and labor safety related risk management and legal compliance situation (e.g., soil pollution, waste, chemical substance management and safety measures) based on the findings of external experts well-versed in the local laws and regulations. We confirmed that these matters are being appropriately managed. In addition, we confirmed that the company is proactively working on activities that contribute to society and the environment (e.g., biomass power generation on its premises and donations to local schools).

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

Resource Sourcing that Requires Forest Conservation Initiatives

ITOCHU handles each of the following commodities, which require careful consideration of forest conservation initiatives. In addition to the Sustainability Action Guidelines for Supply Chains, the following Procurement Policy establishes our approach to protecting and preserving natural forests our commitment to the sustainable use of natural resources. At minimum the Policy is subject to an annual review, with revisions made as necessary.

Commodities Relevant to Forest Conservation

- Timber, timber products, raw materials for papermaking and paper products
- Natural rubber
- Palm oil

Policy and Management Approach to the Preservation of Natural Forests and the Sustainable Sourcing of Forest Resources

— Sustainable Procurement Policy on Natural Forests and Forest Resources

Organizational Scope

ITOCHU Corporation and its group subsidiaries

Sustainable Procurement Policy on Natural Forests and Forest Resources

1. We shall aim to make improvements in the transparency and traceability of our supply chain in order to ensure that we can take necessary measures to prevent sourcing activities that can contribute to deforestation.
2. We support the conservation and preservation of High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas, and peat areas. Additionally, we are committed to respecting the Community and Social Considerations (free, prior and informed consent – FPIC), and will continually strive to reduce our impact on the environment.
3. We will not procure from suppliers involved in major environmental and social issues, such as deforestation of areas with high conservation value.
4. We support the standardization of a reliable forest certification systems and will proactively seek opportunities to prioritize certified products when procuring timber, timber products, raw materials for papermaking, and paper products.
5. Regarding natural rubber, raw materials for papermaking, and paper products, which requires extensive water use, at minimum we commit to complying with all applicable wastewater laws and regulations. We will also commit to properly treating wastewater to exceed legal requirements where possible and strive to reduce total water consumption by recycling water resources where possible.
6. In carrying out palm oil-related projects, we will strive to procure from suppliers taking necessary measures to minimize and eliminate chemical substance use, especially those related to paraquat, 1A/1B class insecticides as defined by the World Health Organization (WHO), and chemicals listed in the Stockholm Convention and the Rotterdam Convention.

Items related to forest conservation and the corresponding "Sustainable procurement policy on natural forests and forest resources" are as follows.

Items under the Policy	Items Related to Forest Conservation			
	Timber, Timber Products	Raw Materials for Papermaking and Paper Products	Natural Rubber	Palm Oil
1. Zero deforestation and traceability	○	○	○	○
2. Protection and preservation of production areas and consideration for local residents	○	○	○	○
3. Elimination of suppliers involved in major environmental and social issues	○	○	○	○
4. Standardization of forest certification systems	○	○		
5. Consideration for wastewater and water resources		○	○	
6. Minimization or non-use of chemical substances				○

In cooperation with our Group companies and suppliers, we will engage in sustainable procurement of forestry resources based on the Sustainability Action Guidelines for Supply Chains and this Policy, especially by taking necessary measures to ensure the traceability of procured items.

In order to promote this Policy, each company and corresponding Group companies are required to conduct a sustainability survey on critical suppliers. If any non-compliance with this Policy is identified, we will conduct supplier engagements to resolve the issue and request measures for improvement. If timely improvements are not made by suppliers, we will re-consider any business agreements with them.

As for the survey results obtained through the supplier survey, we will regularly disclose information to our stakeholders. We will also promote sustainable use of forest resources to the wider society through appropriate communication with stakeholders, particularly our suppliers and customers.

■ Management Approach

Every year, we report and receive approval on our targets and progress made to senior management. We also share suggestions from stakeholders including NGOs, and if any issue is identified, we review our measures and this Policy, as necessary.

Regarding palm oil, procurement based on this Policy is carried out by the Oil, Fats & Cacao Department of the Food Division within the Food Company – this department is therefore also responsible for the compliant procurement of palm oil.

Regarding timber, timber products, raw materials for papermaking and paper products, our Group ESG Manager provide training to members who handle these products at least once a year. The training aims to educate them on domestic and international trends and issues related to forest resource development and sustainable forest resource utilization.

Wood, Wood Products, Papermaking Raw Material, and Paper Products

ITOCHU is engaged in the procurement, manufacturing, and distribution of materials for pulp and paper products, wood and wood products, and woodchips. In order to ensure the protection of natural forests and sustainable use of forest resources, we aim for 100% use of certified material or material for which advanced management can be verified until 2025.

— Celulose Nipo-Brasileira S.A.

ITOCHU invested in Celulose Nipo-Brasileira, the world's eighth largest manufacturer of commercial hardwood pulp, together with a major Japanese pulp manufacturer and others and sells 1.2 million tons of the company's pulp produced 100% from plantation trees as a worldwide export distributor. Celulose Nipo-Brasileira has obtained Forest Management certification and CoC certification (a certification for management of the processing and distribution processes) from the Forest Stewardship Council (FSC) and handles everything up to pulp manufacturing through sustainable plantation-based forest management. The company plants trees on roughly 130,000ha out of the approximately 250,000ha (about the size of Kanagawa Prefecture) of land it owns to produce pulp. The remaining roughly 100,000ha is left as permanently protected forest or legally protected forest, and they are working to maintain the ecosystem.

They also plant 70,000 saplings of four kinds of trees found in natural forests in the region annually for the purpose of regenerating forests in areas where there have been soil disruptions, landslides or withering of vegetation. These tree planting activities take place on 300ha of land per year. At Macedonia Farm, a natural forest preserve, the company engages in activities to protect endangered birds and ensure that they reproduce, protecting, breeding, and releasing rare wild birds like the "mutum" (a pheasant-like bird).



Vast Plantation of Celulose Nipo-Brasileira

— Metsä Fibre

ITOCHU has a stake in Metsä Fibre, a world-class softwood pulp manufacturer based out of Finland. Metsä Fibre boasts an annual pulp production capacity of around 3.2 million tons (including the Äänekoski Plant, which was expanded in August 2017 and has begun new operations). They have tapped ITOCHU as the exclusive distributor for their softwood pulp destined for Asian markets. The company manufactures pulp from 100% traceable forest resources of which 80% have received two certifications, namely the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification Schemes (PEFC).

In Finland, pulpwood growth exceeds consumption, which allows for a long-term, stable supply of pulpwood. Additionally, Metsä Fibre generates electricity in the pulp manufacturing process. What is not used in-house is supplied to neighboring communities, contributing to a reduction of fossil fuel consumption in the area. Through initiatives carried out with excellent partners such as this, we will promote the use of sustainable forest resources and continue to promote further strengthening of our business.



New Äänekoski Plant commissioned in 2017

— Certification of Traceability for Chinese Timber

Since 2013, ITOCHU KENZAI has been working to create a system for certifying the traceability of plywood manufactured in China. In 2017, we were audited by Japan Gas Appliances Inspection Association (JIA), a certification body, and we received certification of timber traceability in our main supply chain. The Timber Traceability Certificate ensures traceability and that timber is managed throughout all processes within the supply chain, from the logging areas to the veneer and plywood factories, by obtaining logging permits and other evidence, auditing factories, observing the logging areas, and other means. With this, ITOCHU KENZAI was able to reliably ensure that no timber from illegal logging is used in around 40% of the plywood manufactured in China for which forest certification has not been obtained.

- Timber Traceability Certificate (https://www.itochu.co.jp/ja/csr/pdf/wood_traceability_certification_2019.pdf)

■ Sustainability Survey and Supplier Engagement

Every year, we conduct a survey of our suppliers and those of our main business companies in relation to our products. We include suppliers that have been deemed low risk according to the guidelines so that we can engage in continuous dialog with a broader scope of suppliers.

In addition to the sustainability survey, we work to ascertain the situation through on-site inspections and due diligence at those suppliers that have received suggestions from non-governmental organizations and actively urge them to obtain forest certification or certification by a third party agency.

Sarawak, Malaysia

A non-governmental organization has pointed out problems with illegal logging and human rights in Sarawak, Malaysia. Every year, we work to ascertain the situation through interview surveys of our supplier, the local government, a timber association, human rights lawyers with the human rights committee, local residents, local non-governmental organizations, forest consultants, and others.

We have not found the problems pointed out by the non-governmental organization through these surveys, but to eliminate concern, we have repeatedly requested that the supplier engage in specific initiatives. As a result, in recent years, the supplier has actively worked to obtain forest certification, and the number of certified forest areas has increased. Changes have also occurred in the local government in Sarawak, including reinforcement of regulations to eliminate illegal logging and announcement of measures to promote forest certification.



Interview with Indigenous Community
in Anap Muput Forest Management

Romanian Supplier (Schweighofer)

Romanian supplier Schweighofer is one of ITOCHU KENZAI's lumber suppliers and was alleged by a non-governmental organization to be engaged in illegal logging. ITOCHU KENZAI called on the supplier to make efforts to eliminate the concern and referred to advice given by the non-governmental organization to select sites to visit. Every year, ITOCHU KENZAI conducts interview surveys with various stakeholders, including local government agencies, industry groups, forest certification organizations, and local non-governmental organizations, to ascertain the situation.

Schweighofer possesses PEFC certification and conducts risk assessments of its supply chain to make sure that no lumber from illegal logging finds its way into the supply chain. In 2016 Indufor, an international forestry consulting firm, certified the effectiveness of this risk assessment. In 2017, the company introduced a timber traceability system called "Timflow" that ensures traceability from all of its timber collecting points to its sawmills for the purpose of eliminating any timber produced by illegal logging from its operations. The following year, they announced an open-door policy to improve communication with non-governmental organizations, allowing representatives from pre-registered non-governmental organizations to visit their sawmills without notice. Through on-site visits, ITOCHU KENZAI was able to verify that timber produced by illegal logging has been eliminated and that initiatives to increase transparency have improved year after year.



Interview with Romania Water and
Forest Ministry

— Performance Regarding Forest Certification and Legal Compliance

ITOCHU evaluates its performance by classifying its timber and timber products into the following four categories based on forest certification and legal compliance. Category (A) signifies the highest level of sustainable procurement compliance, requiring FSC certification and/or PEFC certification – more specifically, it is defined as "(A) Timber handled by a certified forest supplier or timber approved by a certification body".

Classification Based on Legality		Item	FYE 2018	FYE 2019	FYE 2020
Certified materials or advanced management can be confirmed	Forest certification system	(A) Timber handled by a certified forest supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)	43%	36%	64%
		(B) Timber harvested in countries or regions assessed as "Low Risk" based on the forest certification system	36%	44%	25%
	Certification of legality in a clean timber method	(C) Timber whose legality has been confirmed by documents proving that it was cut in compliance with the laws of the place of origin ^{*1}	18%	17%	10%
N/A		(D) Materials whose legality has been confirmed by "additional measures" ^{*2}	3%	3%	0%

*1 Specifically, materials confirmed by an export license, certificate of origin, etc.

*2 Specifically, timber that was confirmed to be in compliance with laws by asking suppliers to provide a distribution channel

— Sustainable Procurement Performance of Raw Materials for Papermaking

All raw materials for papermaking such as chips and pulp handled by ITOCHU have acquired FSC or PEFC certification as "materials handled by certified forest suppliers or materials approved as management materials by a certification body".

Classification Based on Legality		Item	FYE 2018	FYE 2019	FYE 2020
Certified materials or advanced management can be confirmed	Forest certification system	Timber handled by a certified forest supplier or timber approved as a management material by a certification body (acquired FSC or PEFC certification)			
		Chips	100%	100%	100%
		Pulp	100%	100%	100%

| Natural Rubber

ITOCHU is engaged in the business of processing and trading natural rubber. Natural rubber is mainly produced in Southeast Asian countries such as Thailand and Indonesia, and about 70% of it is used for making tires. While the demand for natural rubber is projected to continue growing, internationally concerns are being raised on deforestation and the human rights violations of indigenous people with regard to procurement activities. In its distribution from raw materials procurers to tire manufacturers, natural rubber passes through the hands of many intermediary businesses (such as collectors and transporters), making environmental and social impacts difficult to manage. This is why increasing the traceability and transparency of natural rubber procurement is an increasingly important issue for ITOCHU.

In response, ITOCHU has joined as a founding member of the Global Platform for Sustainable Natural Rubber (GPSNR), which was established in October 2018. We agree on the 12 principles stipulated by GPSNR and cooperate in the development and operation of the Platform's standards.

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

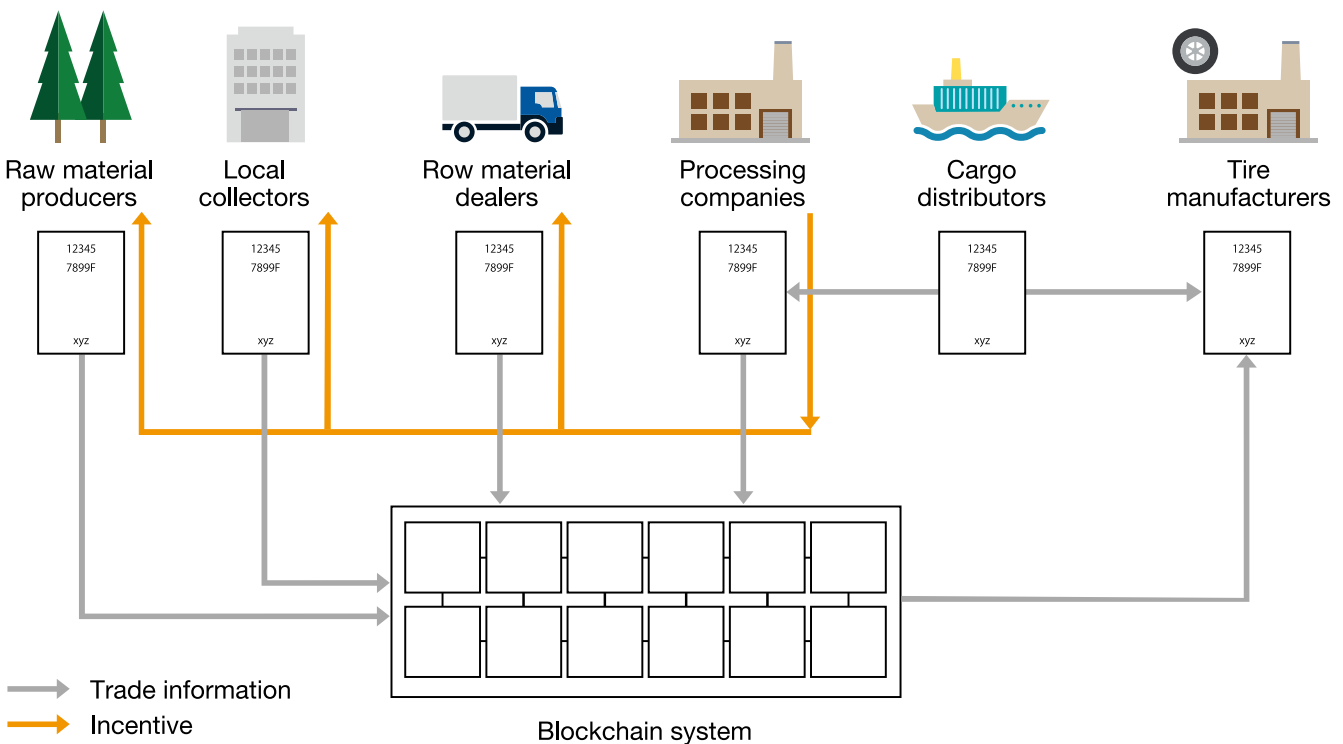
■ Participation in the GPSNR

In October 2018, ITOCHU joined the new Global Platform for Sustainable Natural Rubber as the only Japanese trading company founding member. This organization was established by car manufacturers, tire manufacturers and natural rubber processing companies involved in the natural rubber industry. Its members work together throughout their supply chain to establish traceability and achieve higher levels of sustainability.

■ Initiatives for Demonstration of Traceability Using Blockchain

In February 2019, ITOCHU started a trial of a traceability system using blockchain technology to ensure stable procurement and supply of resources on the supply chain of business investments and products handled, and to ensure transparency in their distribution.

The trial test was conducted based on a system designed by ITOCHU Techno-Solutions Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Satoshi Kikuchi; hereinafter "CTC"), which leveraged the natural rubber raw materials supply chain of PT. Aneka Bumi Pratama (HQ: Indonesia, President: Hisashi Yajima; hereafter "ABP"), a 100% group subsidiary to ITOCHU.



Conceptual Diagram of the Natural Rubber Supply Chain and This Trial Test

The content of transactions in the trial are mutually authenticated between the transferees using a smartphone application, and recorded on the blockchain together with the date, time, location information, etc. Ensuring that these data points are gathered makes the distribution of natural rubber up to the processing plant more transparent. In order to encourage and incentivize the cooperation of each business, we will prepare a mechanism allowing to financial compensation for correctly recorded transactions. ITOCHU aims to achieve sustainable growth through the spirit of "Sampo-yoshi" by working on the progressive innovation of business, which constitutes a fundamental policy of our medium-term management plan. We also anticipate that these initiatives will contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations by 2030 by innovating leading sustainable procurement practices.

Palm Oil

Palm oil has been widely associated to environmental destruction and human rights violations in relation to the development and production of plantations. ITOCHU is extensively engaged in the trade and distribution of palm oil but is not involved in the palm plantation business. Therefore, though we recognize the gravity of social and environmental implication of palm oil, we are engaging in the issue from our position as a distribution player. For example, are a member of the Roundtable on Palm Oil (RSPO) and are working to fulfill our corporate social responsibility by taking responsibility and standing as a bridge between producers and consumers. We are also cooperating in the spread of certified oil other than RSPO, such as MSPO^{*1} and ISPO^{*2}, in cooperation with industry groups.

In addition to having formulated the Sustainable Procurement Policy for Palm Oil, we aim to preserve natural forests and ensure sustainable consumption of forest resources by promoting transparency in the supply chain and strengthening the sustainable palm oil procurement system.

*1 Malaysian Sustainable Palm Oil

*2 Indonesian Sustainable Palm Oil

- Sustainable Procurement Policy for Palm Oil
(https://www.itochu.co.jp/en/csr/pdf/sustainable_palm_oil_procurement_policy.pdf)

— Establishing Transparency

ITOCHU will inspect its supply chain as a way to fulfil our corporate social responsibility. In doing so, we will identify issues and strive to solve them with the aim to achieve sustainable procurement and supply of palm oil. Our goal is to achieve 100% traceability at the mill level by 2021 and to switch all palm oil procured by the Company to sustainable palm oil^{*1} by 2025. In particular, we aim to base our procurement on the NDPE principle (No Deforestation, No Peat, No Exploitation)^{*2}.

*1 Sustainable palm oil: palm oil supplied from the supply chain according to RSPO and equivalent standards

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

— Membership to the Roundtable on Sustainable Palm Oil (RSPO)

We joined the Roundtable on Sustainable Palm Oil (RSPO) in 2006, and respect the principles and standards set by the RSPO (such as the Principles and Criteria for the Production of Palm Oil) to promote transparency in the supply chain. We are working to strengthen the sustainable palm oil procurement system by expanding transactions with suppliers of raw material that have improved their traceability.

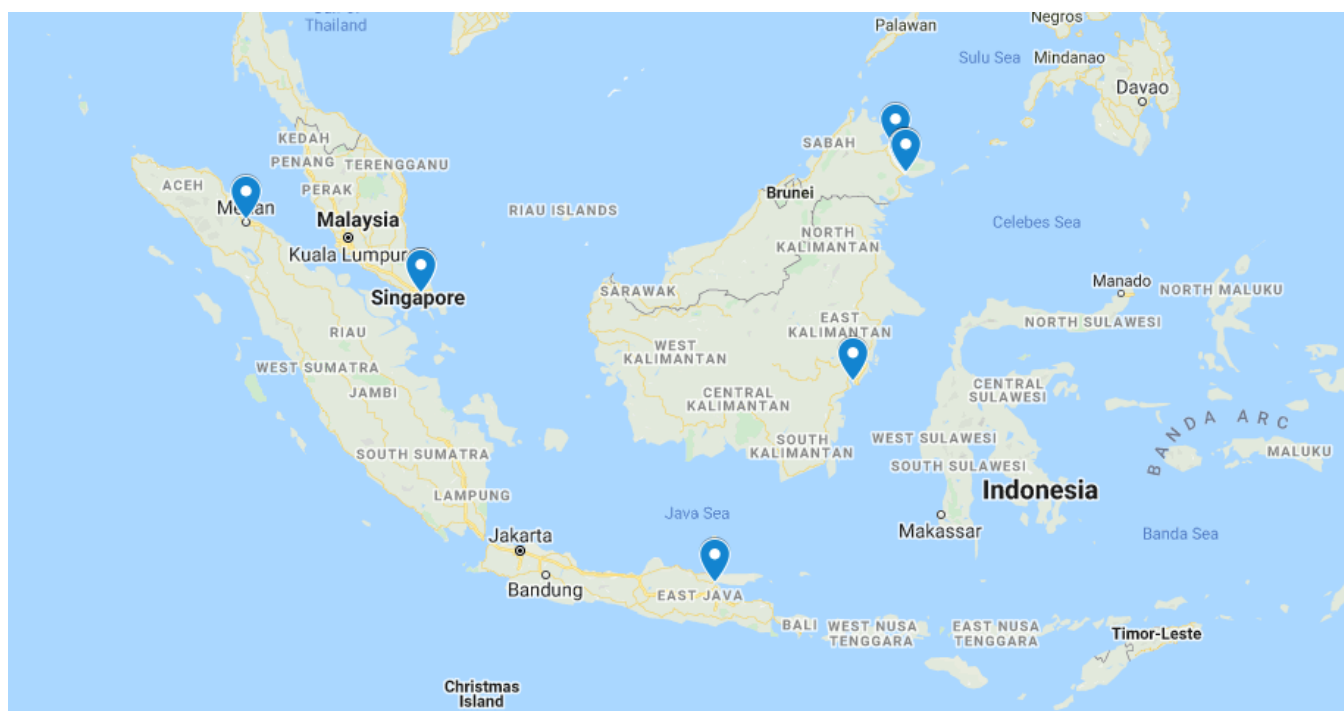
We confirm priority items and utilize them in procurement through sustainable procurement surveys, including on-site examinations, and direct engagement with suppliers.

In the course of our operations, we regularly review our procurement policy in cooperation with stakeholders such as business partners and experts. Information regarding this matter will be disclosed through the ESG Report, the Sustainability Action Plan, and the Annual Communication of Progress (ACOP).

- Sustainability Action Plans (P14-22)
- The Annual Communication of Progress (ACOP) (<https://www.rspo.org/members/63/itochu-corporation>)

Please also refer to the disclosed information below regarding ITOCHU's initiatives.

- Initiatives for sustainable procurement of palm oil (as of the end of 2019)
(https://www.itochu.co.jp/en/csr/pdf/fact_sheet_2020.pdf)
- Refinery list (as of the end of 2019) (https://www.itochu.co.jp/en/csr/pdf/refinery_list_2020.pdf)
- Mill list (as of the end of 2019) (https://www.itochu.co.jp/en/csr/pdf/mill_list_2020.pdf)



— Performance Data Regarding Sustainable Palm Oil Procurement

Our goal is to achieve 100% traceability at the mill level by 2021 and to transition all procured palm oil to sustainable palm oil by 2025. The following table shows the current progress information, actual results and target information.

Category	Performance			Target	
	2017	2018	2019	2021	2025
Volume of handled palm oil	360,000mt	277,000mt	308,000mt		
<Main supplier>	Malaysia	Malaysia	Malaysia	Malaysia	Malaysia
	Indonesia	Indonesia	Indonesia	Indonesia	Indonesia
RSPO Members	–	9/9 (100%)	10/10 (100%)	100%	100%
Suppliers under NDPE policy	–	9/9 (100%)	10/10 (100%)	100%	100%
<Certified Sustainable Palm Oil>					
RSPO certified sustainable palm oil	0.30%	1.10%	9.87%		
<Traceability>					
Traceable to the mills	–	99.80%	99.90%	100%	100%

Dairy Products, Meat, Marine Products, Fiber Raw Materials

Dairy Products

In terms of the dairy product and supply structure in Japan, the domestic production and supply structure has been established with a focus on Hokkaido. Meanwhile, import opportunities have steadily been increasing. This is due to the formation of the TPP that was established at the end of 2018 and the Japan-EU EPA that is scheduled to commence on February 1, 2019. Currently, Japan imports dairy products from multiple countries and regions – New Zealand, Australia, European countries, North America and South America. The agricultural policies and production structures in each country and region have been reflected in initiatives for the sustainable growth production structure in dairy products. Producer organizations and companies have also started initiatives toward gradually building a sustainable growth production structure. We are striving to grasp the initiatives of major producing areas and major suppliers. We will then work to build close communication and relationships with major suppliers so that it is possible to provide even safer dairy products with greater peace of mind.

— Ensuring the Safety of Raw Milk

The most important initiatives in securing the safety of dairy products are those to ensure the safety of raw milk. The structure for this is as follows. Raw milk is milked from cows and collected by dairy farmers before being brought to dairy product factories. Antibiotic contamination tests are then conducted at the acceptance stage. Only raw milk confirmed to be safe is used.

Cheese and butter is individually wrapped in cardboard boxes of 10 kg or 20 kg. Meanwhile, powdered skim milk (not including milk powder) is produced in manufacturing factories mainly in 25 kg paper bags. The manufacturing date is printed on these boxes and bags. This means it is possible to trace products up to their date of production in their manufacturing factory.

- * The standards for hormones and antibiotics used in raising beef and dairy cows are stipulated by the relevant organizations of each country. Dairy product manufacturers have established voluntary management rules based on those standards. A check is also performed each time to see whether there are any residual substances other than raw milk in the transportation vehicles used when bringing it from farmers to factories.

— Measures to Ensure the Sustainable Cultivation of Land

In New Zealand, which has an important position as a supply base for Japan, dairy cows are basically raised with a focus on grazing. Initiatives are made on a routine basis from the point of view of improving productivity. For example, dairy cows are raised while regularly changing their field so that these fields do not become ruined.

The development and distribution of grass-fed* butter and other products has started as a new experiment in New Zealand and elsewhere.

- * Grass-fed refers to beef and dairy cows raised only by eating grass. Regular butter is made using the milk of cows raised by eating mainly grains. In contrast to this, grass-fed butter is made with the milk of cows raised only by eating grass or only by eating grass above a certain rate. This has the advantage of being less of an economic burden compared to raising cows mainly on grains.

The Netherlands is engaged in the overall management of its number of breeding cows as a nation. This is being done in consideration of the impact the phosphate contained in the excreta of dairy cows has on the soil.

Meat

The Meat Products Department in the ITOCHU Food Company imports and procures raw meat ingredients (beef, pork and chicken) from various countries around the world. It handles pork in the greatest quantities with raw ingredients primarily being procured from North America and Europe. Meanwhile, it imports beef from Australia and the U.S. We have jointly invested in Teys Australia Condamine Pty Ltd. in the cattle fattening business in Australia together with an Australian beef supplier called Teys and Prima Meat Packers.

The following is our basic policy for performing inter-company initiatives when procuring raw meat ingredients from overseas: Production suppliers who do business with ITOCHU should be aware of environmental aspects at the production stage. They should take into consideration the workers involved in production. Finally, above all, they should construct production operations including traceability that can guarantee safety and peace of mind. ITOCHU regularly visits factories that are our supply sources. We do this under a commitment to responsible meat procurement. We establish good relationships through close communication with overseas suppliers.



Teys Australia Condamine's Cattle Fattening Farm

Ensuring Traceability at HyLife Group Holdings

HyLife is capable of supply chain management and coordination in-house because it performs integrated production that includes pig farms, mixed feed factories and pork processing. The company has utilized this production structure to realize a stable supply of safe, high-quality and traceable products with peace of mind. In addition, it is possible to feedback the individual needs of customers to pig farms through such integrated production. The firm has established a specialty program customized for Japan – a program that has received a high appraisal in the market. Currently, it is the number one company in Canada in terms of refrigerated pork exports to Japan.



Pork Processing Process

Teys Australia Condamine's Global Warming Countermeasures

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

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



Installed Solar Panels

Initiative Participation

Companies in wide-ranging lines of businesses – from producers to retailers – are participating in an initiative called the Global Round Table for Sustainable Beef (GRSB) with the aim of sustainable beef production. ITOCHU has built business relationships with multiple companies participating in the GRSB. We are exchanging information with them on the latest trends.

— Performance Data of Traceability

The major premise for ITOCHU is to be able to thoroughly trace the products we deliver to our customers back to their producers above all else while considering the safety and peace of mind of food as our number one priority. We have a 100% "traceback" system for all meat (beef, pork, chicken) produced by suppliers (mainly overseas) and handled by ITOCHU allowing us to trace back products up to their production stage.

Content	Performance		
	2017	2018	2019
Volume of handled meat (tons)*	About 160,000	About 150,000	About 130,000

* Beef, pork and chicken are 100% traceable back to the production stage

— Animal Welfare

The ITOCHU Group raises livestock in a comfortable environment to reduce livestock stress and disease. The following measures have been taken to handle livestock humanely, based on the belief that it will increase productivity and produce safe livestock products.

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

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

Respecting Animals is a HyLife Core Value and the obligation and responsibility of all employees.

HyLife provides optimal environmental conditions for the animals in our care providing climate controlled housing, nutritionally balanced diets and veterinary animal health oversight.

All employees receive comprehensive training in the proper care and handling of animals and farms are operated in accordance with the Canadian Code of Practice for the Care & Handling of Pigs and are certified under the Canadian Quality Assurance Program.

| Marine Products

We mainly handle skipjack and yellowfin as marine products. In Indonesia, we operate the PT. Aneka Tuna Indonesia (ATI) canned tuna factory in a joint venture with partners. We have established voluntary management regulations for tuna. We thoroughly stick to our policy of only procuring skipjack and yellowfin that has been appropriately managed by fishing organizations.

— Targets

The acquisition of MSC^{*1} certification is limited among fishermen for the highly migratory fish of skipjack and yellowfin at present. Under these circumstances, we handle 4,500 tons of MSC raw ingredients per year at present in the trade of skipjack and yellowfin for canned raw material. We are also aiming to encourage fishermen to acquire MSC so that we handle 10,000 tons per year within five years.

The rate of pole and line fished^{*2} products in our canned tuna handling was 7% in FYE 2014. However, this rate exceeded 14% in FYE 2019. We would like to continue maintaining and expanding this rate with the aim of reaching 20%.

The usage rate and quantity of pole and line fished raw material in ATI more than doubled from 20% at 8,000 tons in 2013 to 40% at 20,000 tons in 2018. It has become one of the few canned tuna factories in the world that uses pole and line fished raw material. We will continue striving to secure, maintain and expand pole and line fished raw material.

*1 The Marine Stewardship Council (MSC) is an international NPO established in 1997 to work on spreading sustainable fishing. Its headquarters are located in London, England.

*2 Pole and line fishing is a method of fishing by catching one fish at a time. It is a sustainable fishing method that does not involve the catch of large quantities of fish at one time. It is said that it is an environmentally friendly fishing method because it is also possible to avoid the bycatch of non-targeted fish.

— Sustainability Surveys for Marine Resource Suppliers to Ensure Responsible Procurement Practices

We regularly visit and survey our suppliers. This is so that we responsibly procure marine resources for all the marine products we handle. We also promote cooperation with various fishing organizations. Every year, those in charge of sales visit and survey 45 suppliers applicable to our internal selection criteria in cooperation with our Food Safety and Compliance Management Office. This is for the regular visits and surveys on our suppliers to responsibly procure marine resources. We also engage in business after confirming that suppliers are appropriate from a viewpoint of ESG.

Regarding bonito tuna, which we handle in vast quantities, in September 2017 we established a voluntary management rule called "Tuna Handling Management Rules", which prohibits procurement from IUU fishing (concerning illegal fishing: "Illegal, Unreported and Unregulated"). We only procure and purchase marine products whose origin is clearly traceable to fisheries that are properly managed by the Western & Central Pacific Fisheries Commission (WCPFC).

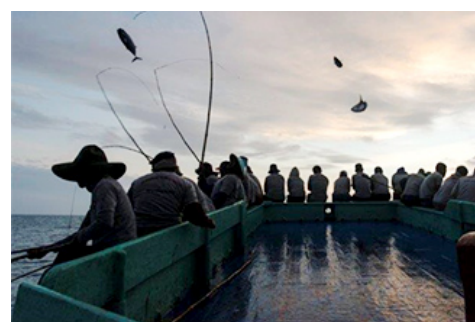
— Certifications and External Stakeholder and Initiative Participation

We acquired distributor certification and chain of custody certificate (CoC)^{*1} certification from the Marine Stewardship Council (MSC) in March 2018.

We joined the Organization for the Promotion of Responsible Tuna Fisheries (OPRT) in 2012 in the tuna business. This is an organization that was established for the sustainable use of tuna resources. We are now promoting initiatives that comply with our aforementioned voluntary management regulations.

ATI is strengthening its handling of pole and line fished raw material—considered to be the most environmentally friendly skipjack and yellowfin fishing method. The need for products made with pole and line fished raw material is growing every year in markets with a high interest in sustainability (e.g., the U.K. and Australia) for the canned tuna market as well. It is our policy to strengthen our handling of pole and line fished products manufactured by ATI.

ATI joined the Indonesian Association of Pole & Line and Hand Line in 2014. It is offering its cooperation such as by providing data. This data is used in the Fishery Improvement Program (FIP)^{*2}. ATI is also cooperating for the acquisition of MSC in Indonesia. Moreover, it joined an international organization called the International Seafood Sustainability Foundation (ISSF)^{*3} in 2016. The firm is offering its cooperation such as by providing information in the same way as it does with the Indonesian Association of Pole & Line and Hand Line.



Pole and Line Fishing

*1 Chain of custody certificate (CoC) is certification for processors and distributors. This is to ensure the traceability of MSC certified marine products and other products in the management of processing and distribution processes specified by MSC.

*2 The Fishery Improvement Program (FIP) is a project in which small fishermen finding it difficult to acquire MSC certification and market stakeholders cooperate and work together aiming for sustainable fishing under the goal of future MSC acquisition with MSC compliant fishing methods.

*3 The International Seafood Sustainability Foundation (ISSF) is an organization running under the aim of sustainable skipjack and yellowfin fishing. It was launched in response to an appeal by major canned tuna operators in 2009.

— Performance Data Related to Certification

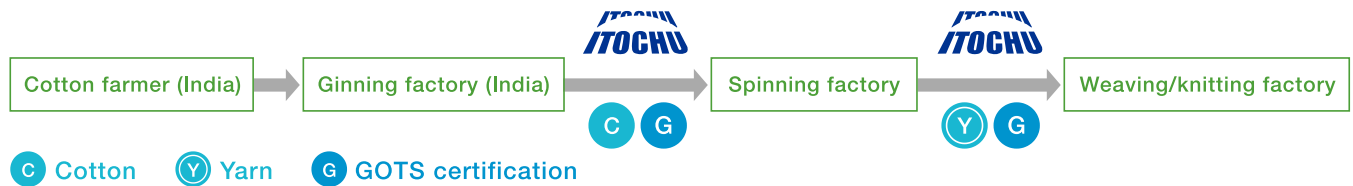
Item			FYE 2014 Results	FYE 2020 Results	Target (Next 5 Years)
Bonito tuna for canned tuna	Obtained MSC and/or COC certification	MSC, COC quantity	N/A	7,300 tons	10,000 tons
		MSC, COC%	0%	4%	5%
	ATI fishing line	ATI Single Fishing Raw Material Quantity	8,000 tons	25,000 tons	25,000 tons
		Single fishing tuna product ratio	7%	17%	20%

Textile Raw Materials

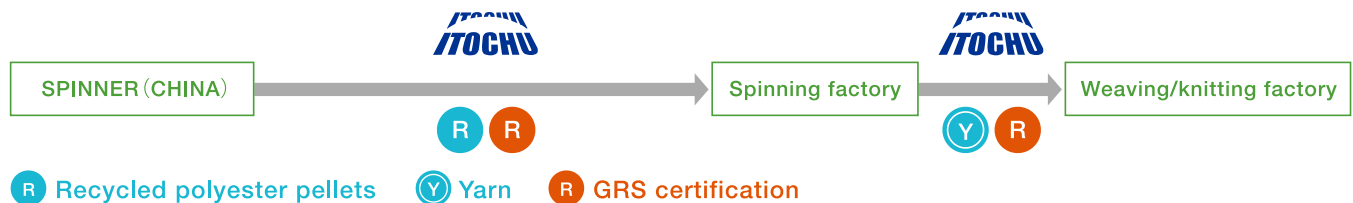
In recent years, the trend for sustainability has been gradually penetrating the fashion market. For example, global fashion brands have declared that they will switch to using environmentally friendly materials (e.g., organic cotton, recycled polyester etc.) for the materials they procure as an initiative to develop the labor environment in the supply chain and to deal with the disposal of clothing and other problems. This issue is particularly important to us given that ITOCHU was founded as a textile raw materials trading business, which remains a cornerstone of our company to this day as a part of the Fashion Apparel Division. Therefore, in our textile business we have made it our policy to shift our raw materials portfolio to environmentally friendly resources and build traceability capacity from raw materials procurement to distribution to manufacturers. Our target for this policy will be to make 50% of the textile raw materials that we handle traceable and environmentally friendly by 2025.

Organic Cotton Procurement in India

Traceability in Organic Cotton Procurement in India



Traceability in the Recycled Polyester Business Utilizing the Technologies of JEPLAN



When we procure organic cotton in India, we first purchase raw organic cotton that comes with a certificate from a ginning (work to separate the seeds and fibers after harvesting raw cotton) factory in India that has acquired GOTS certification. We deliver that raw organic cotton to spinning factories that have acquired GOTS certification in India or Asia. Finally, we purchase the yarn spun in those spinning factories and sell it to weaving/knitting factories in Japan and overseas. Furthermore, with regards to the traceability of organic cotton, we have implemented measures to leveraging our vast network and experiences to facilitate our cotton farmers in India to shift toward organic farming methods and to support certification acquirements (such as the GOTS certification^{*}) at our cotton mills and ginning factories. Given these initiatives, we have achieved 100% traceability in the organic cotton that we handle among the cotton we have procured during the 3 year transition period.

Leveraging this experience, the "RENU" project started full-scale operation in 2019 and has quickly acquired GRS (Global Recycle Standard) certification for recycled polyester yarn.

^{*} GOTS certification: a set of comprehensive standards that certifies products made from organic textile. The standards cover the following items: use of certified raw materials and their traceability, control systems to limit or prohibit designated chemical inputs (dyes and auxiliaries) and accessories, separation and identification systems, environmental management, contamination and residue testing, and social criteria (possible sources of information: interview with management, confidential interviews with workers, personnel documents, physical on-site inspection, unions/stakeholders).

Expansion of Environmentally Friendly Materials

The Apparel Division is building a value chain that originates with the raw materials for which we have assumed a leadership role. This is part of our attempt to evolve our businesses — the basic policy in our current mid-term management plan. We have been making efforts for several years to brand, commercialize our original raw material brands of natural fibers such as HAMILTON LAMBS WOOL and ONE Cotton. In October 2018, we agreed to establish a pilot plant for eco-friendly cellulose fiber jointly with the Finnish forest industry leader Metsa Group, and in February 2019, we invested in LYCRA in the United States with Shandong Ruyi Technology Group in China. Furthermore, in the spring of 2019, we launched a project called "RENU", which aims to innovate ways to realize a circular economy – the first product under development through this initiative is a recycled polyester material. We will continue to accelerate the pace of our cooperation with global companies toward our increasing use of environmentally friendly materials in the future. At the same time, we will work to acquire certification in the spinning, weaving/knitting and sewing processes and to expand internal cross-company business toward establishing branding and traceability up to commercialization – our medium term target.



"RENU" project aimed at realizing a circular economy

- ONE Cotton (ONE is an abbreviation for Organic Natural Ethical)
(<https://www.ito-rium.com/brands/one-cotton.php>)
- Commitment of Protecting Forests through Material Sourcing of MMCF
(https://www.itochu.co.jp/en/csr/pdf/commitment_of_protecting_forests_2019.pdf)
- RENU™ Project (<https://renu-project.com/>)

Performance Data of Organic Cotton Procurement

All organic cotton is GOTS certified and traceable.

Item	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Organic cotton handled (1,000 kg)	449	556	900	460
Percentage of cotton trade	7%	9%	32.2%	18.2%
Traceability of organic cotton	100%	100%	100%	100%
GOTS certification of organic cotton	100%	100%	100%	100%



Governance

Corporate Governance

Action Plan

Risks	Opportunities
<ul style="list-style-type: none"> Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control, and others. 	<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, and others.

Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Maintain rigorous governance structures		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.	<p>(1) The diversity of the Board of Directors (always a one third or higher percentage of outside Directors; currently four out of 10 Directors) and the ratio of women (ratio in the previous fiscal year + 10%; currently two out of 10 Directors) have improved.</p> <p>(2) We have increased the number of independent outside members of the Board of Directors and outside Audit & Supervisory Board Members in the Nomination Committee to a majority (four out of seven members; +7.1% compared to the previous year). (Four out of eight Directors: 50% → Four out of seven Directors: 57.1%)</p> <p>We have almost completed the strengthening of governance in structural terms with the implementation of (1) and (2). From the next fiscal year onward, we will monitor the implementation of our Policy on the Governance of its Listed Subsidiaries formulated in this fiscal year and also deal with listing problems involving ITOCHU and our subsidiaries.</p>

Policy and Basic Concept

ITOCHU Group adopts the spirit of "*Sampo-yoshi*" (in Japanese, "*yoshi*" means "good", and "*sampo*" means three sides, and these three sides consist of (1) the seller ("*urite*"), (2) the buyer ("*kaite*") and (3) society ("*seken*"). "*Sampo-yoshi*" is therefore "*urite-yoshi*" (meaning "good for the seller"), "*kaite-yoshi*" (meaning "good for the buyer") and "*seken-yoshi*" (meaning "good for society")) as our corporate mission, which spirit originates from the message of our founder *Chubei Itoh I* (the merchant based in the former Ohmi Province of Japan (present-day Shiga Prefecture). We sincerely wish to contribute to solving social issues by not purely seeking to maximize our profits but also considering and responding to the expectations and trust of all of our surrounding stakeholders, including our customers, our shareholders and our employees. "*Sampo-yoshi*" is the business spirit by which we aims to bring a positive effect into the world and to contribute to sustainable society for all. Furthermore, we adopt "I am One with Infinite Missions" as our guideline of conduct. These words mean that each individual employee should consider his or her business conduct on his or her own initiative in order to complete our infinite missions aim for better business operations which are good for the seller, good for the buyer, and good for society as well as for a better future.

It is the fundamental management policy of ITOCHU Corporation ("ITOCHU" or the "Company") to build a fair and good relationship with various stakeholders based on our corporate mission and our guideline of conduct and thus improve our corporate value from a long-term perspective. In accordance with this policy, with the intention to ensure proper and efficient execution by management, we will enhance the transparency of decision-making and establish a corporate governance system in which monitoring and supervision functions are appropriately incorporated.

A strong leadership and a transparent decision-making system are pillars of good corporate governance. ITOCHU adopts an organizational structure with the presence of an Audit & Supervisory Board (*kansayaku secchi kaisha*). In recent years, ITOCHU has gradually shifted to a governance model where executive officers decide and carry out the day to day business under the direction and supervision of the Board of Directors, along with implementing measures to strengthen monitoring.

In order to separate execution by and monitoring over management, we reduced several executive Directors and the percentage of outside Directors in our Board of Directors was increased to one-third or more from April 2017. We keep this percentage of outside Directors also in FYE 2020 and onwards. Additionally, ITOCHU has established a Governance and Remuneration Committee and a Nomination Committee as advisory committees to the Board of Directors. Each committee is chaired by an outside Director and the majority members of each committee are outside Directors and Audit & Supervisory Board Members. In appointing outside Directors and Audit & Supervisory Board Members, ITOCHU places great importance on their independence, and in this connection, ITOCHU has adopted its own independence criteria, augmenting the independence criteria established by the Tokyo Stock Exchange.

This highly independent Board of Directors monitors execution by management as well as deliberates the execution of business that is of high quantitative or qualitative importance. The Company believes this arrangement facilitates not only appropriate monitoring over execution by management but also the consideration of important business execution from an external perspective.

It is also vital that ITOCHU discloses its financial and non-financial information to the stakeholders as part of good governance. For this purpose, ITOCHU adopts a "Basic IR Policy" to further promote a multi-party stakeholder dialogue, and uses our best effort to timely and adequately disclose such information. Through the communication with its stakeholders, ITOCHU aims to enhance its corporate value on a long-term basis.

Compliance with Corporate Governance Code

As of June 2020, ITOCHU complies with all principles set forth in Corporate Governance Code. For details, please refer to Corporate Governance Report (https://www.itochu.co.jp/en/files/CG_e.pdf).

- Establishment of the Governance and Remuneration Committee and the Nomination Committee as advisory committees to the Board of Directors
- Establishment of policy and process for appointing executive officers, candidates for Directors and candidates for Audit & Supervisory Board Members
- Adoption of our own independence criteria regarding the judgement on the independence of outside Directors and outside Audit & Supervisory Board Members

Reason for Adopting the Current System

The Company, as a company with Audit & Supervisory Board Members, endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. In addition to its corporate governance system primarily based on the monitoring of corporate management by Audit & Supervisory Board Members, the Company appointed outside Directors the percentage of which is one-third or more of the total number of the Directors, and keep this percentage of outside Directors also in FYE 2021 and onwards. And, the Company has already appointed independent outside Directors and established the Governance and Remuneration Committee and the Nomination Committee, as voluntary advisory committees to the Board which are chaired by outside Directors and which comprise of majority outside members, for the purpose of further increasing the effectiveness of the supervision of management by the Board of Directors and strengthening and improving the transparency of decision making. In the process of appointing the outside Directors and outside Audit & Supervisory Board Members, the Company focuses securing independency of the outside Directors and the outside Audit & Supervisory Board Members, and in addition to the independence criteria established by the Tokyo Stock Exchange ITOCHU has adopted its own independence criteria.

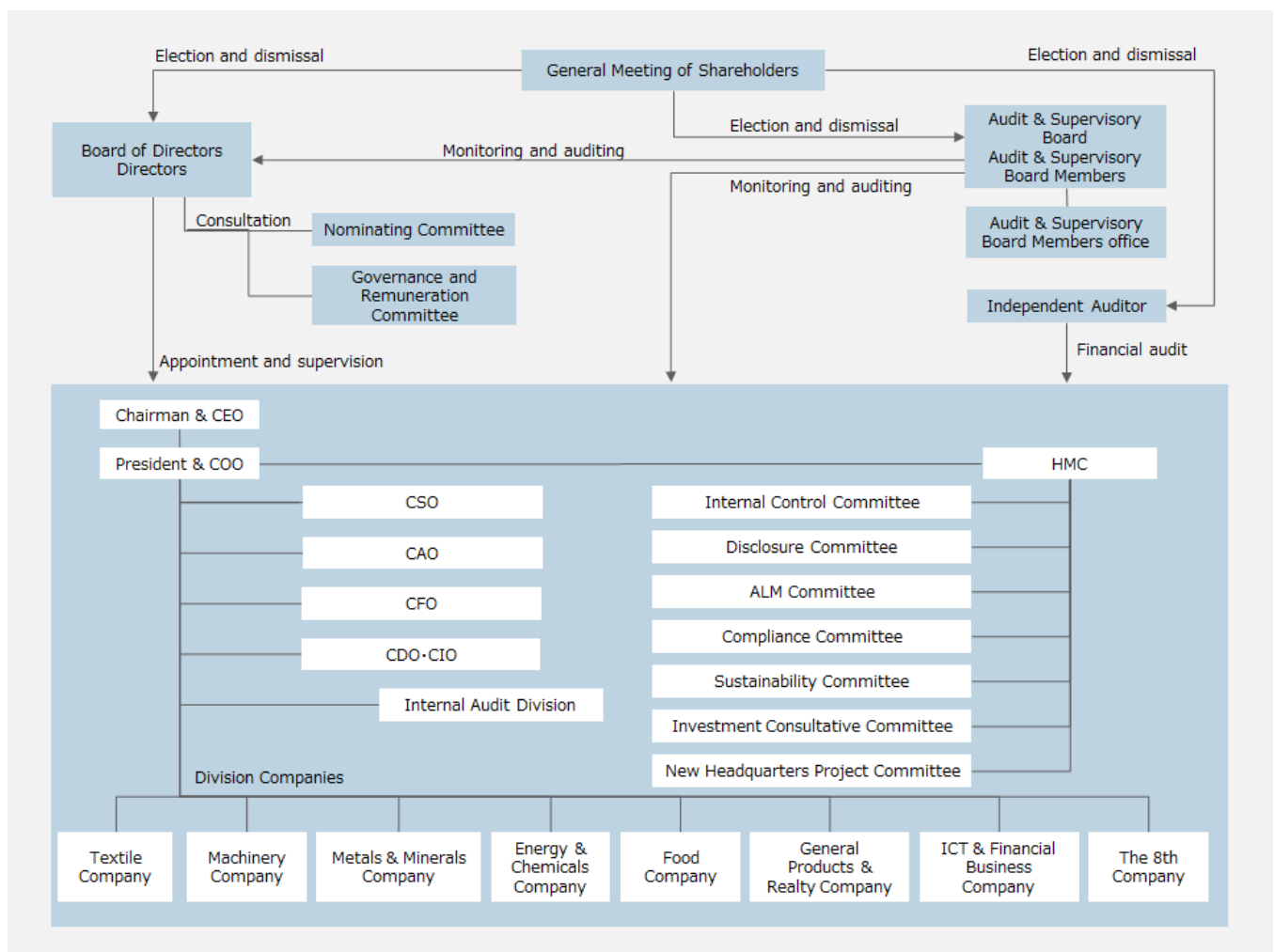
The Company believes that its current corporate governance system—which is based on the Board of Directors consisting with the independent outside Directors for one-third or more of all Directors, the said voluntary advisory committees to the Board and the Audit & Supervisory Board, more than half of whom are outside Audit & Supervisory Board Members— accords with ITOCHU's Basic Policy stated in this report.

Structures and Systems

Corporate Governance

1. As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the Directors.
2. Each Director is to carry out such Director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
3. ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative Directors.
4. The Audit & Supervisory Board Members are to oversee the performance of the Directors based on the "Audit & Supervisory Board Regulations" and "Auditors' Auditing Standards."

Overview of ITOCHU's Corporate Governance and Internal Control System (As of April 1, 2020)



- *1 HMC=Headquarters Management Committee CEO=Chief Executive Officer COO=Chief Operating Officer
CSO=Chief Strategy Officer CAO=Chief Administrative Officer CFO=Chief Financial Officer
CDO・CIO=Chief Digital & Information Officer ALM=Asset Liability Management
- *2 CAO is the chief officer for compliance. Also, each Division Company has a Division Company president.
- *3 Internal control systems and mechanisms have been implemented at every level of ITOCHU. Only the main internal control organization and committees are described herein.

Board of Directors

Overview

- The Company is a company with the Board of Directors and Audit & Supervisory Board Member (the Audit & Supervisory Board).
- As from 1 April, 2018, Chairman of the Company is Chief Executive Officer and President of the Company is Chief Operating Officer.
- The Board of Directors, comprising 10 Directors including 4 outside Directors, is chaired by the Chief Executive Officer. The Board of Directors is held, in principle, at least once a month, and it makes decisions on important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and supervises the performance of the Directors. Two of the outside Directors are female, and the average term of overseas assignment period of our internal Directors is 5.7 years (as of 19 June, 2020).
- Each Director carries out functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and the other internal regulations.
- The Executive Officer System has been adopted to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the decisions made by the Board of Directors, executive officers implement their designated duties delegated by the Board of Directors and representative Directors. As of 19 June, 2020, the Company has 36 executive officers (some of whom concurrently serve as Directors), comprising 34 male executive officers and 2 female executive officers.
- The HMC (Headquarters Management Committee) and various internal committees have been established for the purpose of contributing to appropriate and flexible decision making on management issues by the President and Chief Operating Officer and the Board of Directors. HMC is, in principle, chaired by the President, and in principle consists of the Chairman, the President, and executive officers appointed by the President. The HMC is a supporting committee to the President and Chief Operating Officer where companywide management policy and important issues are discussed.

Corporate Governance System (As of June 19, 2020)

Type of system	Company with the Board of Directors and the Audit & Supervisory Board
Number of Directors (Of which, number of outside Directors)	10(4 [*])
Number of Audit & Supervisory Board Members (Of which, number of outside Audit & Supervisory Board Members)	5(3)
Term of office for Directors	1 year (the same for outside Directors)
Adoption of an Executive Officer System	Yes
Organization to support CEO decision-making	Headquarters Management Committee (HMC) deliberates on companywide management policy and important issues
Advisory committees to the Board of Directors	Governance and Remuneration Committee, Nomination Committee

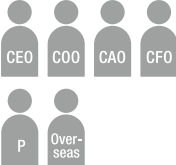



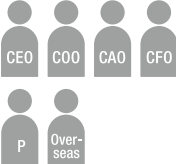



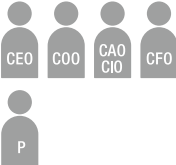



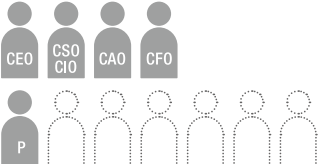



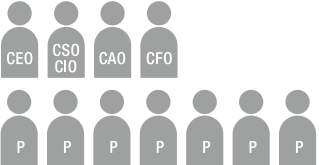



* Two of the outside Directors is female, and the average term of overseas assignment period of our internal Directors is 5.7 years.

Members of the Board

Name			Current Position and Responsibility in ITOCHU Corporation	FYE 2020 Number of Attendance at Meetings of the Board of Directors	Number of Years in Office	Governance and Remuneration Committee	Nomination Committee
Masahiro Okafuji	Reelection	Male	Chairman & Chief Executive Officer	15/15 (100%)	16 years	○	○
Yoshihisa Suzuki	Reelection	Male	President & Chief Operating Officer; Chief Digital & Information Officer	15/15 (100%)	4 years	○	○
Tomofumi Yoshida	Reelection	Male	Member of the Board, Executive Vice President President, General Products & Realty Company	15/15 (100%)	5 years and 9 months	–	–
Yuji Fukuda	Reelection	Male	Member of the Board, Executive Vice President CEO for East Asia Bloc; CEO for Asia & Oceania Bloc; Executive Advisory Officer for CP & CITIC Operations	11/11 (100%) (since his appointment)	4 years and 9 months	–	–
Fumihiko Kobayashi	Reelection	Male	Member of the Board, Senior Managing Executive Officer Chief Administrative Officer	15/15 (100%)	5 years	–	○
Tsuyoshi Hachimura	Reelection	Male	Member of the Board, Senior Managing Executive Officer Chief Financial Officer	15/15 (100%)	5 years	–	–
Atsuko Muraki	Reelection Outside Independent	Female	Member of the Board	15/15 (100%)	4 years	–	◎
Harufumi Mochizuki	Reelection Outside Independent	Male	Member of the Board	15/15 (100%)	3 years	○	○
Masatoshi Kawana	Reelection Outside Independent	Male	Member of the Board	15/15 (100%)	2 years	◎	–
Makiko Nakamori	Reelection Outside Independent	Female	Member of the Board	11/11 (100%) (since her appointment)	1 year	○	–

◎:Chair ○:Member

History of the Board of Directors

	Executive Directors	Outside Directors	Ratio of Outside Directors	Ratio of Female Directors
FYE 2021	6 	4 	40% 	20% (2) 
FYE 2020	6 	4 	40% 	20% (2) 
FYE 2019	5 	3 	38% 	13% (1) 
FYE 2018	5 	4 	44% 	11% (1) 
FYE 2017	11 	3 	21% 	7% (1) 

P: Division Company President

Policy and Process for Appointing Candidates for Directors

In order to effectively supervise management and decide important business matters as the Board of Directors of a general trading company with broad range of business, ITOCHU's Board of Directors consists of, in principle, the Chairman, President, officers in charge of headquarters administrative functions, one appropriate Division Company president, and such several outside Directors that the percentage of outside Directors in our Board of Directors is one-third or more to improve supervisory function of the Board of Directors. In nominating outside Directors, ITOCHU prioritizes candidates with higher independence, based on the criteria for "independent Directors" prescribed by the Tokyo Stock Exchange, and ITOCHU's "Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members," who with his or her experience and knowledge in the relevant category, are expected to contribute to the management of ITOCHU. Proposal on candidates for Directors is created by the Chairman and Chief Executive Officer taking into consideration diversity such as knowledge, experience, gender and international experience, and submitted to the Nomination Committee for further deliberation before the Board of Directors finally nominates the candidates for election at the General Meeting of Shareholders.

Name	Independent Directors	Reason for Appointment as Outside Director (For Independent Directors, Including Reason for Designation as an Independent Director)
Atsuko Muraki	○	Ms. Muraki is appointed as an outside Director in the anticipation that she will use her wealth of experience and high-level knowledge she accumulated as a government official and also monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Muraki qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.
Harufumi Mochizuki	○	Mr. Mochizuki is appointed as an outside Director in the anticipation that, based on a wealth of experience and high-level knowledge he accumulated as a government official at the Ministry of Economy, Trade and Industry (and the former Ministry of International Trade and Industry), his experience as a corporate executive at other entities where he concurrently serves, he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Mochizuki qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Masatoshi Kawana	○	Mr. Kawana is appointed as an outside Director in the anticipation that, based on his experience as a doctor at Tokyo Women's Medical University Hospital for many years and as an important post such as the Deputy Director of the same hospital as well as his high level of medical knowledge, he will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Kawana qualifies as an independent Director. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent Director.
Makiko Nakamori	○	Ms. Nakamori is appointed as an outside Director in the anticipation that, based on her high level expertise regarding finance and accounting as a certified public accountant as well as her extensive experience as a corporate executive, she will monitor and supervise the corporate management of ITOCHU from an independent perspective. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Ms. Nakamori qualifies as an independent Director. Accordingly, ITOCHU believes that she is unlikely to have conflicts of interest with general investors, and she has been designated as an independent Director.

Principal Areas of Experience of Outside Directors

Name and Role	Principal Specialized Area of Experience						Main Career History and Qualifications, etc.
	All Aspects of Management	Overseas Assignment (Global)	Finance and Accounting	Human Resources and Labor	Internal Control and Legal Affairs /Compliance	Health and Medical Care	
Atsuko Muraki Outside Director Chair of the Nomination Committee	○			○	○	○	Vice-Minister of Health, Labour and Welfare
Harufumi Mochizuki Outside Director	○	○ (North America/ Europe)		○	○		Vice-Minister of Economy, Trade and Industry
Masatoshi Kawana Outside Director Chair of the Governance and Remuneration Committee	○	○ (North America)		○	○	○	Vice-president of Tokyo Women's Medical University Hospital Doctor of Medicine
Makiko Nakamori Outside Director	○		○		○		Served as outside director and audit & supervisory board member at several companies including ITOCHU Techno-Solutions Corporation Certified Public Accountant

Outline of Limitation of Liability Contracts

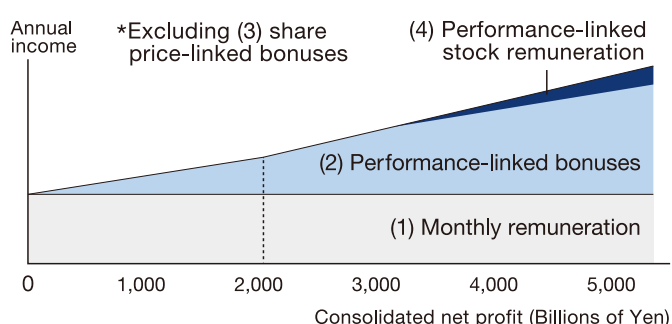
Pursuant to Article 427, Paragraph 1, of the Companies Act, ITOCHU has entered into limitation of liability contracts with respect to liability as set forth in Article 423, Paragraph 1, of the Companies Act with outside Directors and outside Audit & Supervisory Board Members. Under these contracts, their liabilities are limited to the lowest amount of liability pursuant to Article 425, Paragraph 1, of the Companies Act if and so long as they have acted in good faith and without gross negligence in performing their duties.

Remuneration

Overview of the Remuneration Plan for Directors

ITOCHU Corporations' current remuneration plan for Directors is designed to be an incentive to grow business performance. Performance-linked bonus has a high proportion of overall remuneration, and this remuneration plan, including the calculation method, has been previously disclosed publicly, making it highly transparent. In order to increase awareness of contribution to raising business performance and enlarging corporate value over the medium to long term, we are including stock remuneration as part of the remuneration plan.

Remuneration Image of Directors (excluding Outside Directors)

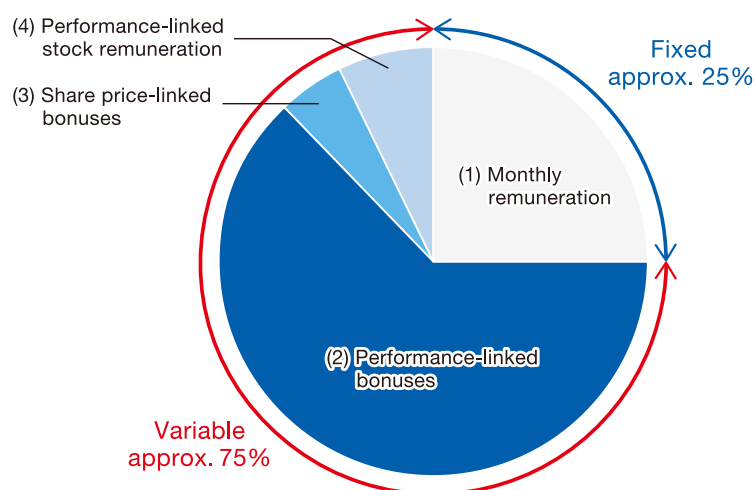


Remuneration Plan for Directors for FYE 2021 consists of (1) monthly remuneration, (2) performance-linked bonuses, (3) share price-linked bonuses, and (4) performance-linked stock remuneration (trust type). Of these, (3) share price-linked bonuses is a revision of the market capitalization-linked bonuses, which were introduced in FYE 2019, and the share price-linked bonuses are not designed on the single year base used when the market capitalization-linked bonuses was introduced. The bonus amount is calculated based on the evaluation of the relative growth rate of ITOCHU Corporations' share price during the period from FYE 2019 to FYE 2021 versus the growth of Tokyo Stock Price Index (TOPIX). The share price-linked bonuses are, like the stock remuneration, also for further strengthening awareness of enlarging corporate value from a medium- to long-term perspective.

Net profit (consolidated) is of high interest to the stock market because it is an easy-to-understand indicator of capital to growth-oriented investments and to returns to shareholders and we have an unshakeable belief in its importance as an indicator going forward. In addition, bonuses for employees are linked to net profit (consolidated) so we have net profit attributable to ITOCHU (consolidated) as the linked indicator for performance-linked bonuses ((2) above) and performance-linked stock remuneration ((4) above). Also, regarding share price-linked bonuses ((3) above), as stated above we have the growth rate of ITOCHU Corporations' share price during the period from FYE 2019 to FYE 2021 as the linked indicator, but for the calculation of the growth rate of the share price, we use the simple average of the daily final price for each fiscal year.

Type of Remuneration	Details	Fixed / Variable	Remuneration Limits	Resolution at General Meeting of Shareholders
(1) Monthly remuneration	Determined according to factors that include degree of contribution to ITOCHU Corporation, based on a standard amount for each position	Fixed	¥0.8 billion per year as total amount of monthly remuneration (of that amount, ¥0.1 billion per year for Outside Directors)	June 21, 2019
(2) Performance-linked bonuses	Total amount of payment is determined based on net profit (consolidated), and the each individual payment amount is determined in relation to the position points for the Director	Variable (single year)	¥2.0 billion per year as the total amount of bonus * Not paid to Outside Directors	
(3) Share price-linked bonuses	Bonus amount is calculated based on an evaluation of the relative growth rate of ITOCHU Corporation's share price during the period from FYE 2019 to FYE 2021 versus the growth rate of TOPIX*1			
(4) Performance-linked stock remuneration	Total payment amount is determined based on net profit (consolidated), and each individual payment amount is determined in relation to the position points for the Director used in calculating the individual performance-linked bonus*2	Variable (medium-to long-term)	The amounts below are limits for two fiscal years, for Directors and Executive Officers <ul style="list-style-type: none">● Limit on contribution to trust by ITOCHU Corporation: ¥1.5 billion● Total number of points granted to eligible person: 1.3 million points (conversion at 1 point = 1 share) * Not paid to Outside Directors	June 24, 2016

Remuneration Composition Ratios Image of Directors (excluding Outside Directors) (FYE 2020)



* In the case of net loss (consolidated), Directors will receive neither performance-linked bonuses nor performance-linked remuneration.

Formulas for Remuneration

Directors' Bonuses for FYE 2021

Performance-linked Bonuses

Director performance-linked bonuses for FYE 2021 will be paid in amounts calculated according to the methods described below, following the conclusion of FYE 2021 Ordinary General Meeting of Shareholders.

a. Total Amount Paid to All Directors:

The total amount paid to all Directors shall be the lesser of the sum of the amount paid to an individual Director in b. below or ¥2.0 billion.

b. Amount Paid to an Individual Director

The formula to calculate the amount paid to an individual Director is below.

Total base amount paid to all Directors = $(A+B+C) \times \text{Sum of Position points for all the eligible Directors} / 55$

Where:

A = $(\text{Consolidated net profit attributable to the Company for FYE 2021 for the portion up to ¥200.0 billion}) \times 0.35\%$

B = $(\text{Consolidated net profit attributable to the Company for FYE 2021 for the portion more than ¥200.0 billion but up to ¥300.0 billion}) \times 0.525\%$

C = $(\text{Consolidated net profit attributable to the Company for FYE 2021 for the portion exceeding ¥300.0 billion}) \times 0.35\%$ (amount of less than ¥1 shall be rounded down)

The amount paid to an individual Director = $(\text{Total base amount paid to all Directors as above} \times \text{Position Point} / \text{Sum of Position points for all the eligible Directors}) \times 20\% + (\text{Total base amount paid to all Directors as above} \times \text{Position Point} / \text{Sum of Position points for all the eligible Directors}) \times 80\% \times \text{the Rate (defined below)}$ determined based on plan achievement rate of the consolidated net profit of the assigned division/department (amount of less than ¥1,000 shall be rounded up)

Provided, however, that

- (1) The Rate: $100\% + (\text{plan achievement rate of the consolidated net profit of the assigned division/department} - 100\%) \times 2$ (if negative, it will be 0%)
- (2) The assigned division of the Director utilized the Rate is the General Products & Realty Company of which planning of the consolidated net profit for FYE 2021 is 60 billion yen (announced at 8 May, 2020).
- (3) The plan achievement rate shall be 100% for the eligible Director (not being the Division Company President) for whom no plan achievement rate is measurable.

The points assigned to each position are as per below:

	Position Points
Chairman and Chief Executive Officer	10
President and Chief Operating Officer	7.5
Executive Vice President (resident in Japan)	5
Executive Vice President (resident outside Japan)	4
Senior Managing Executive Officer	4
Managing Executive Officer	3

Notwithstanding the calculation stated above, the amount paid to an individual Director shall not exceed the maximum amount for each position as set forth below:

	(Millions of yen)
	Maximum Amount Paid to an Individual Director
Chairman and Chief Executive Officer	560
President and Chief Operating Officer	420
Executive Vice President (resident in Japan)	280
Executive Vice President (resident outside Japan)	224
Senior Managing Executive Officer	224
Managing Executive Officer	168

Share Price-linked Bonuses

By resolution of Board of Directors held on 2 February, 2018 and for the purpose of the incentive towards increasing the Company's corporate value, ITOCHU introduced market capitalization-linked bonuses structure which is linked to the increased amount of the Company's market capitalization as compared to the last fiscal year. In order to further strengthen awareness of enhancing corporate value from a medium- to long-term perspective, the following changes were made, and the name was changed from market capitalization-linked bonus to share price-linked bonus:

- Changed a design based on 3 years rather than on a single year
- Changed a linked indicator from market capitalization to stock price in order to better align with shareholders
- In order to secure fairness, included an index relative to the absolute amount

For share price-linked bonuses, the bonus amount for individual Director is calculated for FYE 2020 and FYE 2021 based on the following specific calculation formula for individual payment amounts, and when the Director retires or, in the case of taking on the position of executive officer after retirement of the Director, the executive officer retires, such amount will be paid.

a. FYE 2020

$$[(\text{The simple average of daily stock closing price of the Company ("Average of Daily Closing Price") in FYE 2020}) - (\text{Average of Daily Closing Price in FYE 2019})] \times 1,300,000 \times (\text{Points assigned to each Director according to the position ("Position Point")} / 108.8 \text{ points} \times \text{Relative Stock Price Growth Rate (Note 1)})$$

(Note 1) Relative Stock Price Growth Rate =
$$(\text{Average of Daily Closing Price in FYE 2020} / \text{Average of Daily Closing Price of FYE 2019}) / (\text{Simple average of daily TOPIX (Note 2) in FYE 2020} / \text{Simple average of TOPIX in FYE 2019})$$

(Note 2) TOPIX = Tokyo Stock Price Index, the principal index consisting of all Japanese common stocks listed on the First Section of Tokyo Stock Exchange.

b. FYE 2021

$$[(\text{Average of Daily Closing Price in FYE 2021}) - (\text{Average of Daily Closing Price in FYE 2019})] \times 1,300,000 \times (\text{Total Position Points in FYE 2020 and FYE 2021}) / (108.8 \text{ points} \times 2(\text{years})) \times \text{Relative Stock Price Growth Rate (Note 3)}$$

– (share price-linked bonus for FYE 2020 calculated in the above a.).

(Note 3) Relative Stock Price Growth Rate = $(\text{Average of Daily Closing Price in FYE 2021} / \text{Average of Daily Closing Price of FYE 2019}) / (\text{Simple average of daily TOPIX in FYE 2021} / \text{Simple average of TOPIX in FYE 2019})$

The Position Points assigned to each position are same as those applied for performance-linked bonuses.

The share price-linked bonuses together with performance-linked bonuses are paid to the eligible Directors within the Director bonuses limit of ¥2.0 billion. (If the amount of performance-linked bonus and share price-linked bonus based on the above formula exceeds 2.0 billion yen, the performance-linked bonus is preferentially allocated to the limit amount)

Performance-linked Stock Remuneration Plan

- By resolution at the 92nd Ordinary General Meeting of Shareholders held on 24 June, 2016, ITOCHU introduced the performance-linked stock remuneration plan (the "Stock Remuneration Plan") and, by resolution of the Board of Directors held on 13 May, 2020, we continue this plan from FYE 2021. This plan is described below.
- Under this plan, in June of every year during the trust period, Directors who served as Directors from 1 July of the previous year to the last day of June of the said year are granted points based on performance in the fiscal year that ended on 31 March of said year and in accordance with the number of months of service during that period.
- The method of calculating the number of points granted to Directors (excluding outside Directors) in FYE 2021 is described below. One point corresponds to one share in ITOCHU, and amounts of less than one point are discarded.

$$\text{Points} = \text{Individual stock remuneration amount (Note 1)} / \text{Average acquisition stock price of ITOCHU shares in the trust (Note 2)} \times \{(\text{Number of months of service from July, the beginning month of the applicable period of payment, to June of the following year (rounding up fractions of less than one month)}) / 12\} \text{ (rounding down fractions)}$$

(Note 1) The individual stock remuneration amount is calculated on the basis of the total stock remuneration amount, which is calculated as indicated below.

a. Total stock remuneration amount

= (the amount of consolidated net profit attributable to ITOCHU for FYE 2021 - ¥300.0 billion) × 0.175% × Sum total of position points of eligible Directors / 55 (rounding up fractions of less than ¥1)

b. Individual stock remuneration amount

= Total stock remuneration amount × Position points of each Director / Sum total of position points of Directors (rounding down fractions of less than ¥1,000)

Position points for each Director are the same as the number used for calculating Director bonuses.

(Note 2) In the event that the trust period has been extended, this is the average acquisition stock price of ITOCHU shares that were acquired by the Trust in accordance with the extension of the trust period. (However, if no ITOCHU shares are acquired by the trust in accordance with the extension of the trust period, then this is the closing stock price of ITOCHU shares on the market of Tokyo Stock Exchange on the first day of the extended trust period).

- The points assigned to each position are as per below:

	Position Points
Chairman and Chief Executive Officer	10
President and Chief Operating Officer	7.5
Executive Vice President (resident in Japan)	5
Senior Managing Executive Officer	4
Managing Executive Officer	3

- As the Stock Remuneration Plan, ITOCHU has adopted a framework called "Board Incentive Plan Trust (BIP)" ("BIP Trust"). The BIP Trust is a stock incentive plan for executives, based on the performance share and restricted stock plans in the United States. ITOCHU will conduct delivery and payment of ITOCHU shares acquired by the BIP Trust and an amount of money equivalent of the conversion value of said shares ("ITOCHU Shares, etc."), together with dividends derived from ITOCHU shares, to Directors, etc. following retirement from office (or after death in the event of the death of a Director, etc.; the same applies hereinafter), based on performance, etc.

Outline of the Stock Remuneration Plan is as follows:

- (1) Persons Entitled to Receive Stock Remuneration: Directors and executive officers of ITOCHU (excluding outside Directors and those who are non-residents of Japan, as of June 19, 2020, the numbers of the Directors applicable is 5 and of the executive officers not being Director is 7)
- (2) Maximum Amount of Money Contributed by the Company to the Trust: a total of ¥1.5 billion for 2 fiscal years
- (3) Method for the Acquisition of Shares by the Trust: Scheduled to be acquired on the stock market (thus no dilution of shares is anticipated)
- (4) Upper Limit on the Number of Shares to be acquired by Directors, etc.: For the trust period, with an applicable period of 2 fiscal years, the upper limit will be 1,300,000 points (an average of 650,000 points per year)
- (5) Performance Index under the Stock Remuneration Plan: Consolidated net profit attributable to the Company (upon which the amount of total stock remuneration will be calculated. See above for more details)
- (6) Timing of Delivery of Shares: After retirement from Office
- (7) Voting Rights Concerning Shares in the Trust: Will not be exercised in order to ensure neutrality toward management

Rules for Directors of Non-residents in Japan

A Director of non-residents in Japan is not eligible for performance-linked stock remuneration. As a substitute, such Director is eligible for the Equivalent Amount of Individual stock remuneration. The Equivalent Amount of Individual stock remuneration is calculated in accordance with the above formula (except the points assigned to such Director being 15) as if such Director were subject to performance-linked stock remuneration, and the amount will be added or subtracted according to a certain performance achievement rate. The remuneration will be determined and paid following the conclusion of FYE 2021 Ordinary General Meeting of Shareholders as a performance-linked bonus, (round up less than ¥ 1,000), separately from the performance-linked bonus based on formula above.

This performance-linked bonus (the Equivalent Amount of Individual stock remuneration) will be paid within the limit of 2.0 billion yen (a resolution of the general meeting of shareholders on June 21, 2019), the overall maximum limit of the bonus including this performance-linked bonus, the performance-linked bonus calculated by formula above and the share price-linked bonus. If the total amount exceeds 2.0 billion yen, this performance-linked bonus and the performance-linked bonus calculated by formula above will be preferentially allocated.

Compensation Paid to Directors in FYE 2020

Details of the compensation paid to Directors in FYE 2020 are as follows.

Type	Number of People	Amount Paid (Millions of yen)	Details
Directors (Outside Directors)	10 (4)	2,298 (59)	<ol style="list-style-type: none"> (1) Monthly remuneration: ¥591 million (2) Performance-linked bonuses: ¥1,273 million (3) Share price-linked bonuses: ¥105 million (4) Special Benefits: ¥180 million (5) Stock Remuneration: ¥149 million

(Rounded to nearest million yen)

Notes:

1. Maximum compensation paid to all Directors:

¥800 million per year as total monthly remuneration (including ¥100 million per year for the outside Directors) and ¥2.0 billion per year as total bonuses paid to all Directors (resolved at the General Meeting of Shareholders on 21 June, 2019).

2. Maximum compensation paid to all Audit & Supervisory Board Members:

¥13 million per month (resolved at General Meeting of Shareholders on 29 June, 2005, as of the date hereof, the numbers of the Audit & Supervisory Board Members applicable is 5)

3. Following deliberation by the Governance and Remuneration Committee, at a meeting of the Board of Directors held on May 13, 2020 ITOCHU resolved to pay special benefits. This will be paid within the limit of bonuses for Directors, and is based on ITOCHU's record profits despite the increasingly severe business environment.

4. The introduction of performance-linked stock remuneration for Directors (Board Incentive Plan Trust "BIP") was approved at the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016. The total amount of stock remuneration in the table is the recorded amount of expenses involving share granted points granted during this fiscal year related to BIP.

5. The amounts of the share price-linked bonuses are calculated at the end of FYE 2021.

Name, position, and amount of compensation paid to Directors receiving compensation of ¥100 million or more during FYE 2020, are as follows.

Name	Category	Monthly Remuneration	Performance-linked Bonuses	Share Price-linked Bonuses	Special Benefits	Stock Remuneration	Total
Masahiro Okafuji ^{**}	Director	¥153 million	¥351 million	¥30 million	¥50 million	¥49 million	¥632 million
Yoshihisa Suzuki	Director	¥90 million	¥263 million	¥22 million	¥40 million	¥37 million	¥452 million
Tomofumi Yoshida	Director	¥85 million	¥171 million	¥15 million	¥25 million	¥24 million	¥320 million
Yuji Fukuda ^{**}	Director	¥66 million	¥207 million	¥15 million	¥25 million	¥0 million	¥313 million
Fumihiko Kobayashi	Director	¥71 million	¥140 million	¥12 million	¥20 million	¥20 million	¥263 million
Tsuyoshi Hachimura	Director	¥68 million	¥140 million	¥12 million	¥20 million	¥20 million	¥259 million

(Rounded to nearest million yen)

Note: The remuneration paid to Directors (excluding outside Directors) in FYE 2020 comprised monthly remuneration, performance-linked bonuses, Share price-linked bonuses, special benefits, and performance-linked stock remuneration for Directors (Board Incentive Plan Trust). Monthly remuneration is determined by the contribution to ITOCHU of each Director according to a base amount set by position, the total amount of performance-linked bonuses is determined on the basis of consolidated net profit attributable to ITOCHU, and the amount of the share price-linked bonuses is determined based on relative evaluation of the stock price growth rate of ITOCHU with the TSE stock index (TOPIX).

(**) Monthly remuneration includes housing allowance.

Evaluation as to the Effectiveness of the Board of Directors

ITOCHU conducted the evaluation as to the effectiveness of the Board of Directors targeting Directors and Audit & Supervisory Board Members in FYE 2020.

As a result of this evaluation, in terms of the structure of the Board of Directors and its advisory committees as well as the roles and duties, operation status, information provision to Directors and Audit & Supervisory Board Members, and training, the Board of Directors of ITOCHU confirmed that the effectiveness of the Board of Directors was secured.

According to an external consultant, it is evaluated that ITOCHU's score has improved in the majority of the questionnaires, and the effectiveness of the Board of Directors has made further progress through means including (1) progress in external form such as improvement of diversity and the structure of advisory committees, (2) invigoration of discussions in the Board of Directors through improvements in proceedings and operation of meetings, and (3) enhancement of information sharing.

With regard to the operation of the Board of Directors based on the transition to a Monitoring-Focused Structure, which was recognized as an ongoing issue in the previous evaluation, discussions were held with the goal of improving medium- to long-term corporate value, which ITOCHU seeks in its management strategy and corporate philosophy, and steady progress was observed.

At the same time, the findings also noted that, as remaining issues, there is a need for initiatives to address (1) further diversity in the Board of Directors, (2) the further enhancement of medium- to long-term discussions in the Board of Directors, and (3) the strengthening of provision of information to outside Directors and outside Audit & Supervisory Board Members.

Based on the above survey results, ITOCHU intends to continue investigations aimed at increasing the diversity of outside Directors and outside Audit & Supervisory Board Members, and to enhance discussions by the Board of Directors on major themes.

Based on the results of this evaluation of the Board of Directors, we will continue to maintain and improve the effectiveness of the Board of Directors.

For your reference, please see the result in our homepage at:

https://www.itochu.co.jp/en/files/board_evaluation_2019e.pdf

Advisory Committees

We have established Governance and Remuneration Committee and Nomination Committee under the Board of Directors as voluntary advisory committees to raise the transparency of the decision-making process and strengthen the supervisory function of the Board of Directors. Each committee is chaired by an outside Director and the majority members of each committee are outside Directors and Audit & Supervisory Board Members.

Advisory Committees to the Board of Directors

Name	Function
Governance and Remuneration Committee	Deliberates and advises on proposals related to remuneration system for Directors and executive officers and other matters on corporate governance
	This committee was held for 3 times with the participant of all members, and the remuneration plan for Directors, evaluation as to the effectiveness of the Board of Directors in FYE 2019 and FYE 2020, Policy on the Governance of Listed Subsidiaries, and Reorganization of Nomination Committee.
Nomination Committee	Deliberates and advises on proposals related to nomination and dismissal of executive officers, nomination of candidates for Directors and Audit & Supervisory Board Members, dismissal of Directors and Audit & Supervisory Board Members, and appointment and dismissal of responsible Directors and officers
	This committee was held for 4 times with the participant of all members (except one time with the outside members limited), and the executive management appointment, and the plan for the successor were deliberated therein.

Composition of the Governance and Remuneration Committee and the Nomination Committee (As of June 19, 2020)

Name	Title	Governance and Remuneration Committee	Nomination Committee
Masahiro Okafuji	Chairman & Chief Executive Officer	○	○
Yoshihisa Suzuki	President & Chief Operating Officer	○	○
Fumihiko Kobayashi	Director		○
Atsuko Muraki	Outside Director		◎ (Chair)
Harufumi Mochizuki	Outside Director	○	○
Masatoshi Kawana	Outside Director	◎ (Chair)	
Makiko Nakamori	Outside Director	○	
Shuzaburo Tsuchihashi	Audit & Supervisory Board Member		*
Makoto Kyoda	Audit & Supervisory Board Member	○	
Shingo Majima	Outside Audit & Supervisory Board Member		○
Kentaro Uryu	Outside Audit & Supervisory Board Member		○
Kotaro Ohno	Outside Audit & Supervisory Board Member	○	
		(7 members)	(7 members)

* Shuzaburo Tsuchihashi, Audit & Supervisory Board Member, attends as an observer

Principal Internal Committees

- The HMC (Headquarters Management Committee) and various internal committees have been established for the purpose of contributing to appropriate and flexible decision making on management issues by the President and Chief Operating Officer and the Board of Directors. HMC is, in principle, chaired by the President, and in principle consists of the Chairman, the President, and executive officers appointed by the President. The HMC is a supporting committee to the President and Chief Operating Officer where companywide management policy and important issues are discussed.
- Various internal committees carefully screen and discuss management issues in their respective fields. Several of the internal committees including the Internal Control Committee work to support the decision making by the President and Chief Operating Officer and the Board of Directors by incorporating external opinions with measures such as designating outside key figures.

The roles of the main internal committees are as follows (as of June 19, 2020).

Name	Chairman	Objectives
Internal Control Committee	CAO	Deliberates on issues related to the development of internal control systems
Disclosure Committee	CFO	Deliberates on issues related to business activity disclosure and on issues related to the development and operation of internal control systems in the area of financial reporting
ALM Committee	CFO	Deliberates on issues related to risk management systems and balance sheet management
Compliance Committee	CAO	Deliberates on issues related to compliance
Sustainability Committee	CAO	Deliberates on issues related to sustainability and ESG, including environmental problems and social contribution initiatives, excluding governance related issues
Investment Consultative Committee	CFO	Deliberates on issues related to investment and financing
New Headquarters Project Committee	CAO	Deliberates on issues related to New Headquarters Project

Policy and Process for Appointing Executive Officers

Executive Officers are appointed annually by the Board of Directors among, in principle, employees regarded as candidates for executives based on our HR system with high integrity and exceptional ability (or those who have already been appointed as Executive Officers) who are judged to be capable of assuming the role as the Executive Officers. Candidates for Executive Officers are first selected by the Chairman and Chief Executive Officer based on, among others, recommendations from other officers (or in terms of incumbent Executive Officers, based on their respective performance) and submitted to the Nomination Committee for further deliberation. Based on the deliberation and advice of the Nomination Committee, the Board of Directors appoints Executive Officers by its resolution. In case that an Executive Officer breaches the Executive Officers' Regulation of the Company or otherwise his or her performance is judged to be not appropriate, the Chairman and Chief Executive Officer (or the chairman of the Nomination Committee) firstly makes a proposal of dismissal, and the Board of Directors dismisses such Executive Officer by its resolution based on the deliberation and advice of the Nomination Committee.

Corporate Auditors and the Audit & Supervisory Board

Overview

- Audit & Supervisory Board Members and the Audit & Supervisory Board endeavor to enhance cooperation with the independent external auditors, for example through active exchange of information and opinions on the status and results of each other's audit plans and audits along with other important auditing matters with the aim of improving the quality and efficiency of auditing and of enhancing corporate governance.
- Audit & Supervisory Board Members and the Audit Division (internal audit division) endeavor to closely cooperate and exchange information by discussing internal audit plans regularly to exchange opinions on the results of each internal inspection, issues and recommendations, etc.
- The Audit Division and independent external auditors endeavor to cooperate by holding regular meetings to exchange information, etc.
- The Audit & Supervisory Board is comprised of 2 full-time internal Audit & Supervisory Board Members and 3 outside Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board Members' Office (5 members as of 19 June, 2020), which directly reports to the Audit & Supervisory Board, is set with employees dedicated to the duties of the Audit & Supervisory Board Members.
- Following the Ordinary General Meeting of Shareholders, the Audit & Supervisory Board determines the audit policy, the allocation of audit work, and the audit plan for the period until the next Ordinary General Meeting of Shareholders. Each Audit & Supervisory Board Member audits the appropriateness of the performance of the duties by Directors and Executive Officers in accordance with the "Audit & Supervisory Board Regulations," "Auditors' Auditing Standards".
- Mr. Shingo Majima, Auditor, is qualified as a certified public accountant in Japan and United States of America, and has adequate knowledge and experience in the fields of finance and accounting. In addition, Mr. Kentaro Uryu and Mr. Kotaro Ohno, both Audit & Supervisory Board Members, are qualified as a lawyer in Japan and have adequate knowledge and experience in the field of law.
- The results of audits by the Audit & Supervisory Board Members, Audit Department and independent external auditors are reported to the Board of Directors, HMC, internal committees, etc. in a timely and appropriate manner, and are fully taken into account in decision making and used to improve management.

Members of the Audit and Supervisory Boards

Name		Position in ITOCHU Corporation	FYE 2020 Number of Attendance at Meetings of the Board of Directors	FYE 2020 Number of Attendance at Meetings of the Audit & Supervisory Board	Number of Years in Office	Governance and Remuneration Committee	Nomination Committee
Shuzaburo Tsuchihashi		Full-time Audit & Supervisory Board Member	15/15 (100%)	13/13 (100%)	2 years	–	*
Makoto Kyoda		Full-time Audit & Supervisory Board Member	–	–	– years	○	–
Shingo Majima	Outside	Audit & Supervisory Board Member	15/15 (100%)	13/13 (100%)	7 years	–	○
	Independent						
Kentaro Uryu	Outside	Audit & Supervisory Board Member	15/15 (100%)	13/13 (100%)	5 years	–	○
	Independent						
Kotaro Ohno	Outside	Audit & Supervisory Board Member	13/15 (87%)	13/13 (100%)	3 years	○	–
	Independent						

○:Member * :Observer

Policy and Process for Appointing Candidates for Audit & Supervisory Board Members

As Audit & Supervisory Board of a sogo-shosha with broad range of business, for effective monitoring and audit, candidates for Audit & Supervisory Board Members are selected from those with understanding about ITOCHU's management and with high expertise and extensive experience in the relevant area such as accounting, finance, legal and risk management. Among the members of ITOCHU's Board of Audit & Supervisory Board Members, half or more of the members always consist of outside Audit & Supervisory Board Members. In appointing outside Audit & Supervisory Board Members, ITOCHU prioritizes candidates with higher independence based on the independence criteria prescribed by the Tokyo Stock Exchange, and ITOCHU's own independence criteria who are expected to effectively monitor and audit ITOCHU's activities. In addition, ITOCHU selects at least one Audit & Supervisory Board Member with adequate expertise in finance and accounting. Candidates for Audit & Supervisory Board Members are selected by the Chairman and Chief Executive Officer after the discussion with the executive Audit & Supervisory Board Members and submitted to the Nomination Committee for further deliberation before the Board of Directors (with consent of the Audit & Supervisory Board) finally nominates the candidates for election at the General Meeting of Shareholders.

Name	Independent Auditors	Reason for Appointment as Outside Audit & Supervisory Board Member (For Independent Auditors, Including Reason for Designation as an Independent Auditor)
Shingo Majima	○	Mr. Majima is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his wealth of experience and expertise on finance and accounting audit as a certified public accountant for many years. According to the criteria for the independence of directors/auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Majima qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.
Kentaro Uryu	○	Mr. Uryu is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his high level of expertise in law and extensive experience as an attorney-at-law for many years. According to the criteria for the independence of directors/ auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Uryu qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.
Kotaro Ohno	○	Mr. Ohno is appointed as an outside Audit & Supervisory Board Member in the anticipation that he will monitor management and provide auditing from an independent perspective by utilizing his advanced specialized knowledge in law and the extensive experience he accumulated while serving in important positions at the Ministry of Justice, including Vice-Minister of Justice, Superintending Prosecutor of Tokyo High Public Prosecutors Office and Prosecutor-General. According to the criteria for the independence of directors/ auditors prescribed by the Tokyo Stock Exchange, as well as our own independence criteria, Mr. Ohno qualifies as an independent Audit & Supervisory Board Member. Accordingly, ITOCHU believes that he is unlikely to have conflicts of interest with general investors, and he has been designated as an independent auditor.

Principal Areas of Experience of Outside Audit & Supervisory Board Members

Name and Role	Principal Specialized Area of Experience					Main Career History and Qualifications, etc.
	All Aspects of Management	Overseas Assignment (Global)	Finance and Accounting	Human Resources and Labor	Internal Control and Legal Affairs / Compliance	
Shingo Majima Outside Audit & Supervisory Board Member	○	○ (North America)	○		○	Executive Director, Chuo University Senior Partner, KPMG LLP Certified Public Accountant in Japan and the United States (New York State)
Kentaro Uryu Outside Audit & Supervisory Board Member	○	○ (Asia)			○	Managing Partner, URYU & ITOGA Attorney-At-Law
Kotaro Ohno Outside Audit & Supervisory Board Member	○			○	○	Prosecutor-General Vice-Minister of Justice Attorney-At-Law

— Outline of Limitation of Liability Contracts

Pursuant to Article 427, Paragraph 1, of the Companies Act, ITOCHU has entered into limitation of liability contracts with respect to liability as set forth in Article 423, Paragraph 1, of the Companies Act with outside Directors and outside Audit & Supervisory Board Members. Under these contracts, their liabilities are limited to the lowest amount of liability pursuant to Article 425, Paragraph 1, of the Companies Act if and so long as they have acted in good faith and without gross negligence in performing their duties.

Compensation Paid to Audit & Supervisory Board Members in FYE 2020

Details of the compensation paid to Audit & Supervisory Board Members in FYE 2020 are as follows.

Type	Number of People	Amount Paid (Millions of yen)	Details
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	5 (3)	131 (45)	Only monthly remuneration

(Rounded to nearest million yen)

Checking and Balancing System by the Independence Executives

Criteria for the Independence of Directors/ Auditors

- ITOCHU has adopted its own independence criteria (augmenting the independence criteria established by the Tokyo Stock Exchange), which is disclosed at our homepage. Please refer to the following URL:
https://www.itochu.co.jp/en/about/governance_compliance/governance/pdf/independence_criteria.pdf
- All of the Company's outside Directors and outside Audit & Supervisory Board Members who qualify as an independent Director/ Audit & Supervisory Board Member are designated as independent Directors/ Audit & Supervisory Board Members.

Performance of the Independent Executives

- Ms. Muraki attended all of the 15 meetings of the Board of Directors held during the current term. She mainly made statements from an objective and neutral position as an outside Director. During the current term, she chaired the Governance and Remuneration Committee and led discussions on executive remuneration and other topics. Furthermore, she provided many beneficial suggestions in the areas of internal control, compliance, human resource utilization, and organizational revitalization.
- Mr. Mochizuki attended all of the 15 meetings of the Board of Directors held during the current term. He mainly made statements from an objective and neutral position as an outside Director. During the current term, he chaired the Nomination Committee and offered a practical perspective while leading discussions on the appointment and dismissal of key management members and succession plans. Furthermore, he provided many beneficial and broad-minded suggestions on internal control, compliance, and reinvented business.
- Mr. Kawana attended all of the 15 meetings of the Board of Directors held since his appointment. He mainly made statements from an objective and neutral position as an outside Director. During the current term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU. Additionally, he used his expertise to provide many beneficial suggestions in the areas of health management and medical care-related business.
- Ms. Nakamori attended all of the 11 meetings of the Board of Directors held since her appointment. She mainly made statements from an objective and neutral position as an outside Director based on her experience as a company manager in multiple executive positions, in addition to her expertise on finance and accounting and her extensive experience as a certified public accountant. During the current term, she was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU. She drew on her experience and expertise to provide many beneficial suggestions in the areas of internal control, compliance, and reinvented business.
- Outside Directors actively advise and provide recommendations, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and ensure and enhance the effectiveness of the monitoring and supervising function of the Board of Directors and transparency of decision-making by appropriately demonstrating to the internal Directors their supervisory functions based on various perspectives and their management advice function of the outside Directors.
- Mr. Majima attended all of the 15 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the current term. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member based on his wealth of experience and expertise on finance and accounting as a certified public accountant and over many years as a university professor. During the current term, he was a member of the Nomination Committee and made contributions toward improving the objectivity of ITOCHU's officer nomination process.
- Mr. Uryu attended all of the 15 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the current term. He made statements from an objective and neutral position as an outside Audit & Supervisory Board Member, based on his wealth of experience and expertise as an attorney in wide-ranging fields of corporate legal matters. During the current term, he was a member of the Nomination Committee and made contributions toward improving the objectivity of ITOCHU's officer nomination process.
- Mr. Ohno attended 13 of the 15 meetings of the Board of Directors and all of the 13 meetings of the Audit & Supervisory Board held during the current term. He mainly made statements from an objective and neutral position as an outside Audit & Supervisory Board Member based on his expertise in legal systems and operations and his high-level knowledge developed through many years of experience in the Ministry of Justice and public prosecutor's office. During the current term, he was a member of the Governance and Remuneration Committee and contributed to the further enhancement of governance at ITOCHU.
- Outside Audit & Supervisory Board Members actively provide an opinion, from a neutral and objective position, at the Board of Directors and at the voluntary advisory committee of the Board of Directors, and enhance the transparency of decision-making by appropriately demonstrating their supervisory functions of the outside Directors against the performance of the internal Directors.

Significance of Holding and ITOCHU's Policy on the Governance regarding its Listed Subsidiaries

ITOCHU has 203 consolidated subsidiaries (as of the end of 2019) and is expanding our diverse businesses in Japan and all over the world. As the core of the Group, ITOCHU formulates management policies as well as short- and medium-term management plans on a group basis, and regularly monitors the progress of each segment. In order to appropriately deal with various risks as a group, we have the internal control systems on a group basis, which are necessary to ensure that Directors' implementations of duties are in compliance with laws and statutory regulations and the Articles of Incorporation, and to ensure the appropriateness of other operations.

In particular, ITOCHU makes conscientious efforts to ensure execution of duties by directors and employees at each subsidiary to comply with laws and regulations and the Articles of Incorporation by means of the directors and corporate auditors dispatched to each subsidiary supervising and auditing the execution of duties. In addition, in order to deal with various risks such as market risk, credit risk, country risk, investment risk, etc. of the Group, ITOCHU maintains and manages risks comprehensively and individually. For that purpose, various internal committees and responsible departments have been established, and the necessary risk management system and management method are group-based. Furthermore, ITOCHU formulates a group compliance program, establishes and operates the system required to prevent the occurrence of any violations of laws and regulations, and strives for continuous improvement through regular reviews.

ITOCHU respects the autonomy of listed subsidiaries, ITOCHU Techno-Solutions Corporation, ITOCHU ENEX CO., LTD., ITOCHU-SHOKUHI Co., Ltd., CONEXIO Corporation, C.I. TAKIRON Corporation, FamilyMart Co., Ltd., and Prima Meat Packers, Ltd., and prohibits any acts that contradict the principle of shareholder equality. In particular, with the recognition that there is a potential conflict of interest between ITOCHU and the minority shareholders of these listed subsidiaries and in order to secure the independent decision-making of these listed subsidiaries, we request these listed subsidiaries to set up the governance structure under which the independent outside Directors of these listed subsidiaries are well functioned. Specifically, ITOCHU encourages each listed subsidiary that (1) independent outside directors should be one-third or more of the total number of directors, (2) an independent board advisory committee should be established, and (3) independent outside corporate auditors should be half or more than the total number of corporate auditors. It is recognized that each of the listed subsidiaries have established a governance system that is generally in line with the request.

On the premise of the above-mentioned governance system, the significance of holding a listed subsidiary is including: (1) expansion of business partners based on our name recognition, creditworthiness and independence; (2) the expansion of synergies within the Group; (3) reduction of the Company's financial burden on the listed subsidiary; and (4) securing excellent human resources. In addition, the significance of holding each listed subsidiary from the perspective of the Group's management strategy and sales perspective is as follows:

Company	Significance of Holding
ITOCHU Techno-Solutions Corporation	It is expanding its business by developing solutions utilizing the Group's domestic and overseas networks and developing services for group companies, and ITOCHU and ITOCHU Techno-Solutions Corporation have an appropriate commercial relationship as business partners. It was established and founded by inheriting part of ITOCHU's information industry business as an independent company. There has been no competitive relationship with the ITOCHU's business, and has been few transactions between us.
ITOCHU ENEX CO., LTD.	Utilizing its wide and diverse domestic customer base, ITOCHU ENEX CO., LTD. is developing new fuel sales, logistics efficiency business, next-generation business, etc. in addition to existing energy business and power business. It is important and indispensable presence for the Group in order to build a stable profit base both in Japan and overseas. It was established and founded by inheriting ITOCHU's existing subsidiary as an independent company. There has been no competitive relationship with the ITOCHU's business, and has been few transactions between us.

Company	Significance of Holding
ITOCHU-SHOKUHHIN Co., Ltd.	The principal and main business of ITOCHU-SHOKUHHIN Co., Ltd. is the sale and distribution of alcoholic beverages and processed foods. Based on the existence of it, ITOCHU secures stable contact points with various domestic retailers, and we aim to maximize profit in the food distribution field by utilizing this sales channel. While pursuing synergies by strengthening cooperation with it, a business relationship on the premise of pursuing mutual economic rationality has been established and maintained.
CONEXIO Corporation	It is expanding its business by utilizing the Group network to promote mobile accessory sales and cross-industry collaboration, etc., and ITOCHU and CONEXIO Corporation have an appropriate commercial relationship as business partners. It was established and founded by inheriting ITOCHU's mobile device sales business as an independent company. There has been no competitive relationship with the ITOCHUs business, and has been few transactions between us.
C.I. TAKIRON Corporation	C.I. TAKIRON Corporation is positioned as a core enterprise in the Group's plastic resin business, due to its advanced technological capabilities and large-scale production capacity. We aim to maximize the Group's profits through synergies such as support for overseas expansion of the products handled by C.I. TAKIRON Corporation utilizing ITOCHU's diverse overseas network. While pursuing synergies by strengthening cooperation with it, a business relationship on the premise of pursuing mutual economic rationality has been established and maintained.
FamilyMart Co., Ltd.	FamilyMart Co., Ltd. operates convenience store businesses in eight countries including Japan. It assumes key functions of our consumer-related business, and aims to further strengthen Group's business foundation by jointly developing new products and services that capture diversifying consumer needs and promoting digital strategies that contribute to improving customer convenience. A business relationship on the premise of pursuing mutual economic rationality has been established and maintained.
Prima Meat Packers, Ltd.	The main and principal business of Prima Meat Packers, Ltd. is to sell meat and processed livestock products, and it assumes an important role in supplying final products in ITOCHU's livestock value chain. While pursuing synergies by strengthening cooperation with it, ITOCHU is strengthening our value chain by conducting a wide range of transactions with other companies. A business relationship on the premise of pursuing mutual economic rationality has been established and maintained.

To enhance the corporate value of the overall ITOCHU Group, ITOCHU, as their parent company and major shareholder, regularly pays adequate attention to the legal compliance systems and status of these listed subsidiaries. ITOCHU provides appropriate advice and support as needed on specific compliance-related matters, creation of internal control systems, and other managerial issues.

Internal Control System

On April 19, 2006, ITOCHU's Board of Directors established the Basic Policy regarding the Internal Control System, which was most recently partially revised as of April 1, 2020. ITOCHU intends to revise and improve the internal control system tirelessly in order to build a system that is even more appropriate and efficient. The following highlights two noteworthy initiatives under this policy.

Basic Policy Regarding the Internal Control System and its Operational Status

The Company has established the following internal control systems, which are necessary to ensure that executive officers' implementation of duties are in compliance with laws and statutory regulations and the Articles of Incorporation and ensure the appropriateness of other operations. Below is a summary of the Basic Policy regarding the Internal Control System and its Operational Status as of June 19, 2020. ("Basic Policy regarding the Internal Control System" was approved by Board of Directors on April 19, 2006, and the latest revision was made on April 1, 2020).

Notes

1. System to Ensure Compliance by Directors and Employees to Laws, Regulations and the Articles of Incorporation

(1) Corporate Governance

1. As the decision-making body, the Board of Directors, consisting of Directors and Outside Directors, is to decide important matters in accordance with laws and regulations, the Articles of Incorporation, the "Board of Directors Regulations," and other internal regulations, and as the supervisory body, the Board of Directors is to supervise the performance of the directors.
2. Each director is to carry out such director's functions and duties as designated by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, resolutions by the Board of Directors, and internal regulations.
3. ITOCHU is to adopt the Executive Officer System to strengthen the decision-making function and supervisory function of the Board of Directors, and to streamline executive decision-making. Based on the approval of the Board of Directors, executive officers implement their designated duties based on delegation from the Board of Directors and representative directors.
4. The corporate auditors are to oversee the performance of the directors based on the "Board of Corporate Auditors Regulations" and "Auditors' Auditing Standards."

(2) Compliance

1. Directors, executive officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct.
2. ITOCHU is to designate a representative director as the chief officer responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" is to be created to further enhance our compliance system.

(3) Internal Control to Ensure Reliability of Financial Reporting

1. ITOCHU is to have in place internal regulations concerning commercial transactions management and accounting, and is to create the position of CFO to ensure the reliability of financial reporting.
2. ITOCHU is to establish the Disclosure Committee and regularly review and improve the development and implementation status of the internal control systems to ensure the reliability of financial reporting.

(4) Internal Audits

ITOCHU is to establish the Audit Division under the direct control of the President and Chief Executive Officer. The Audit Division is to regularly implement internal audits of all aspects of business operations based on the "Audit Regulations." Such internal audits are to examine compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as, among other matters, the appropriateness of the procedures and nature of the exercise of duties and responsibilities.

2. System for the Storage and Preservation of Information Related to Director Duties

The directors are to appropriately store and preserve important documents and related materials concerning the performance of their duties, including the minutes of the General Meeting of Shareholders, in accordance with the "Information Management Regulations," the "Document Management Rules" and other internal regulations. All documents and information so stored and preserved are to be subject to inspection by the directors and auditors at any time. Further, the Company will establish departments responsible for the timely disclosure of important corporate information and other information. At the same time, directors will rapidly and comprehensively gather information that requires disclosure and implement timely and appropriate disclosure in compliance with laws and statutory regulations.

3. Regulations Concerning the Management of the Risk of Loss and Other Relevant Risk Management System

To adequately address the various risks associated with our business operations, such as market risk, credit risk, country risk, and investment risk, ITOCHU is to establish internal committees and responsible departments, and is to develop the necessary risk management system and risk management techniques, for example establishing a full range of management regulations, investment criteria, risk limits and transaction limits, and developing reporting and monitoring systems, and managing company-wide as well as matter-specific risks. Furthermore, ITOCHU is to regularly review the effectiveness of the risk management system.

4. System to Ensure Efficient Performance of Directors

(1) The HMC and Other Internal Committees

The HMC as a supporting body to the President and Chief Executive Officer, and a number of other internal committees, are to facilitate the proper and agile decision-making by the President and Chief Executive Officer and the Board of Directors.

(2) Division Company System

Under the Division Company System, the position of Division Company president is to be created at each Company, and each Company is to manage its business autonomously in accordance with laws and regulations, the Articles of Incorporation, and internal regulations. Furthermore, each Company is to establish its own numerical targets, and regularly evaluate its performance by comparing against such numerical targets.

(3) Clearly Define the Scope of Authority and Responsibilities

In order to ensure the appropriateness and efficiency of the performance of the management, ITOCHU is to develop internal regulations to clearly define the scope of authority and responsibilities of each corporate officer and divisional manager.

5. System to Ensure the Adequacy of Operations of the ITOCHU Group (Consisting of ITOCHU and Its Subsidiaries)

(1) Subsidiary Management and Reporting System

1. ITOCHU is to establish a department that oversees all the subsidiaries. Furthermore, relevant departments within ITOCHU are to exercise jurisdiction over their responsible subsidiaries, and provide managerial guidance to such subsidiaries in accordance with the internal regulations concerning consolidated company management. In principle, ITOCHU is to send directors and corporate auditors to each subsidiary to ensure the adequacy of the subsidiary's operations.
2. With respect to subsidiaries that ITOCHU owns indirectly through its directly-owned subsidiaries, ITOCHU is to strive to ensure the adequacy of operations by such indirectly-owned subsidiaries in accordance with this Basic Policy by way of, in principle, causing directly-owned subsidiaries to provide managerial guidance to indirectly-owned subsidiaries.
3. With respect to important matters on the management of subsidiaries, ITOCHU is to, in principle, agree and specify with each subsidiary what matters will require the prior approval of or reporting to ITOCHU, as appropriate, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted.

(2) Rules and Other Systems to Manage the Risk of Loss at Subsidiaries

ITOCHU is to identify the subsidiaries which shall be subject to ITOCHU's Group-wide risk management in respect of each risk category, taking into account, among others, each subsidiary's nature and size of business and whether it is listed or unlisted. In addition, ITOCHU is to periodically review the effectiveness of such Group-wide management system.

(3) System to Ensure the Efficient Performance of Duties by Directors, etc. of Subsidiaries

ITOCHU is to formulate a management plan on a consolidated basis and undertake managerial guidance of subsidiaries in order to attain the said management plan as well as to provide support to subsidiaries such as provision of group financing from ITOCHU.

(4) System to Ensure Compliance by Directors, etc. and Employees of Subsidiaries to Laws, Regulations and the Articles of Incorporation

1. In principle, ITOCHU is to send directors and corporate auditors to each subsidiary and strive to ensure that the performance of duties of directors, etc. and employees of a subsidiary complies with laws and regulations and the Articles of Incorporation of such subsidiary through supervision and audit of the performance of duties at the subsidiary by the said directors and auditors sent from ITOCHU.
2. ITOCHU is to provide guidance to its subsidiaries for the purpose of implementing a compliance system under the "ITOCHU Group Compliance Program" and to perform periodic monitoring and review of the implementation status of the relevant matters as well as providing education and training at subsidiaries whenever necessary for the purpose of securing compliance by the entire ITOCHU Group.
3. All of the operations and activities of the subsidiaries are to be subject to internal audits by the Audit Division.

6. Matters Concerning Supporting Personnel to Corporate Auditors, Independence of Such Personnel from the Directors and Ensuring the Effectiveness of Instructions to Such Personnel

ITOCHU is to establish the Corporate Auditors' Office under the direct jurisdiction of the Board of Corporate Auditors and is to put in place full-time employees with the sole responsibility of supporting the work of the corporate auditors. The supervisory authority over such employees is to belong exclusively to the corporate auditors, and evaluation of such employees is to be carried out by the corporate auditor designated by the Board of Corporate Auditors. Any transfer orders or disciplinary actions relating to such employees are to require prior approval by such corporate auditor.

7. System for Reporting by Directors and Employees to Corporate Auditors

(1) Attendance at Important Meetings

The corporate auditors are to attend meetings of the Board of Directors, the HMC meetings, and other important meetings, and interview the directors and other relevant persons regarding the performance of their duties. In addition, the corporate auditors are to have the right to inspect all relevant materials.

(2) Reporting System

1. The directors and corporate officers are to regularly report to the corporate auditors about their performance. Furthermore, in addition to the matters required by laws and regulations, the directors and corporate officers are to report all the decisions that could have a major impact on the finance or business of ITOCHU to the corporate auditors immediately after such decisions are made.
2. Employees are to have the right to report directly to the corporate auditors any matters that could cause serious damage to ITOCHU.
3. In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of directors and employees who have reported to the corporate auditors and to ensure thorough familiarization with this prohibition.

8. System for Reporting by Directors, Corporate Auditors and Employees of Subsidiaries or by a Person who Received a Report from Them to Corporate Auditors

(1) Reporting System

1. The directors and corporate auditors of subsidiaries may report directly to the corporate auditors of ITOCHU any matters that could cause serious damage to the said subsidiary.
2. A department that oversees compliance is to periodically report to the corporate auditors of ITOCHU a summary of matters that could cause serious damage to a subsidiary that were reported by the officers and employees of the said subsidiary.
3. In the "ITOCHU Group Compliance Program," ITOCHU is to explicitly prohibit disadvantageous treatment of persons who have reported to the corporate auditors under the provisions listed above and to ensure full familiarization with this prohibition.

9. Matters Concerning Policy on Procedures for Prepayment or Refund of Expenses Arising in Relation to Performance of Duties of Corporate Auditors and Processing of Expenses or Obligations Arising in Relation to the Performance of Other Duties

When a corporate auditor claims prepayment, etc. from ITOCHU in relation to the performance of duties under Article 388 of the Companies Act, ITOCHU is to process the relevant expense or claim promptly upon confirmation by the responsible department.

10. Other Relevant Systems to Ensure the Proper Functioning of Audits

(1) Coordination with the Corporate Auditors by the Audit Division

The Audit Division is to maintain close communication and coordination with the corporate auditors with respect to matters such as formulation of the internal audit plan for each business year, and internal audit results.

(2) Retaining External Experts

When deemed necessary, the corporate auditors are to independently retain outside experts for the implementation of an audit.

Overview of the Operational Status of Internal Control System

For the proper operation of internal control systems, ITOCHU has adopted a system by which it further segments items stipulated by the Basic Policy into more detailed confirmatory items in respect of each fiscal year, and, after setting the department in charge of each of these confirmatory items, conducts checks of the construction and the operational status of internal control systems by each department (and by other related internal committees) at the Internal Control Committee meetings held each half year. As of FYE 2021, the Internal Control Committee is chaired by Chief Administrative Officer with the Corporate Planning & Administration Division as secretariat, and consists of Chief Financial Officer, General Manager of Internal Audit Division, and an external expert (attorney) as members. Corporate Auditors also attend and voice opinions every time.

At its meetings, the Internal Control Committee verifies the content of checklists summarizing achievement status, issues, etc. for each of the above confirmatory items, as submitted by the departments in charge of each. It also confirms the construction and operational status of internal control systems by verifying the content of individual reports from the departments in charge, with respect to important matters such as systems to ensure the reliability of financial reporting, compliance systems, systems to manage the risk of losses, and the construction and operational status of internal control systems in the ITOCHU Group. The results of deliberations by the Internal Control Committee are reported twice per year to the HMC and the Board of Directors, the latter of which conducts a full-year evaluation of the construction and operational status of internal control systems.

Regarding the meetings of main internal committees related to internal control in FYE 2020, the Internal Control Committee met 2 times, the Compliance Committee 2 times, and the ALM Committee 10 times.

ITOCHU's internal control systems are constructed on the base of the ITOCHU Group, consisting of ITOCHU Corporation and its subsidiaries, and the operational status of the Group base internal control systems, and the construction and operational status of internal control systems in subsidiaries, are reported regularly to the Internal Control Committee.

ITOCHU intends to revise and improve these internal control systems tirelessly in order to build systems that are even more appropriate and efficient. Further, a meeting of the Board of Directors convened on May 8, 2020 evaluated the development and implementation status of each item enumerated in the Basic Policy regarding the Internal Control System for FYE 2020 and confirmed that there were no significant deficiencies or defects.

Initiatives to Further Enhance the Reliability of Financial Reporting

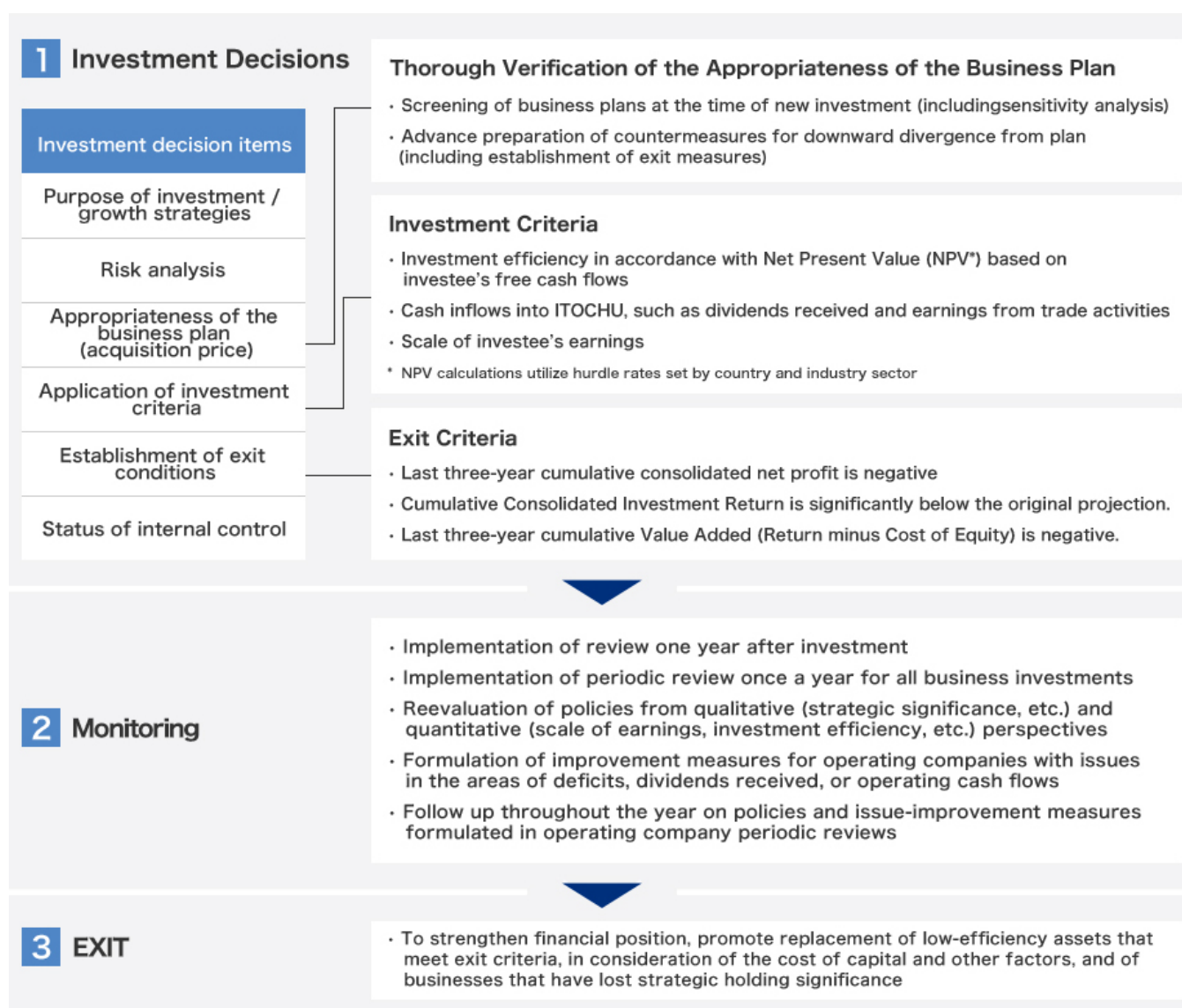
We have established an internal system in order to further enhance the reliability of our consolidated financial reporting. The designing and implementing of internal control are periodically assessed to keep making appropriate improvements. Specifically, a Chief Responsible for Internal Control has been appointed in each organization to design and implement internal control. The Internal Audit Division evaluates the effectiveness of internal control and provides feedback to each organization to ensure the continuous improvement. Overall management of these initiatives is conducted by the Internal Audit Division, and important matters are determined through deliberations in the Disclosure Committee chaired by the CFO. In this way, we are working to reinforce the companywide internal control system.

Strengthening Risk Management on a Group Basis, Including Subsidiaries

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis.

Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems. As part of such efforts, the ALM Committee protects the ITOCHU Group's assets through deliberations on Group balance sheet management as well as analysis and management of risk.

Process for Investments




■ Managing Concentrated Risks

We also manage overall country risk exposure to non-industrialized countries and manage individual country risk based on internal country rating standards. Country limits are deliberated by the Asset Liability Management (ALM) Committee and approved by the HMC.

Risk Management

Action Plan

Risks	Opportunities
<ul style="list-style-type: none"> ● Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control, and others. 	<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, and others.

Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Maintain rigorous governance structures		Maintaining and reinforcing a governance system for achieving sustainable growth	Risk management	We will build a system for group risk management and maintain it to manage the risk of loss and ensure the appropriateness of our corporate group's operations.	Conduct regular reviews of risk management systems that have been established, including internal committees and risk management departments, various rules and regulations, reporting and monitoring systems, as well as the effectiveness of such systems.	Maintain a firm governance system in the medium- and long-term by establishing a PDCA cycle, including development and implementation of action plans by the departments responsible for risk management, and monitoring and reviews by internal committees.	<ul style="list-style-type: none"> ● We reviewed the progress situation for the action plans in the first half of 2019 with each department responsible for risk management. The Global Risk Management Division assembled and made a report to the Internal Control Committee in October 2019 to the effect that the risk management structure is functioning. This includes the response to events that occurred during the applicable period. It obtained approval for the report from the committee. ● We reviewed the progress of the second half of FYE 2020 and the action plans of FYE 2021 at the meeting of Internal Control Committee in April 2020 and obtained approval from the committee.

Policy and Basic Concept

The ITOCHU Group is exposed to various risks due to its wide range of business natures, such as market, credit, and investment risks. These risks include unpredictable uncertainties and may have significant effects on the ITOCHU Group's future financial position and business performance.

We acknowledge risk management as a key management issue. Therefore, we have established our basic risk management policy and develop necessary risk management systems and techniques based on the concept of the COSO-ERM framework. Specifically, we have defined the following 18 risks as major risks* and are responding to them by building information management and monitoring systems at each department responsible for managing these risks on a consolidated basis. In addition, we periodically review the effectiveness of management systems through our internal committees. Moreover in accordance with the medium-term management plan, we conduct risk assessments across the company to reevaluate the risks we are currently aware of and identify risks comprehensively.

*Major Risks

- | | |
|--|--|
| 1. Compliance Risks | 2. Legal Risks (Excluding Compliance Risks) |
| 3. Risks Associated with Trade Security Policy Management | 4. Risks Associated with Customs |
| 5. Country Risks | 6. Commodity Price Risks (Specific, Important Product) |
| 7. Credit Risks | 8. Investment Risks |
| 9. Stock Price Risks | 10. Foreign Exchange Rate Risks |
| 11. Interest Rate Risks | 12. Financing Risks |
| 13. Information System Risks | 14. Information Security Risks |
| 15. Labor Management Risks | 16. Human Resources Risks |
| 17. Risks Associated with the Appropriateness of Financial Reporting | 18. Risks Associated with Internal Control |

Structures and Systems

Risk Management Structure

Risks associated to business operations are managed under oversight from the board of directors, within the responsibilities mandated to our division companies, Headquarters Management Committee (HMC) , and relevant committees.

ITOCHU has established internal committees and responsible departments in order to address the various risks associated with the Group's business operations, such as market risk, credit risk, country risk, and investment risk. At the same time, on a Group basis ITOCHU has developed the risk management systems and methods to manage various risks individually and on a companywide basis. Those include a range of management regulations, investment criteria, risk exposure limits, and transaction limits, as well as reporting and monitoring systems. Moreover, ITOCHU regularly reviews the effectiveness of its risk management systems and reports on results and findings to the board of directors.

At the Group level, ITOCHU's structural approach to risk management is overseen by the President and Chief Operating Officer (COO) and the Board of Directors and aims to ensure timely and sound executive decision making. The HMC, which is chaired by the President and COO and comprised of the Chairman and Chief Executive Officer (CEO) and other executives appointed by the President and COO, is the committee that sits at the highest level regarding our risk management system. Subsequent committees that report up to the HMC, also referred to as Principal Internal Committees, which include the Internal Control Committee, Disclosure Committee, ALM Committee, Compliance Committee, Sustainability Committee, Investment Consultative Committee, are responsible for identifying and addressing risks and incidents in their respective fields.

The Sustainability Committee, one of the Principal Internal Committees introduced above, is tasked to promote sustainability in the ITOCHU Group's company-wide risk management. The Committee manages operational ESG risks such as human rights risks, health and safety risks, climate risks, and natural disaster risks, as well as ESG risks related to investments. The Committee cooperates with other Committees as necessary and makes decisions on policies and initiatives to address ESG risks and operational improvements to further mainstream sustainability concerns in our risk management culture. Activities and findings are compiled by the Committee and reported to the Board of Directors annually.

At the individual Company level, each Company's President reports to the Division Company Management Committee (DMC), an advisory body to the Companies. The DMC deliberates on important issues such as those regarding investments, lending, assurance, and business management that have the potential to substantially impact the management of each company. If the risks identified or escalated exceed beyond the responsibilities mandated to the DMC, depending on the gravity of the risk and upon deliberation with other committees as necessary, risk issues may be escalated to the HMC and/or the Board of Directors.

ITOCHU is a company with Audit & Supervisory Board Members and endeavors to strengthen the monitoring/supervising function and ensure the transparency of decision making by having the Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) fully monitor corporate management. Auditors are therefore independent from the Committees within our risk management structure, including the HMC, but do attend Committees to perform their monitoring/supervising responsibilities. The executives chairing each respective Committee is also required to report to the HMC and/or the President and COO as necessary. The Audit Department directly under COO and other corporate staff departments oversee risks and our group-wide approach to managing risks as assigned within their mandated responsibility, and are also required to support the HMC and their subsequent Committees.

- Organization chart regarding the ITOCHU Group's corporate governance structure and internal controls system (P171)
- Overview of ITOCUH Group's main internal committees (P185)

With the business environment being filled with rapid changes and uncertainty, the ITOCHU Group recognizes the importance of predicting and preparing for various eventualities. As such, we create and analyze various risk scenarios regarding the various elements of the macroeconomic environment, such as political, legal, economic, socioeconomic, and technological factors, and consider relevant future impacts in our management planning.

Please see Macroenvironmental PEST Analysis page (https://www.itochu.co.jp/en/ir/doc/annual_report/online2020/pest.html) for our non-financial capital PEST analysis reported in the Integrated Report.

Initiatives

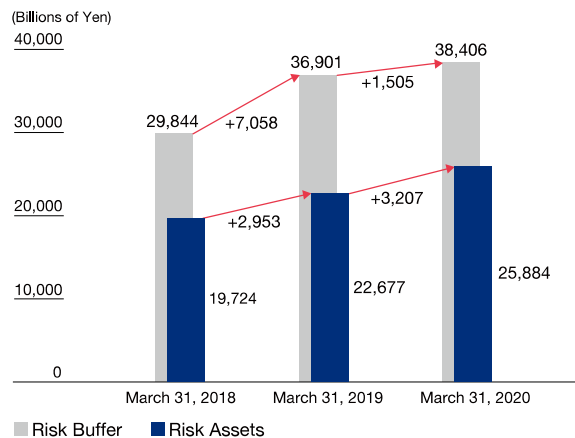
Risk Management

— Risk Capital Management* and Management of Concentration Risk

Strict Management of Risk Assets

Our basic operational policy involves first calculating risk assets based on the maximum amount of possible future losses from all assets on the balance sheet including investments and all off-balance-sheet transactions. Second, we manage the amount of risk assets within the limits of our risk buffer (Total shareholders' equity + Non-controlling interests). As we promote investments that will lead to evolve existing business moving forward, we will work to maintain risk assets within the limits of our risk buffer, conduct strict risk management, and further strengthen our financial position.

Risk Assets and Risk Buffer



*The cost of shareholders' equity set at 8%

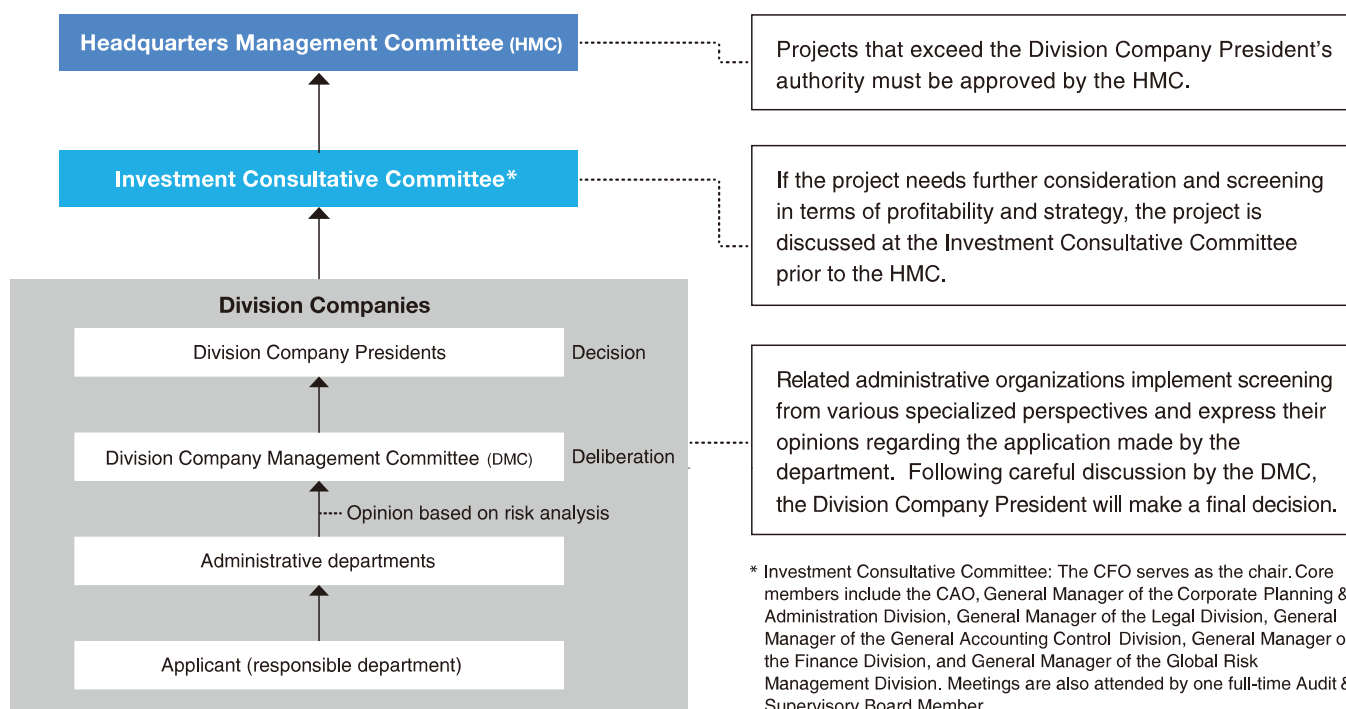
— Business Investment Management

Fundamental Approach

Along with strategic business alliances, business investment is an important means of creating new businesses. To actively promote strategic investments in areas of strength in a timely manner, we choose the optimal structure from a wide range of methods, such as establishing a wholly owned subsidiary, implementing joint investment with partners, and participating in management through M&As or converting to a consolidated subsidiary. In principle, we hold investments continuously. After making each investment, we work to maximize the investee's corporate value and to expand trading profit and dividends received by fully utilizing our Groupwide capabilities. Given such considerations as larger-scale investments in recent years, we are rigorously screening the appropriateness of the business plan and acquisition price. For existing investments, to increase investment earnings and to exit quickly from low-efficiency assets, we are further strengthening monitoring procedures, centered on instituting more rigorous exit criteria and thoroughly implementing periodic investment review.

Decision-Making Process for New Investments

A multilayered decision-making process that achieves quick decision-making by giving a certain level of discretion to the Division Companies while striving to pursue investment return and curb investment risk.

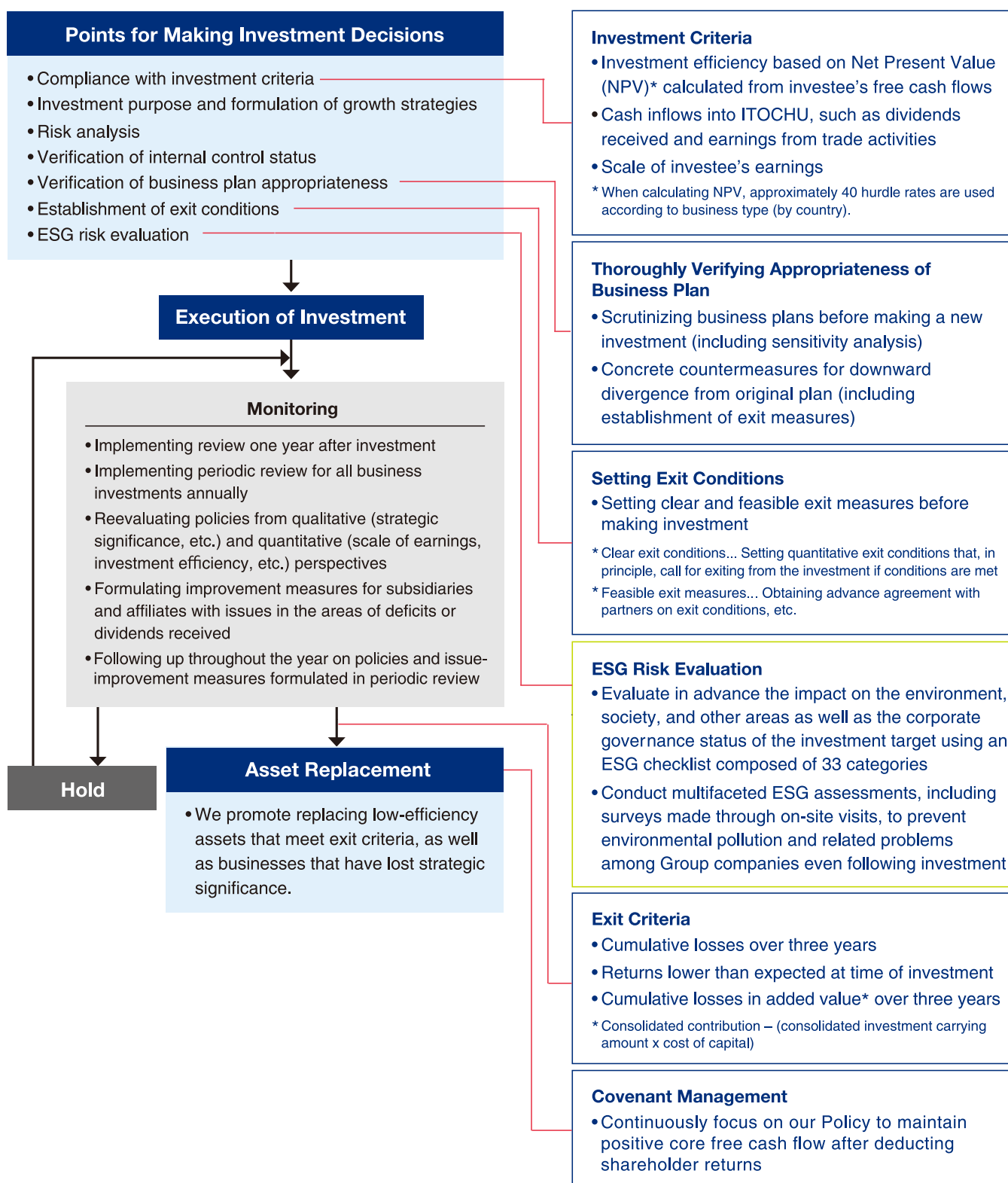


* Investment Consultative Committee: The CFO serves as the chair. Core members include the CAO, General Manager of the Corporate Planning & Administration Division, General Manager of the Legal Division, General Manager of the General Accounting Control Division, General Manager of the Finance Division, and General Manager of the Global Risk Management Division. Meetings are also attended by one full-time Audit & Supervisory Board Member.

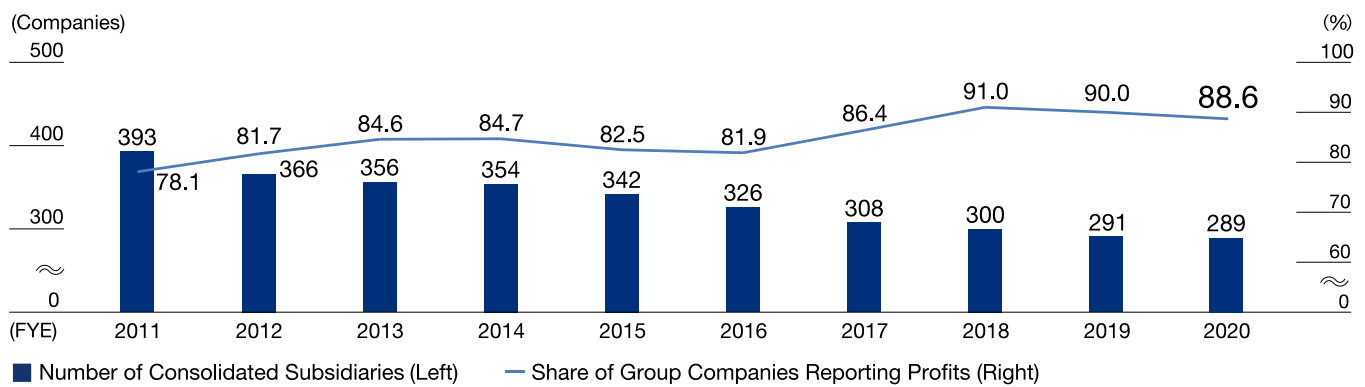
Business Investment Process

Under "Brand-new Deal 2020," in addition to the conventional investment process, we have further strengthened the earnings base to make it more resilient to economic fluctuation by thoroughly verifying the appropriateness of business plans and focusing on the monitoring of sub-subsidiaries. Despite the challenging operating environment, in FYE 2020 profits/losses of Group companies reached a record high for the fourth consecutive year. Besides, amid the COVID-19 pandemic, the ratio of Group companies reporting profits remained high, at 88.6%.

Given the rapidly changing operating environment, we recognize that "prevent" efforts will be an even higher priority in FYE 2021 than in the past. By conducting careful and close monitoring, which is our forte as a company having strengths in the non-resource sector, we will strive to accurately ascertain risks unique to individual businesses. If we anticipate impairment concerns that could result from lower share prices or decreased earnings, we will act preemptively.



Number of Consolidated Subsidiaries and Share of Group Companies Reporting Profits

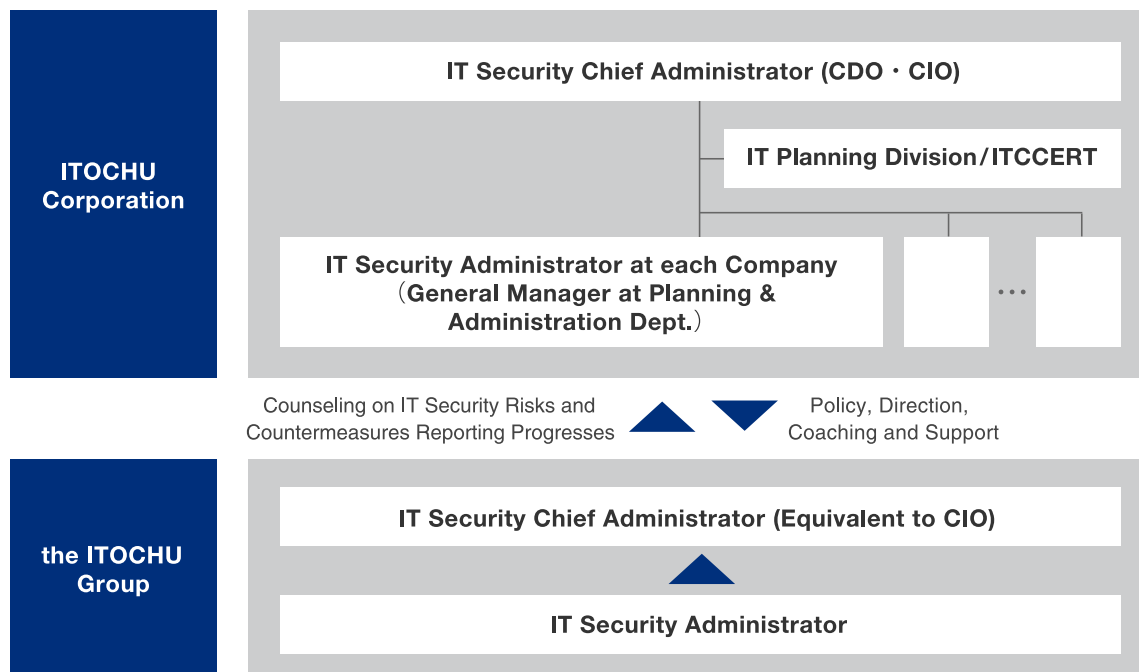


Security Risk Management

Policy and Basic Concept

The ITOCHU Group aims to reduce and avoid information and data security risks by taking a structured approach to ensure a high level of information security. The Information Security Policy (<https://www.itochu.co.jp/en/security/index.html>) is communicated to all of our executives and employees and serves as the overarching policy that guides our information management initiatives. We have also established the Information Management Code, which includes a code of conduct specific to information and data security to which our executives and employees must comply to. More specifically, rules and standards are strictly set regarding the management of personal information, documents, and IT security to prevent information leakage and breaches.

Structures and Systems



Name	Chairman	Objectives
IT Strategy Council	CDO · CIO	Deliberates regarding IT Strategy (Annual IT Strategic Plan, etc.)

Initiatives

At the ITOCHU Group, we have experienced a data breach incident in the past, where a malware caused confidential client information to be leaked externally. This incident became pivotal in our renewal and improvement of our efforts to prevent similar data breaches from happening ever again. Some of our cornerstone initiatives have been to expand and enhance our basic security infrastructure, renew the structure of our Cyber Security team (ITCCERT: ITOCHU Computer Emergency Readiness, Response & Recovery Team), and hiring expert advanced cybersecurity analysts.

We routinely collect the latest information regarding potential cyber threats by analyzing system logs and malware and based on findings, implement preventative measures. Additionally, when incidents do occur, we respond instantly by investigating their causes, discussing possible countermeasures, and restoring services. In FYE 2018, we integrated the ITCCERT into our IT Planning Division to further enhance security countermeasures across the entire Group and build internal capacity around information security. We also provide training programs to develop technicians proficient in cyber security. There are few examples of user companies in Japan that are working as actively as we are to develop systems and respond to information security risk. Moving forward, we plan to maintain these initiatives and make enhancements where necessary to ensure sustainable growth that is free from cyber threats.

We periodically engage in the training programs listed below to maintain and improve our information security program.

- We give training to all employees on how to identify and respond to targeted e-mail attacks twice a year.
- All global employees including those in group companies are subject to a mandatory, simultaneous e-learning course on information security, which is held every three years.
- Several times a year, the ITCCERT leads an internal cyber security workshop for the ITOCHU Group companies.
- Policies regarding information security and the management of personal information are required to be communicated to employees upon hiring. If amendments or updates are made to these policies, all executives and employees receive a notification of the changes made. Employees are also updated on such amendments in their periodic e-learning trainings.

Cyber security is especially important to us given that our BCP is supplemented by IT solutions which have enabled us to maintain business operations during the COVID-19 pandemic. Such IT solutions include our adoption of thin clients in all of our internal computers, WEB-based teleconferencing systems, and cloud systems. We ensure that cyber security is monitored in these systems by requiring that all company-wide services and tools are subject to prior assessments.

■ Business Continuity Plan


In order to ensure business continuity under extreme circumstances, including natural disasters (such as major earthquakes), pandemics, terrorist attacks, cyber-attacks and security incidents, the ITOCHU Group establishes a Business Continuity Plan (BCP). The BCP aims to prepare us for unpredictable incidents and minimize disruptions to our business. It is subject to regular reviews and revised as necessary.

The BCP outlines four stages between the occurrences of a major incident to the full recovery of our business: 1. Emergency response and immediate recovery 2. BCP implementation 3. Operational recovery 4. Full recovery. Each stage in the BCP clearly appoints responsibilities to certain personnel and outlines response protocols. The ITOCHU Group's BCP is subject to all group-wide operations and is supplemented by business segment and department-specific provisions.

Regarding the COVID-19 Pandemic that began in late 2019, the ITOCHU Group responded by establishing an emergency response task force. In addition to ensuring the health and safety of our immediate employees and their families, as a trading company that prides itself in consumer goods, it is also important to us that we fulfill our duty to consumers and their livelihoods by maintaining stable operations in our various supply chains. By taking a risk-based approach to handling the COVID-19 Pandemic but also prioritizing business continuity, we continued to do our best in fulfilling our social responsibility.

Action Plan

Risks	Opportunities
<ul style="list-style-type: none"> Occurrence of business continuity risk or unexpected loss resulting from the malfunction of corporate governance or internal control, and others. 	<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, and others.

Materiality	SDGs Targets	Issues to Address	Business Area	Commitment	Specific Approach	Performance Indicators	Degree of Progress
Maintain rigorous governance structures		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"> Registered with the Whistleblowing Compliance Management System (self-declaration of conformity) on April 10, 2019. We monitored all ITOCHU Corporation for bribery and corruption in July and August 2019. We confirmed the application status under the Public Officer and Foreign Public Officer Guidelines, Business Partner Guidelines and Investment Guidelines based on certificates. We found no major problems as a result of that. We conducted compliance attitude survey on 57,781 employees in ITOCHU Corporation and group companies in August and September 2019. The number of employees subject to this survey increased by approximately 14,000 compared to the previous survey (FYE 2018). The response rate was 94.9%. This exceeded the response rate for the previous survey (93.4%). We provided e-learning on dealing with bribery and corruption and organized crime for ITOCHU Corporation employees (January 31 to February 29, 2020). The situation concerning the implementation of training tours in FYE 2020 is as follows. For ITOCHU Corporation : Implemented 53 times with 2,198 attendees For ITOCHU group companies (implemented in 84 companies): Implemented 195 times with 10,715 attendees

Policy and Basic Concept

- All officers and employees are to conduct themselves in accordance with the ITOCHU Group Corporate Mission and the ITOCHU Group Guideline of Conduct based on high ethical values.
- ITOCHU is to designate a representative director as the Chief Officer for Compliance (Senior Managing Executive Officer • CAO) responsible for supervising compliance and also establish the Compliance Committee and a department that oversees all compliance matters. In addition, the "ITOCHU Group Compliance Program" is to be created to further enhance our compliance system.

ITOCHU Group's Compliance System

The ITOCHU Group is developing a system for compliance by having the Compliance Department of the Legal Division plan and suggest policies and measures to encourage compliance throughout the entire Group and appointing compliance officers in each organization within ITOCHU Corporation, overseas offices and major Group companies worldwide (including consolidated subsidiaries and some equity method associated companies; hereafter, the "companies subject to compliance management"). The Compliance Department performs these roles under the direction of the Chief Administrative Officer (CAO) who serves as the Chief Officer for Compliance. In addition, the ITOCHU Group Compliance Program provides guidelines to maintain the compliance system. We then periodically monitor and review the implementation situation of these matters. At the same time, we strive to ensure thorough compliance throughout the Group by giving education and training in our subsidiaries as necessary.

Incidents of compliance violations revealed in each organization within the Headquarters, overseas offices or companies subject to compliance management are reported to the Chief Officer for Compliance (CAO) and the Corporate Auditors, while incidences of serious compliance violations are reported to the Board of Directors as appropriate. The Compliance Committee is chaired by the CAO and consists of three external members and heads of relevant administrative divisions and sales division as internal members. It deliberates on matters related to compliance as a permanent organization on business operations. The most recent Compliance Committee meeting was held on February 26, 2020. (The meeting is held two times a year, in principle.)

The ITOCHU Group Compliance Program details the compliance system of the ITOCHU Group so that each organization within ITOCHU Corporation, its overseas offices, and companies subject to compliance management can ensure compliance by taking into account business characteristics, operational formats and local laws. The Compliance Committee (Chair: CAO) reviews the effectiveness and validity of the program based on laws/ordinances and social trends. The committee then revises and approves this program as appropriate every year.

Across the Group, we conduct Monitor & Review surveys once a year to check the status of compliance systems and operations of each organization. In addition, as for key organizations such as overseas offices and companies subject to compliance management, we are implementing activities with a focus on system operation, including on-site guidance with the objective of ascertaining actual front-line compliance conditions and identifying risks. Furthermore, based on trends in former incidences of compliance violations and the findings of the Monitor & Review surveys, we are formulating individual compliance reinforcement measures tailored to each Division Company, and these measures are steadily being implemented.

The ITOCHU Chief Officer for Compliance (CAO) and the compliance officers of each organization, overseas offices and companies subject to compliance management report the situation of compliance system operation and the results of the monitoring and reviews in accordance with the ITOCHU Group Compliance Program to the respective board of directors and top management (e.g., DMCs, responsible directors, presidents and board of directors) once a year in principle. Moreover, the directors of ITOCHU and our group companies are obliged to report any serious violations of compliance with laws/ordinances or our Articles of Incorporation to the Audit & Supervisory Board members of the respective companies. The Internal Audit Division of ITOCHU conducts two types of internal audit: compliance audits to verify that the compliance system in the ITOCHU Group is functioning sufficiently and regular audits to check the compliance implementation situation of the relevant organizations as appropriate in the regular audits on each division (including supervising group companies) and overseas bloc.

In addition, to ensure compliance throughout the Group, at personal performance evaluations at the end of each fiscal year we ask all employees to confirm in writing that they have complied with laws, regulations, and other rules.

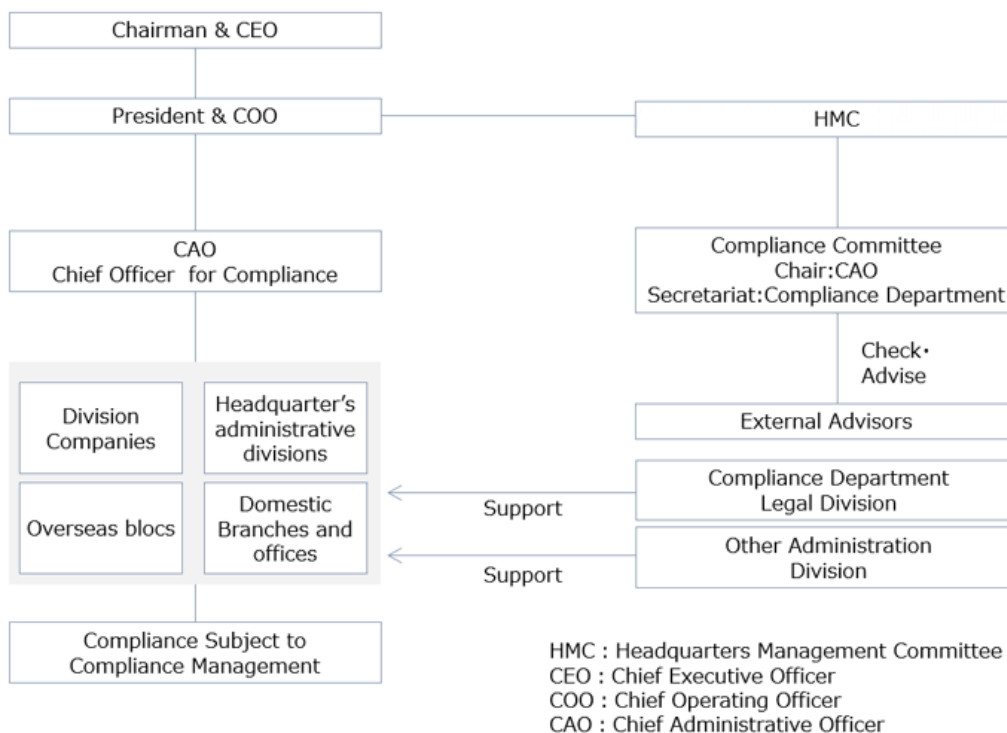
Response to Violations

The compliance officers in the relevant organizations make reports as appropriate to the Chief Officer for Compliance (CAO) on compliance-related concerns for which violations of the aforementioned policies and regulations, including those concerning the prevention of corruption, have been discovered or for which it has been determined there is a risk of such occurring in each organization in the headquarters, overseas offices and companies subject to compliance management. At the same time, the compliance officers in the relevant organizations play a central role in taking a proactive response that includes investigating the causes of issues and formulating measures to prevent their recurrence and to then report developments in the situation, the results and recurrence prevention measures to the Chief Officer for Compliance (CAO).

We set up an investigation committee as necessary under the direction of the Chief Officer for Compliance (CAO) for serious compliance-related concerns requiring consideration from a company-wide perspective. That committee reports the results of the investigation and the recurrence prevention measures to the Board of Directors. Furthermore, ITOCHU then takes action as necessary upon considering whether it is necessary to respond, report and make announcements to external organizations. We verify whether it is necessary to impose internal punishments on officers and employees involved in violations of laws/ordinances including those concerning bribery in accordance with the internal regulations (e.g., work regulations) of each company. If necessary, we impose appropriate punishments according to the procedures stipulated in the internal regulations upon consulting with the relevant departments including the supervising organization.

Overview

The ITOCHU Group Compliance System

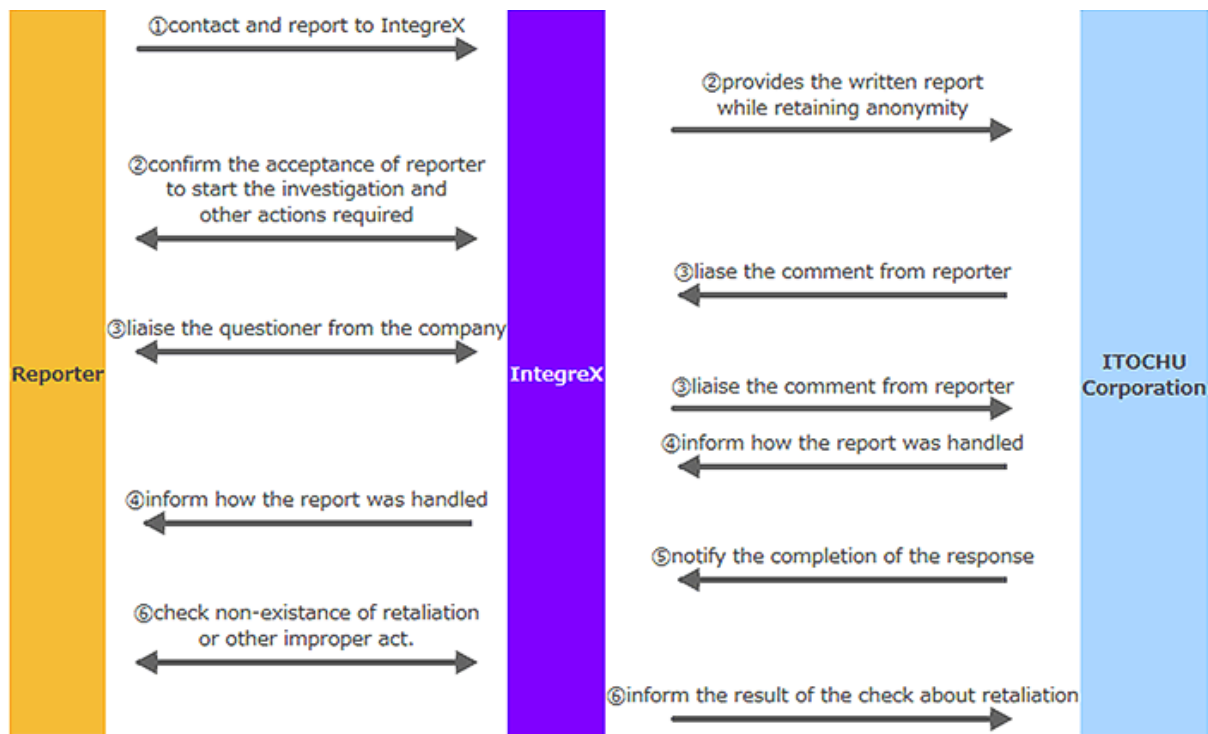


Internal Information Reporting System (Hotlines)

ITOCHU Corporation has formulated regulations on the Internal Information Reporting System (Hotlines) and instructed the installment of hotlines at companies subject to compliance management as well. In addition to protecting whistleblowers through these arrangements, we have defined mechanisms for proper disposal of cases. This initiative is reinforcing compliance management by supporting the prompt discovery and rectification of any incidents of corruption, including bribery. The Internal Information Reporting System operation situation is reported to the Compliance Committee periodically.

ITOCHU Corporation has established multiple whistleblowing contacts both in Japan and overseas (including external whistleblowing contacts that utilize specialized company and external lawyers). We accept reports from employees who have an employment relationship with ITOCHU, those who have been dispatched to ITOCHU under a worker dispatch contract from a company that has entered into that contract with ITOCHU, and group companies. It prohibits the unfavorable treatment of whistleblowers, such as retaliation, and allows whistleblowers to provide information anonymously.

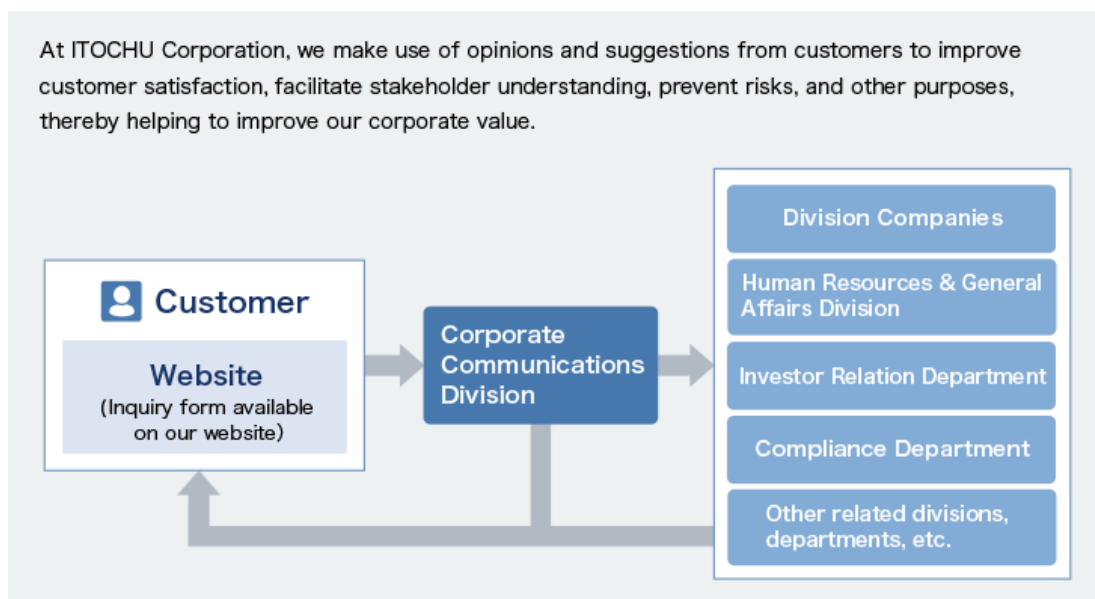
Flow of Report



ITOCHU Corporation applied for recognition under the Whistleblowing Compliance Management System (Phase 1: self-declaration of conformity), which was newly introduced by the Consumer Affairs Agency of Japan. Our conformity with certification standards was confirmed and our registration was accepted as of April 10, 2019, ahead of the competition (first on the registrant list).

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.



Initiatives

Implementation of Compliance Training

ITOCHU provides ongoing education and awareness on compliance. The aim is for each one of our officers and employees to understand the purpose of laws/ordinances and social norms and to then comply with these based on high ethical values.

— On-Site Compliance Training

We conduct On-Site Compliance Training for all officers and employees of ITOCHU Corporation every year. This training, which is intended to raise compliance awareness and prevent the occurrence of any cases, uses actual incidents of compliance violations as teaching materials while also focusing on the following points.

- Raising awareness of compliance with laws that need to be observed in the course of business
- Raising awareness of prevention of any incidents of corruption, including bribery, insider trading, and money laundering
- Raising awareness of prevention of human rights violations such as power harassment and sexual harassment

In addition, Group companies implemented their own compliance training programs for officers and employees as appropriate for their operational formats. In FYE 2020, on-site training was also provided by the Headquarters for officers and employees of major Group companies for a total of about 10,800 people from 85 companies in Japan. Training was also provided to about 1,450 people from 51 group companies at major overseas blocs in FYE 2020. We also distribute the Compliance Handbook to all employees. This handbook provides advice on compliance for each potential work setting (in Q&A format) and advises what actions to take in order to prevent corruption. We also conduct separate programs of finely-tuned education and training for each employee layer that are based on actual cases, including training for new recruits, manager training, training for Group company officers and training prior to overseas assignments.

— Compliance Awareness Survey

The ITOCHU Group implements a Compliance Awareness Survey every two years with all Group employees, including the level of understanding of the ITOCHU Mission, and assists the implementation of specific initiatives. In FYE 2020, we conducted the survey of 57,781 Group employees, and received response from 54,848 of them (retrieval rate of 94.9%). The results of the analysis of the findings are presented as feedback to each organization and reflected in efforts to improve the compliance system.

Bolstering Measures to Fight Corruption

The ITOCHU Group has established the ITOCHU Group Anti-Corruption Policy based on the Corporate Ethics Code of Conduct. It prohibits the provision of money and goods, entertainment, convenience and other profits to public officials and officers and employees of private entities, in Japan or overseas, for the purpose of gaining an illegal advantage.

ITOCHU Group Anti-Corruption Policy

1. ITOCHU Group Anti-Corruption Policy

The ITOCHU Group ensures the implementation the compliance principles, that is, legal compliance, and recognizes that it must continue to be an organization that is permitted by society. We do not even need one yen if it is gained through illegal means.

To address the risk of bribery and corruption, the ITOCHU Group has established rules relating applications and approval procedures, and recording method, etc. according to categories of behaviors which are easy to be used for bribery or corruption, and strictly observes those rules. The rules were established based on "Regulations Concerning the Prohibition of Giving Illicit Benefit," as well as four related guidelines relating to public officers, foreign public officers, business partners, and investment generally.

[ITOCHU Group Anti-Corruption Policy]

- No money, entertainment, gifts, or anything of value in order to obtain illicit gains shall be given to any public or quasi-public official inside or outside of Japan.
- No money, entertainment, gifts, or anything of value in order to obtain illicit gains shall be given to any director, officer or employee of any private entity.

2. Requests for All Partners

In order for the ITOCHU Group to implement the above anti-corruption policies, the ITOCHU Group requires the cooperation of all of its business partners and investment partners.

In connection with the business partners and the investment targets and investment partners (collectively "Partners"), the ITOCHU Group will request itself conducting due diligence on Partners and entering into contracts containing anti-bribery provisions with Partners.

The ITOCHU Group thanks you for your understanding and cooperation.

April 1, 2020
Masahiro Okafuji
ITOCHU Corporation
Chairman & Chief Executive Officer

The U.S. Foreign Corrupt Practices Act (U.S. FCPA) and the U.K. Bribery Act 2010 evidence the global trend toward the tightening of legislation against bribery. In keeping with this trend, ITOCHU Corporation has thus far determined and strictly operates the Regulation Concerning the Prohibition of Giving Illicit Profit and three related guidelines (regarding public officers, agents and consultants, and foreign public officers) to prohibit all employees from giving any improper advantage to Japanese or foreign civil servants or people in an equivalent position. In December 2015, we revised the guideline regarding agents and consultants to guideline regarding business partners, thereby expanding the scope of application of the guideline, and bolstered measures to fight corruption by establishing investment guideline, which is designed to carefully check investment projects for the risk of bribery. The Regulation Concerning the Prohibition of Giving Illicit Profit includes facility payments, or payments of small amounts of money that are aimed solely at facilitating ordinary administrative services, among the improper advantages it prohibits. It also prohibits commercial bribery, which falls under an improper advantage given to business partners in the private sector. In addition to banning bribery, our internal rules prohibit officers and employees from receiving improper advantages from business partners in the private sector, deeming such acts to be a mix of business with personal affairs (conflicts of interest, etc.).

The guidelines regarding public officers and foreign public officers include guides for decisions and judgments on business entertainment and gift-giving to public officers and foreign public officers, under which we review cases on an individual basis. The guideline regarding business partners clarifies the process for comprehensive checks and stipulates the process of concluding contracts on new appointments and renewals of contracts with business partners who will provide services to ITOCHU Corporation (including agents and consultants). Concerning overseas business partners, we use the Corruption Perceptions Index (CPI) published by Transparency International as one of our risk identification criteria.

In contracts where there is a possibility to contain a risk of bribery, including ones with business partners, we include an article prohibiting bribery, thereby prohibiting improper payments (bribery or the provision of improper advantages) and clearly state that the contracts may be cancelled immediately if the provisions of the article are violated. The investment guideline includes specific provisions on the implementation of due diligence and procedures for obtaining the confirmation letter from the viewpoint of preventing corruption, which are to be used for deliberations on investment projects.

In the training provided to officers, employees and others, we strive to raise awareness and instill ITOCHU Group Anti-Corruption Policy, the Regulation Concerning the Prohibition of Giving Illicit Profit and four related guidelines. We make certain that the regulation and guidelines are reflected in their daily management work to prevent corruption, including the provision of improper advantages. We also provide training specializing in bribery for organizations where the risk of bribery is particularly high. We also manage our political contributions, charities, and sponsorship activities by referring to internal rules to ensure that they do not constitute corruption, and by following our internally specified routes of application for the approval of donations and sponsorship to ensure that such activities are socially just and meet ethical standards.

The annual Monitor & Review surveys, which are mentioned in the ITOCHU Group's Compliance System above, include a check on business entertainment and gift-giving to public officers and foreign public officers and on the appointments and renewals of contracts with agents and consultants by organizations within ITOCHU Corporation, overseas offices, and companies subject to compliance management. Where necessary, we hold a dialogue on the status with the compliance officer of each organization.

Measures to Fight Collusive Bidding and Cartels

In recent years, there have been many reports of suspected cartel activities in markets around the world. In response, to prevent involvement in any illicit transactions, ITOCHU Corporation established the Basic Regulations on the Compliance with the Antimonopoly Act, etc. and the Standard on Prevention of Cartels and Collusive Bidding on November 1, 2017. In addition, we regularly revise our Anti-Monopoly Law Manual and the document "A Must-Read! 51 Q&A about the Antimonopoly Act" which facilitates referral. (The last revision was made in August 2017.) Through various Monitor & Review surveys and education and training programs as well, we are making sure all employees are aware of requirements. Further, in July 2017, we set up the Antimonopoly Act Desk in the Legal Division as the consultation desk and created "The 29 Frequent Misunderstandings about the Antimonopoly Act" as a new educational material. We passed instructions at a meeting of the Board of Directors according to four exclusion measure orders we received from the Fair Trade Commission from FYE 2018 to FYE 2019. We have notified and thoroughly informed all our employees of the content of these resolutions.

ITOCHU Group Tax Policy

7th December, 2017
ITOCHU Corporation

ITOCHU Corporation and the ITOCHU group companies (collectively, "the ITOCHU Group") have established a Basic Policy: To comply with all applicable tax laws, rules, regulations, and tax treaties (collectively, "Tax Rules") of each country and region where the ITOCHU Group conducts business.

The ITOCHU Group is committed to respecting the interests of all stakeholders, including all of the countries and regions where the ITOCHU Group conducts business, as well as the ITOCHU Group's shareholders, creditors, business partners, and employees.

1. Basic Policy - Compliance with Tax Rules

The ITOCHU Group is committed to managing its business operations in full compliance with all applicable Tax Rules and not engaging in transactions that are intended to evade or avoid taxes.

2. Tax Cost Management

In accordance with the Basic Policy, the ITOCHU Group strives to achieve effective tax cost management by eliminating double taxation and utilizing the favorable Tax Rules of each country or region.

3. Maintaining Relationships of Mutual Trust with Tax Authorities

The ITOCHU Group strives to maintain a relationship of mutual trust with all tax authorities by engaging in constructive discussions and preparing documents in an accurate, timely and appropriate manner to ensure overall transparency of the ITOCHU Group's tax matters.

Measures for Intellectual Property

To completely prevent infringements on intellectual property rights held by other parties in businesses related to such rights, as well as in the ordinary course of business, ITOCHU implements measures to call attention to the issue by holding seminars for employees and by establishing internal rules, regulations and manuals etc., that conform to related laws and regulations. We also define and properly apply internal rules for employees' inventions and work and rules for application, renewal, etc. of rights to properly manage and handle intellectual property rights that constitute property of the companies.

Basic Policy on Product Safety

ITOCHU Corporation has prepared a product safety manual for each internal company to assure safety. The manuals are based on its policy of observing obligations stipulated by laws related to the safety of the products it handles, and providing safe and secure products to its customers. We are going to continue with efforts to assure provision of safe and secure products through in-house education, institution of ad-hoc units assigned to product safety, establishment of information relay routes, and response in the event of product accidents, while revising arrangements in these aspects as necessary.

Measures for Comprehensive Import and Export Control

Japanese government maintains strict trade-security under the Foreign Exchange and Foreign Trade Act in order to prevent the proliferation of weapons of mass destruction and conventional weapons. We have implemented a strict internal comprehensive trade-security control program so as to observe laws and regulations. Our internal program covers not only Japanese laws and regulations but also global security risks such as U.S. sanctions to ensure that we do not take part in business transactions that threaten international peace and security.

Accordingly ITOCHU recognizes that, as a responsible member of the global business community, we need to manage carefully potential risks associated with business operations in certain locations. In response to the growing importance of the corporate governance associated with global security risk, we have implemented corporate policies, procedures, and internal reporting structures to ensure that we perform rigorous, security-minded due diligence for global projects and transactions. The Compliance Program of ITOCHU is annually submitted to the Ministry of Economy, Trade and Industry of Japan as a company that has developed export control and an excellent management system. In addition, to properly conduct customs procedures for import and export, including import (payment of customs duty) declaration, we conduct internal customs examination (monitoring), provide training for clearing and customs valuation control, and take a host of other measures under the internal control/management provisions and regulations, thereby ensuring full compliance with customs procedures, etc. We have also been providing information needed for developing new businesses, by providing training on Economic Partnership Agreements (EPAs), which will be used more widely by sales sections in the future. These measures have led to the director-general of Yokohama Customs certifying ITOCHU as an Authorized Economic Operator (AEO) (both Authorized Exporter and Authorized Importer), a title given to operators with outstanding compliance systems and security control.

Basic Policy and Efforts against Antisocial Forces

ITOCHU Corporation makes it a basic policy to block any relationship or transaction with anti-social forces that threatens public order and safety. ITOCHU has established and strengthened the internal systems necessary to achieve this by providing education and awareness-raising activities to employees on a regular basis and ensuring prior confirmation that counterparties of transactions do not fall under anti-social forces.

Insider Trading Regulations

ITOCHU Corporation has an internal rule regarding the restriction of insider trading, and formulated the "guideline regarding reporting and management of insider information" in April 2014 in conjunction with the revision of the rule. The above guideline stipulates, for example, recommended handling in case of acknowledging the insider information of entity which ITOCHU has capital or contractual relationship, and we are taking action to assure that all employees know about them.

Perspectives on Information Management

ITOCHU Corporation has formulated "Information Security Policy" for all members of the board and employees to handle information with high security level. Also, in order to manage information required for business management activities properly, we also formulated "IT Security Management Policy" for all executives and employees, which is a code of conduct on information handling. More specifically, we have determined rules and standards on personal information management, document management, and IT security, and are striving to prevent the leakage of personal information and other confidential information. We have also established a management system for complying with the My Number Act.

— Monitor & Review Surveys on Personal Information Management

The ITOCHU Group regularly conducts Monitor & Review surveys of ITOCHU Corporation and companies subject to compliance management under the auspices of the Corporate Planning & Administration Division, the IT Planning Division and the Legal Division. In the ten survey, which was conducted in FYE 2020, the personal information management systems of ITOCHU Corporation and 136 companies subject to compliance management were checked from September to November 2019. Based on the results of the checks, we have continued activities to encourage continued improvements at ITOCHU Corporation and Group companies. At the same time, we have established a system and provide support for the operation with advice from external lawyers.

Evaluation by Society

FTSE4Good Index Series • FTSE Blossom Japan Index

ITOCHU has been selected as an index constituent of FTSE4Good Index Series and FTSE Blossom Japan Index.

The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE Blossom Japan Index is adopted by the Government Pension Investment Fund (GPIF) of Japan as a core ESG benchmark for its passive investments.



FTSE4Good



FTSE Blossom
Japan

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that ITOCHU Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements and become a constituent of FTSE4Good Index and FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Also, FTSE Blossom Japan Index is specifically designed to assess the performance of Japanese companies demonstrating strong ESG practices using the globally established FTSE4Good Index Inclusion Rules. The FTSE4Good Indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI Japan Empowering Women Index (WIN)

ITOCHU Corporation has been selected as a constituent of MSCI Japan Empowering Women Index (WIN).

MSCI Japan Empowering Women Index (WIN) was created as a benchmark for social themes within the framework of ESG by U.S. company MSCI. Index figures are calculated using data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace, with constituents comprised of those companies which earn a high gender diversity score.



MSCI Japan Empowering
Women Index (WIN)

The inclusion of ITOCHU Corporation in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of ITOCHU Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Dow Jones Sustainability Indices

ITOCHU Corporation has been selected as an index component of the World and Asia Pacific Index of the Dow Jones Sustainability Indices, a global stock ESG index, for 7th consecutive year.

The DJSI revises the indices every September by an independent survey of economic, environmental and social practices. In FYE 2020, 318 companies including 33 Japanese companies were selected as DJSI World Member among 3,519 targeted companies around the world.

ITOCHU achieved the best score in "Trading Companies & Distributors" Industry (one of the 61 Industries), and has been named as the Industry Leader for the 5th consecutive year. (As of September 2019)



SAM Sustainability Award

ITOCHU Corporation was awarded Gold Class at the SAM Sustainability Awards 2020, winning the recognition of RobecoSAM, a Swiss research institution that evaluates companies making efforts in sustainability and offers information to investors. ITOCHU has become the top for the fifth consecutive year in the Trading Companies & Distributors sector. (As of February 2020)

* "Industry Leader" which was provided to the top scoring company in each sector, is integrated with Gold Class from 2017.



S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is a global environmental stock index adopted by Government Pension Investment Fund (GPIF). Using TOPIX as the universe, this index of S&P Dow Jones Indices, the world's leading independent index provider, overweights companies that have high carbon efficiency within their industry as calculated by Trucost on a market value basis and companies that disclose information on greenhouse gas emissions. It consists of 1,725 companies, including ITOCHU (As of March 2020).



CDP

- **CDP Climate Change**

CDP Climate Change evaluates corporate action on climate change. In FYE 2020, we scored a B.

- **CDP Water**

CDP Water evaluates corporate efforts related to water stewardship.

In FYE 2020, we scored a B.

- **CDP Forests**

CDP Forests evaluates corporate action on risks related to forest destruction within the supply chain.

In FYE 2020, we scored a B in Timber, B- in Palm oil, D in Cattle, C in Soy.



SNAM Sustainability Index

Itochu Corporation has been selected as "SNAM Sustainability Index" by the Sampo Japan Nipponkoa Asset Management Co., Ltd. (hereinafter "SNAM") for the second consecutive year. This index is used as a unique active index in "SNAM Sustainable Management", for pension funds and institutional investors, which invests widely in ESG-rated companies that SNAM started operation in August 2012.



Evaluation by Stakeholders

2020	Jun.	ITOCHU was selected as an index component of SNAM Sustainability Index for the second consecutive year
	Feb.	ITOCHU won a Bronze Award at the Ministry of Environment's 1st ESG Finance Awards
	Feb.	ITOCHU was selected as the Gold Class of the SAM Sustainability Awards 2020
2019	Dec.	ITOCHU has been selected as an index constituent of FTSE4Good Index Series and FTSE Blossom Japan Index
	Dec.	ITOCHU Corporation has been selected as a constituent of MSCI Japan Empowering Women Index (WIN)
	Sep.	ITOCHU Represented as Industry Leader 2019 in the Dow Jones Sustainability Indices



Independent Assurance Report

To the President and COO of ITOCHU Corporation

We were engaged by ITOCHU Corporation (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★, ❖ and ◆ (the “Indicators”) for the period from April 1, 2019 to March 31, 2020 included in its ESG Report 2020 (PDF version) (the “Report”) for the fiscal year ended March 31, 2020, except for the 'Number of hire by gender', whose figures as of April 1, 2020 are the subject of this assurance engagement (the “Indicators”).

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company's reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of NIPPON ACCESS, INC. selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

September 15, 2020

ITOCHU Corporation

5-1, Kita-Aoyama 2-chome,
Minato-ku, Tokyo 107-8077, Japan
Tel: +81-3-3497-4069 Fax: +81-3-3497-7547
E-mail: csr@itochu.co.jp

<https://www.itochu.co.jp>