

Viewing Environmental Issues as Business Opportunities

Based on the ITOCHU Group corporate mission of “*Sampo-yoshi*,” we are working to resolve social issues such as exponential population growth and climate change by supplying diverse products and services, creating new businesses, and flexibly and actively conducting asset replacement, while ensuring that we maintain and improve our earning power.

We see opportunities in the resolution of environmental issues in particular. By leveraging our distinctive accumulated business know-how, we are committed to expanding and actively promoting our environmental business.

Continuously Increasing Corporate Value by Providing Resolutions to Environmental and Social Issues through Our Infrastructure Business

ITOCU has positioned the environmental and renewable energy business as one of its focus fields, and is developing projects globally that contribute to upgrading urban environments and reducing greenhouse gas (GHG) emissions. In particular, as environmental conservation-oriented businesses that contribute to sustainable social development, we have actively promoted Energy-from-Waste (EfW) projects and water-related projects from an early stage, building up expertise in these businesses.

In response to the United Kingdom tightened its waste management legislation and policy, ITOCHU took the opportunity to enter the local EfW market in 2002. As of 2020, we have constructed and operated four EfW facilities, which process around 15% of the country's incinerated waste. We are now using the business expertise and strong partnerships cultivated in the United Kingdom to expand into other areas. In 2017, we teamed up with French water and environmental utility major SUEZ S.A. to participate jointly in an EfW project in Belgrade, Serbia, the first major Public Private Partnership (PPP) in the country. The project will help to resolve environmental and social issues through the closure and remediation of the Europe's largest unsanitary landfill that has caused serious environmental damage. At the same time, we will construct and operate an EfW facility that will treat around 70% of the total municipal waste generated in Belgrade, using the waste heat from its incineration to supply electricity and heat equivalent to the power consumption of around 30,000 local houses.

Furthermore, with population increase and climate change expected to drive growth in demand for the water-related business, ITOCHU is providing high-quality, sustainable, economic water services through water supply, waste water treatment, and seawater desalination projects. In 2012, ITOCHU became the first Japanese company to participate in the water service business in the United Kingdom, followed in 2014 by participation in water

supply and sewage services in the Canary Islands, Spain. In seawater desalination projects, ITOCHU has moved beyond its traditional sales of water treatment facilities and equipment by participating in seawater desalination projects in Victoria, Australia in 2009 and Oman in 2016, transforming this field into a strength by continuously refining its accumulated business expertise. Commercial operation of the Barka Seawater Desalination Plant started in 2018, with the largest water production capacity in Oman, where it plays an important role in the stable supply of daily life water. By contributing to securing safe, economical water resources for countries, we will broaden our business opportunities.

ITOCU will continuously play a vital role in society through its infrastructure business, realizing a circular economy and sustainable resource use with the goal of preserving the earth's environment and resolving social issues, while sustainably increasing its corporate value.

Circular Mechanism in the EfW Business



Please see our website below for further information about initiatives in the waste business

https://www.itochu.co.jp/en/csr/sustainability_activities/2020/index.html#activity_machinery