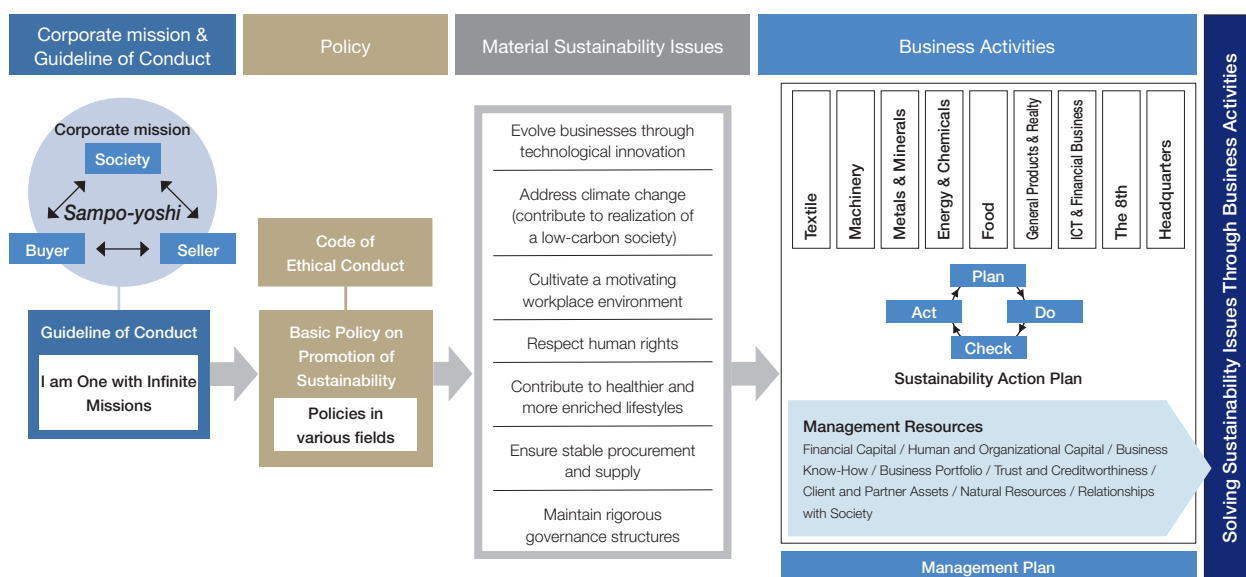


Sustainability Initiatives for Sustained Corporate Value Creation

ITOCHU conducts business globally under the Group corporate mission of “*Sampo-yoshi*,” our founding spirit. As such, we consider addressing global environmental and social issues to be one of the top priority issues in our management policy. We contribute to the realization of a sustainable society in order to achieve the goals of the Group Guideline of Conduct, “I am One with Infinite Missions.”

We have established the Basic Policy on Promotion of Sustainability in accordance with our corporate mission and the dynamic environment in which we operate, and promote initiatives in an organized and systematic manner. We have also determined our material issues, which are priority issues that we should resolve, and incorporated these into our Sustainability Action Plans. While maintaining and increasing our earning power, we will achieve both a sustainable increase in corporate value and resolving social issues through our trade and business investment activities.

Sustainability Promotion Flow



Material Sustainability Issues

Material Sustainability Issues	Examples of Performance Indicators for Sustainability Action Plans
Evolve businesses through technological innovation We create new value by working on new technologies proactively and trying to respond to changes in the industry structure beyond the framework of existing businesses.	<ul style="list-style-type: none"> Rebuild business through the application of AI, IoT, fintech, and other new technologies and services Through the use of AI and the popularization and expansion of RFID tags in the textile business, realize higher levels of supply chain productivity and operating efficiency, better traceability, and enhanced selling capabilities
Address climate change (contribute to realization of a low-carbon society) (⇒ Page 66–67) We strive to adapt to the impact of climate change on business. At the same time, we work to promote business activities aimed at contributing to realization of a low-carbon society and reduce GHG emissions.	<ul style="list-style-type: none"> Develop an optimal asset portfolio that takes social requirements fully into consideration, including the transition to a low-carbon society Promote initiatives aimed at increasing the renewable energy ratio of our power generation business more than 20% (equity interest basis) by FYE 2031
Cultivate a motivating workplace environment (⇒ Page 70–71) We create an environment that enables each employee to fully demonstrate their capabilities with pride and motivation by taking advantage of diversity.	<ul style="list-style-type: none"> By FYE 2021, reduce average annual overtime hours by at least 10% compared to the period prior to the introduction of the Morning-Focused Working System Reduce employees who leave work due to cancer or long-term illnesses at 0% by FYE 2021
Respect human rights (⇒ Page 68) We take initiatives for the respect and consideration for human rights through our business activities to stabilize our businesses and contribute to the development of local communities.	<ul style="list-style-type: none"> Comply with societal and environmental maintenance and management standards throughout the entire Group's supply chain Announce a policy for sustainable palm oil procurement that takes into account business partners' conditions, industry trends, and liaison with industry groups, and promote building of a structure for procurement and supply
Contribute to healthier and more enriched lifestyles (⇒ Page 68) We contribute to realizing a healthy, rich life, aiming to improve the quality of life of all people.	<ul style="list-style-type: none"> Ensure food safety and security through establishment of the Food Safety Management Department By FYE 2021, aim to manage the health data of 1 million people obtained from medical checkups
Ensure stable procurement and supply (⇒ Page 68) We work to ensure the effective utilization and stable procurement and supply of resources in accordance with demand in each country, in consideration of biodiversity and other environmental issues, aiming to achieve a recycling-oriented society.	<ul style="list-style-type: none"> Further promote the recycled fiber business and increase our handling of sustainable materials By FYE 2026, make 100% of the wood we handle in the wood products business either certified wood or wood that is confirmed to be under a high-level management
Maintain rigorous governance structures (⇒ Page 72–81) The Board of Directors implements highly effective supervision of management from an independent and objective standpoint and ensures appropriate and efficient execution of operations by improving the transparency of decision-making.	<ul style="list-style-type: none"> Continuously conduct measures aimed at strengthening the supervisory function of the Board of Directors through Board of Directors' evaluations Monitor various compliance-related measures and continue face-to-face training, etc.

For details on the status of initiatives at Division Companies, please refer to the Sustainability Action Plans. <https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>