

Sustainability Report 2021

NORINCHUKIN



The Norinchukin Bank Sustainability Report 2021

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Editorial Policy for Sustainability Report 2021

This report is published on an annual basis for the purpose of reporting sustainability-related information on the Norinchukin Bank.

This report has been prepared with reference to the GRI Standards and SASB.

Reporting Period

FY2020 (April 2020 to March 2021)

Certain information includes details as of June 2021.

Prior Publication

August 2020

Report Scope

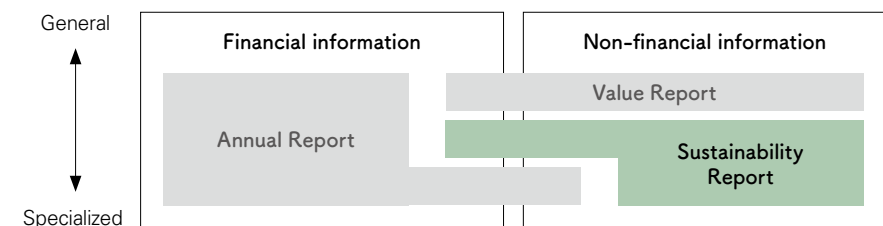
The Norinchukin Bank and its group companies

Related Information

We also publish information related to sustainability on our corporate website. The links provided lead to webpages with supplemental information.

The Norinchukin Bank corporate Web site: <https://www.nochubank.or.jp/en/>
 The Norinchukin Bank sustainability Web site: <https://www.nochubank.or.jp/en/sustainability/>

Publications and Their Positioning



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In this report, agriculture, fishery and forestry are collectively referred to as "AFF," Japan Agricultural Cooperatives are referred to as JA, Japan Fishery Cooperatives as JF and Japan Forest Owners' Cooperatives as Jforest.

Message from the CEO

Practicing Sustainability Management Unique to Norinchukin



President and Chief Executive Officer,
the Norinchukin Bank

OKU Kazuto

Supporting the Development of AFF Industries in Times of Rapid Change

The Norinchukin Bank is a member of cooperative organizations that support the AFF industries. We provide financial services to members that include Japan Agricultural Cooperatives (JA), Japan Fisheries Cooperatives (JF), and Japan Forest Owners' Cooperatives (JForest). In so doing, we contribute to the development of the agriculture, forestry, and fisheries, while also contributing to national economic prosperity. This social duty, which is defined under Article 1 of the Norinchukin Bank Act, is a unique mission that no officer or employee at Norinchukin can forget, no matter what role we serve. To fulfill this duty, we engage various activities and underlying corporate functions within our Food and Agriculture Business, our Retail Business, and our Investment Business. Throughout FY2020, we saw an acceleration in the global decarbonization movement as a measure to fight global warming. In addition, the impact of COVID-19 taught everyone the importance of corporate and social resilience in the face of pandemics.

COVID-19 amplified a disruptive change in approaches to lifestyles and values, causing rapid changes in society and altering the environment surrounding our customers, members, employees, and all stakeholders in dramatic ways. In particular, the pandemic continues to have a severe impact on the AFF industries and the food and agriculture value chains.

We have now experienced the potential of disasters of this type. We recognize that new issues have emerged as we engage in sustainable management: Strengthen initiatives to solve environmental and social issues such as climate change, strengthen the AFF industry and food and agriculture value chains, and strengthen our resilience as a

financial institution.

These and other rapidly advancing global-scale issues threaten to rattle the very foundations of our business: the loss of biodiversity and the significant impact on AFF industries; food shortages due to global population growth; and labor shortages due to declining birthrates and aging populations in advanced nations. The Paris Agreement, the UN's Sustainable Development Goals (SDGs), and other social initiatives for social sustainability give rise each year to expectations for companies to resolve social issues. We recognize that our stakeholders require us to conduct our businesses in ways that reflect society's expectations and demands.

At the same time, domestic AFF industries, which form the foundation of our business, are irreplaceable industries that produce life-nurturing food. These industries also offer the potential for regional revitalization, land conservation, and more. From an alternative perspective, these industries may be the most susceptible to climate change and other issues related to the natural environment. Also, AFF industries themselves burden the environment through greenhouse gas (GHG) emissions and other factors. In Japan, these industries contribute significantly to the environment through eco-friendly agricultural initiatives, resource-managed fisheries, and multi-function forests, accomplished through thinning and reforestation. Recognizing the present situation and issues clearly, we believe it is necessary for us to be proactive in leveraging our businesses to take on GHG emissions reductions and other global-level issues. I feel strongly that we must consider together with our stakeholders and conduct our business activities in a way to create sustainable societies.

Message from the CEO

Engaging from a Medium/Long-Term Perspective to Achieve our Purpose

The environment surrounding the Bank and the AFF industries that serve as our foundation continues to change rapidly. These changes include deepening environmental and social issues such as climate change, transformed work styles, lifestyles, and values in the wake of the COVID-19 pandemic, and more. It is precisely at times like these that we have decided to take a fresh look at what the Bank should be doing for society in the future. Over the course of the past year, our board members and I held workshops, while employees also engaged in discussions. As a result, and based on input from our stakeholders, we defined our purpose.

→ For details, see pages 6 to 8.

Aiming to be the leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities. We defined our corporate brand statement as *Dedicated to sustaining all life*. We further distilled the concept of sustainable management and our brand statement of *Dedicated to sustaining all life* into the message, *The Chain of Life*. Human life, food (animals), and the earth (our planet) are all interconnected. We require food to live. The AFF industries are what bring us this food, or in other terms, the animals and plants that become our food. These animals and plants are nourished by the air and water that are the pure blessings of

nature. These blessings of nature are only available because of a sustainable global environment.

The following statement is the purpose that we defined for the Norinchukin Bank.

Dedicated to sustaining all life.

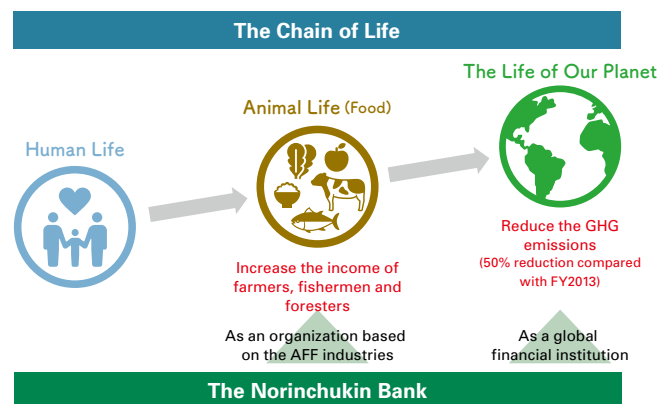
- Work together with our stakeholders to foster the AFF industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment. -

We set two new goals to reach by the year FY2030 to achieve this purpose.

- Reduce the GHG emissions (50% reduction compared with FY2013)
 - Increase the income of farmers, fishermen and foresters
- Reducing the GHG emissions consists of three initiatives: (1) reduce the GHG emissions of the Bank's investees and borrowers; (2) increase the absorption of CO₂ via forests, together with JForest members; and (3) reduce the GHG emissions of the Norinchukin Bank.

An increase in the income of farmers, fishermen and foresters lead to rising populations of farmers and related workers, resulting in regional revitalization. This is our goal, which we will accomplish by raising the incomes of those involved in these regional industries in pursuit of sustainable AFF industries, as well as sustainable communities.

Based on this purpose, the Norinchukin Bank will engage daily in our work to grow together with our stakeholders by achieving our Medium/Long Goals.



The Philosophy Behind Our Corporate Logo



The logo of the Norinchukin Bank represents a Japanese landscape with vibrant AFF industries interconnected with many forms of life. The colors of the sea, land, and forest swirl together, showing our dedication to journey onward alongside the breath of the life.

Our businesses exist in harmony with the life that comes from the activities of AFF industries and the cycles of nature. As we carry out our businesses that are rooted deeply in our local communities, we work to resolve environmental and social issues and contribute to sustainable AFF industries. This is the traditional role of the Norinchukin Bank, and we will strive to make an even greater contribution in the future.

Overview of the Norinchukin Bank

The Basic Mission of the Norinchukin Bank

Our mission at the Norinchukin Bank is to support the AFF industries as a national-level organization for JA Bank, JF Marine Bank, and JForest Group.

Our mission is also to contribute to food development and community lifestyles for all people living in Japan.

Further, as a leading Japanese institutional investor, securing stable income through global investment activities is an important activity in the fulfillment of our mission.

In our commitment to sustaining all life, we are firm in pursuing our mission, being unafraid of change and taking on any challenges to come.

Name

The Norinchukin Bank

Legal Basis

Norinchukin Bank Act (Act No. 93 of 2001)

Date of Establishment

December 20, 1923

President and Chief Executive Officer

Kazuto Oku

Paid-in Capital

¥4,040.1 billion (as of March 31, 2021)

*All capital is from private parties (members and investors in preferred securities).

Total Assets (Consolidated Basis)

¥107,647.8 billion (as of March 31, 2021)

Members

3,384 organizations (as of March 31, 2021)

Member organizations include, of Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forest Owners' Cooperatives (JForest), related federations, and other AFF cooperative organizations which have invested in the Norinchukin Bank.

Number of Employees

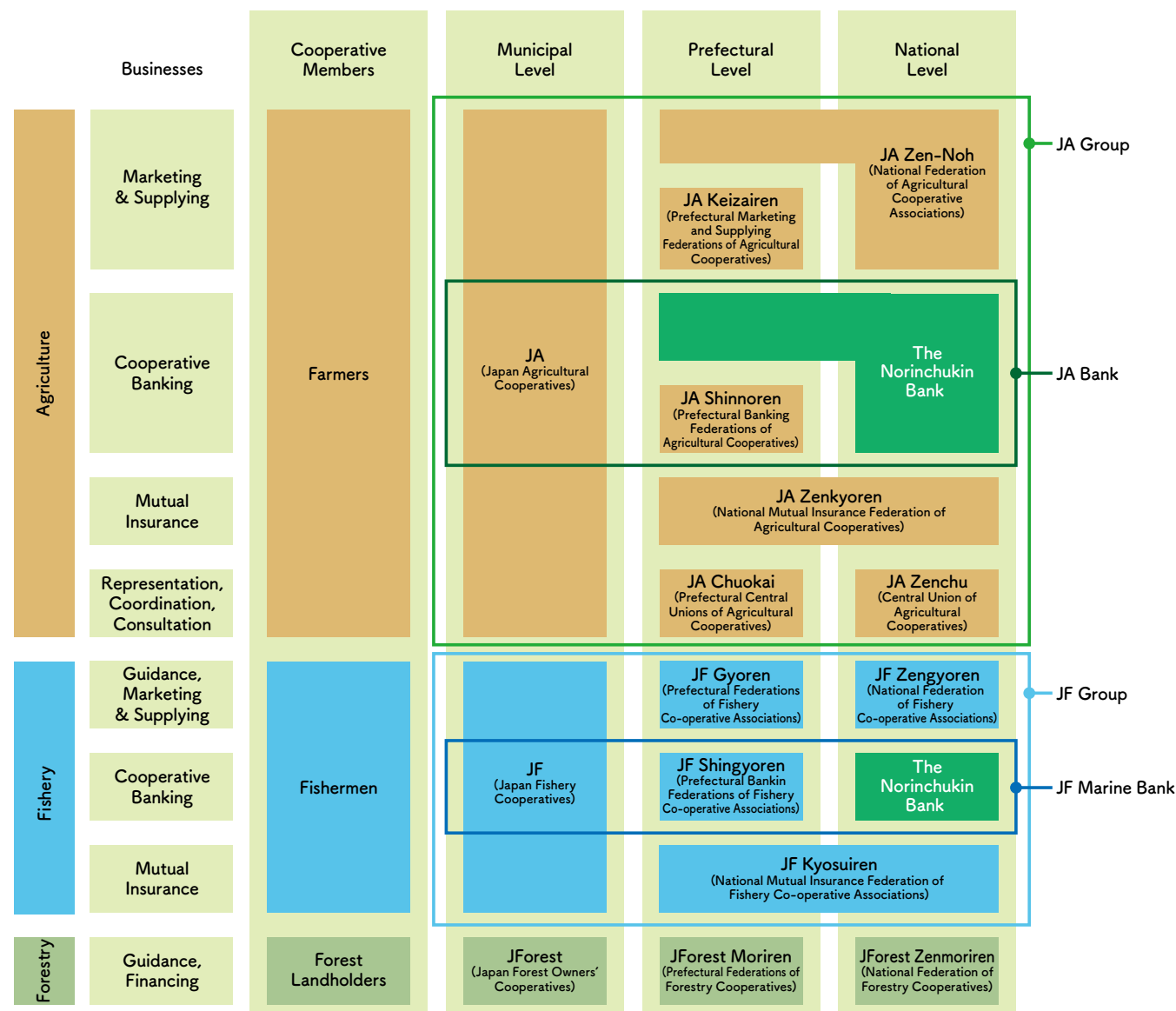
3,515 (as of March 31, 2021)

Business Locations

26

Head office, 19 branches in Japan, 1 branch annex, 3 overseas branches, 2 overseas representative offices (as of March 31, 2021)

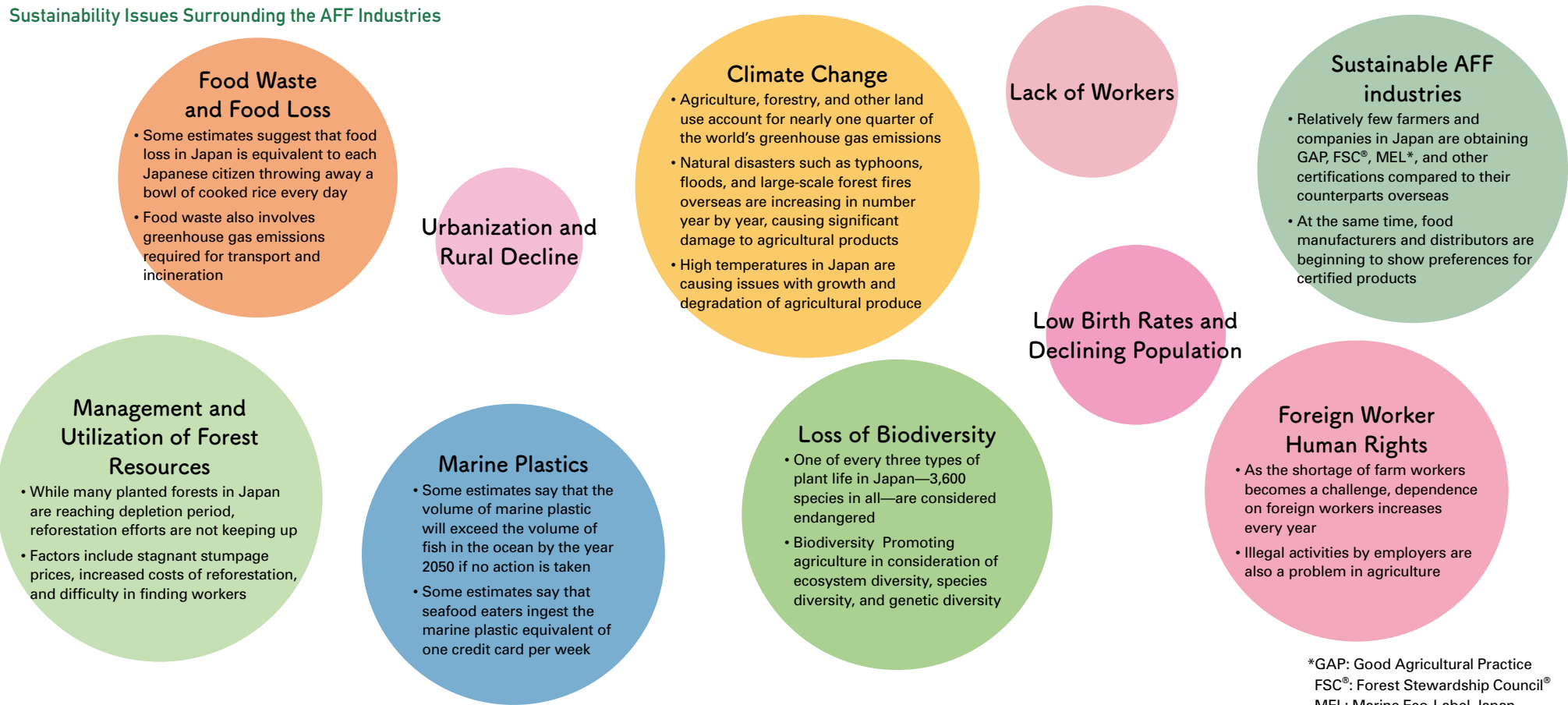
Structure of the Norinchukin Bank



Sustainability Issues Surrounding the AFF Industries

Sustainability issues in the AFF industries become more grave with each passing year. The Norinchukin Bank recognizes that these issues go to the foundation of our businesses.

Sustainability Issues Surrounding the AFF Industries



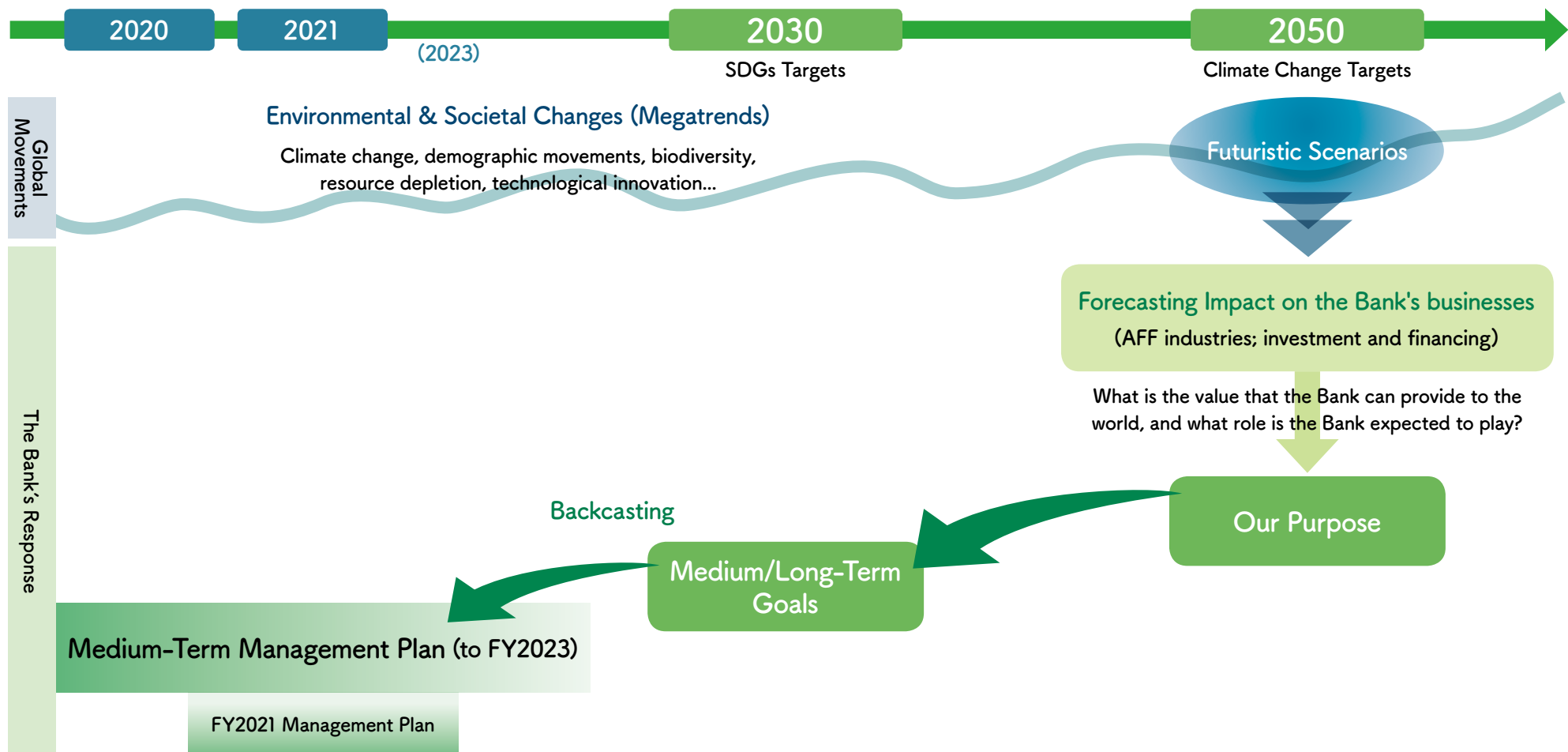
Sustainability issues in the AFF industries are nothing less than the very foundation of the Norinchukin Bank business



We will contribute to solutions through our businesses

Formulation of Purpose of the Bank and the Medium/Long-Term Goals

Sustainability has become a greater topic. The discussions and measures are underway globally in order to address climate change include the Paris Agreement by 2050, and to achieve the SDGs by 2030. Japan's Prime Minister Yoshihide Suga has declared a goal for Japan to become a carbon-neutral, decarbonized society by 2050. Instead of merely formulating a three- to five-year business plan as we have done in the past, we have taken a medium/long-term perspective in redefining our vision of the Norinchukin Bank and the value we provide to the society. We also recognize the importance of setting and executing on specific goals to achieve these aspirations. Based on this vision, we have defined as our Purpose reflecting the Bank's vision, value and role that it can offer society in the year 2050, and the Medium/Long-Term Goals which we will achieve by the year 2030.



In formulating our Purpose and Medium/Long-Term Goals, we held monthly workshops throughout 2020, attended by the CEO, Directors and Executive Officers. After putting together forecasts the global environment and societal changes for the year 2050 (megatrends), we used the concept of backcasting, carrying out discussions under the following approach. Details of discussions were shared with the Supervisory Committee members and the Bank employees, and we formulated the plan after receiving opinions and responses to questionnaires.



Group discussions in an executives workshop

Discussion Process

- (1) Share futuristic scenarios for the year 2050 in consideration of Medium/Long-Term changes in the environment and society (megatrends)
- (2) Forecast the impact that these futuristic scenarios could have on Bank's foundation and businesses (the AFF industries; investment and financing).
- (3) For (2), above, discuss the value that the Bank can provide to the society and the role that we are expected to play (our Purpose).
- (4) Discuss goals to be achieved by 2030 (our Medium/Long-Term Goals) based on our Purpose.
- (5) Reflect these details in our management plan and realign the Norinchukin Bank Vision → P9

Megatrends to keep in mind looking toward 2050

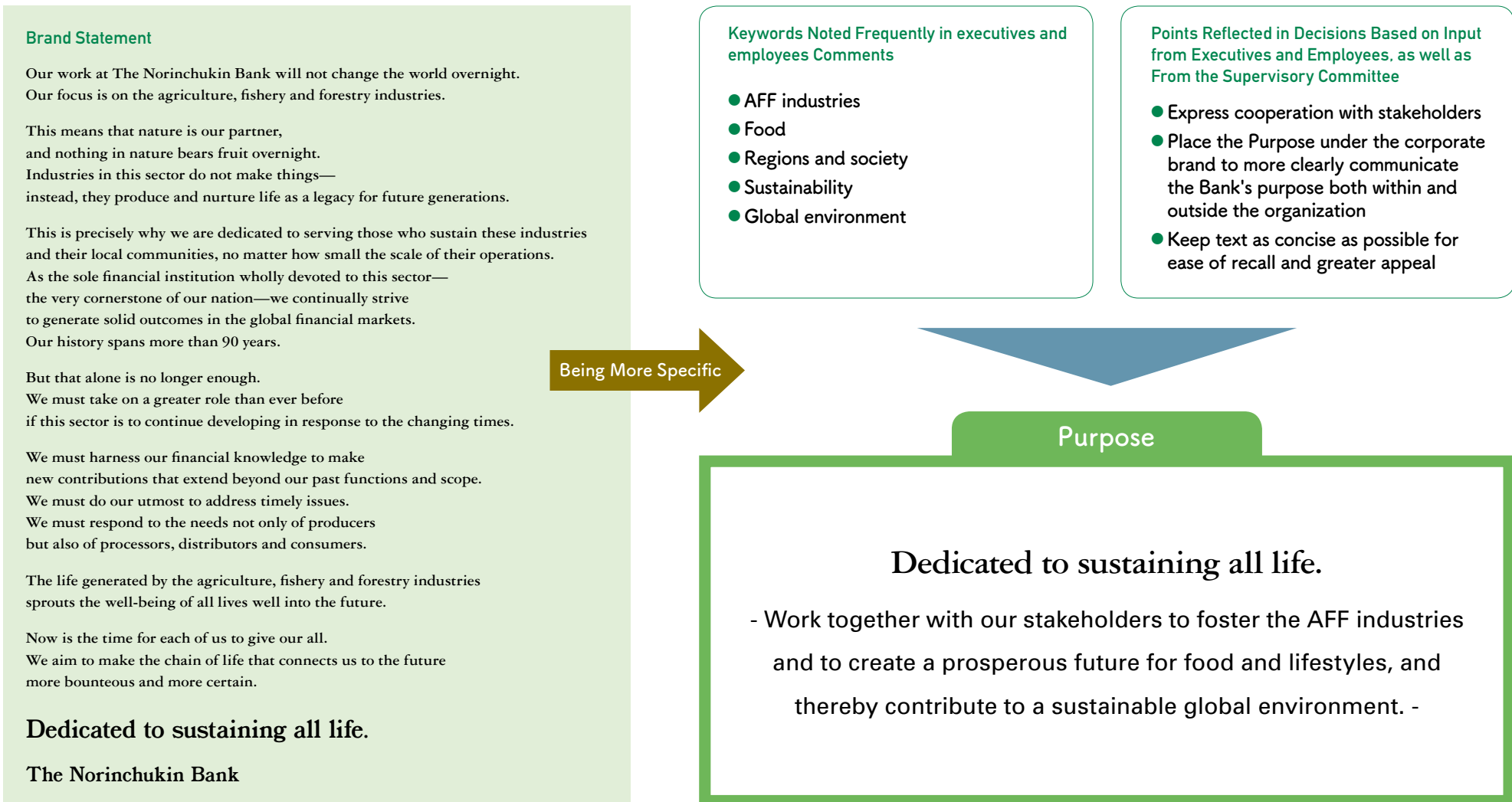
	Possible Impacts (Examples)
1 Climate Change	<ul style="list-style-type: none"> ■ Decline in the quality of agricultural products, changes to arable land ■ Changes in marine resource ecoregions, decrease in fish catch volume ■ Natural disasters, rise in sea levels
2 Loss of Biodiversity and Ecosystems	<ul style="list-style-type: none"> ■ Lack of resilience in the AFF industries (changes in suitable areas) ■ Loss of forest function ■ Impact of microplastics on ecosystems
3 Demographic Movements	<ul style="list-style-type: none"> ■ Higher greenhouse gas emissions resulting from growing populations in developing countries ■ Rural depopulation and labor shortages by declining population in Japan ■ Loss of domestic companies and human resources, hollowing out of industries
4 Resource Depletion (Food, Water)	<ul style="list-style-type: none"> ■ Growing global population leading to increased competition for food and water resources ■ Domestic food security ■ Absolute decrease in fossil fuels
5 Technological Innovation	<ul style="list-style-type: none"> ■ Use smart agriculture to solve issues of labor shortages ■ Reduce greenhouse gas emissions generated by agriculture ■ Renewable energy, blue carbon, utilization of forest resources

Action ↑

Priority Issues for the Norinchukin Bank

- A Contribute to reducing the risk of climate change and achieving carbon-free society
- B Contribute to sustainable AFF industries and value chains to maintain AFF industry production bases and to secure safe and secure food resources
- C Contribute to maintaining regional communities in the face of declining birthrates and aging populations.

We formulated our Purpose based upon discussions held in executive workshops, taking into account responses in employee questionnaires and input from the Supervisory Committee. We refined our brand statement, *Dedicated to Sustaining All Life*, to clearly express the value we provide to society and the ways in which we contribute, as well as to serve as a foundation for making value judgments upon which executives and employees can rely in business.



Our Purpose, Vision and Mission

The Bank revisited its purpose (what contributions the Bank should make for sustainable environment and society of the future) and its vision (what the Bank should do to perform its purpose).

The Medium/Long-term Goals and single-year goals are positioned as Management Plan to achieve its vision.

The Bank also identified key “shared values” for its officers and employees, which form the foundation of daily business activities to achieve the management plan

Based on these “shared values,” the Bank conducts daily business activities to achieve the goals of its Management Plan and the Medium/Long-Term Goals.

Such efforts are a path to achieve the Bank’s vision and accomplish the Bank’s purpose in society. Sharing such understanding among officers and employees throughout the Bank, we engage in daily business operation.



Stakeholders: Members (JA, JF and JForest)/individual cooperative members (i.e., people working in the AFF industries); our clients (deposit and savings, loans) including AFF-related companies; local communities; business partners in the Bank’s entire operation including financial institutions, market participants and contractors; governments and municipalities; and employees

Medium/Long-Term Goals FY2030

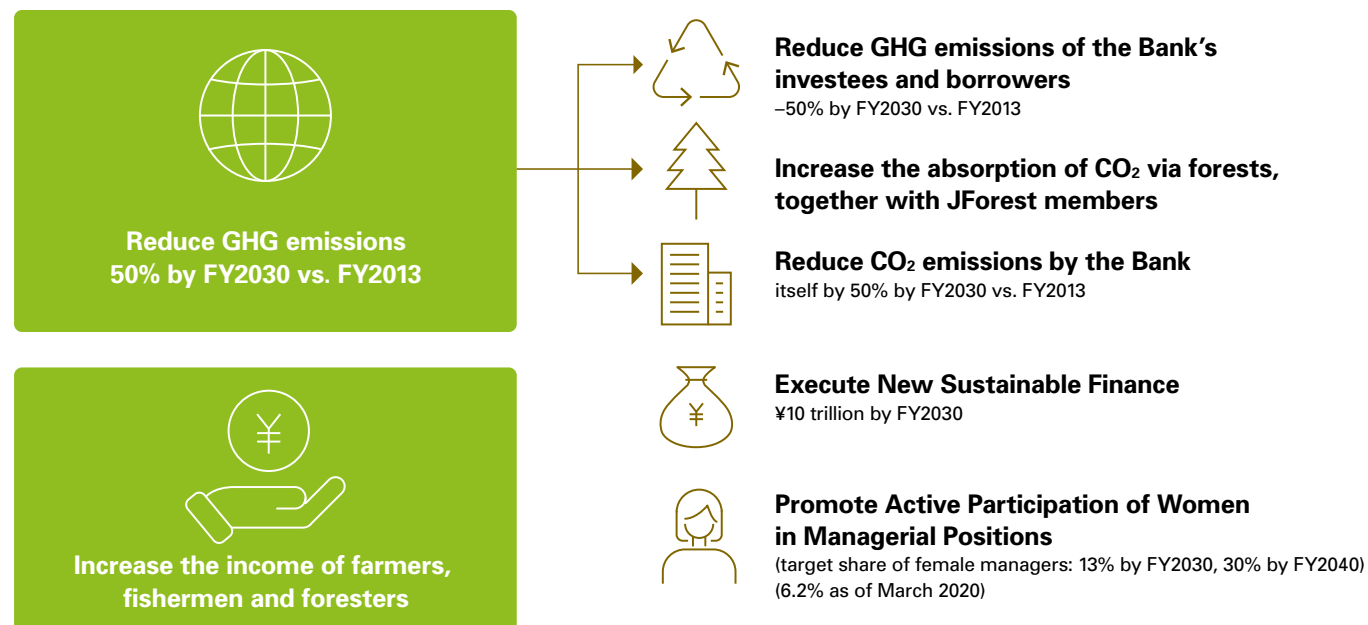
To achieve the Purpose of the Bank, via the Medium/Long-Term Goals FY2030, the Bank aims to “reduce GHG emissions by 50% (compared with FY2013)” and “improve the income of farmers, fishermen and foresters.

Concerning the reduction of GHG emissions, we strive to reduce emissions at the Bank’s investees and borrowers and the Bank itself. Also, we work to increase absorption of CO₂ via forests in alliance with JForest cooperatives.

Toward achieving these goals, the Bank will execute ¥10 trillion in new sustainable finance by FY2030(see page 25 for the definition of sustainable finance).

In addition, as part of an effort to establish an organizational foundation to work on sustainability management, the Bank aims to increase the ratio of female managers.

The Norinchukin Bank’s Medium/Long-Term Goals



Philosophies and Policies Supporting Sustainability Management

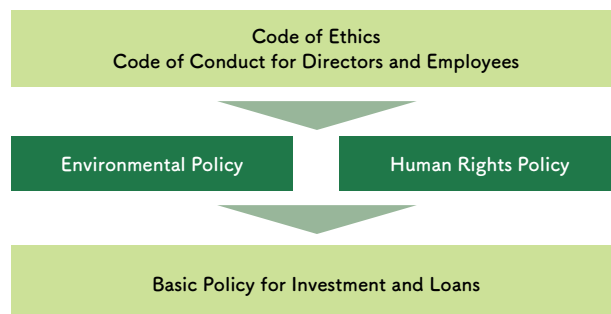
Code of Ethics, Environmental Policy, Human Rights Policy"

In our Code of Ethics, we stipulate that, "We, as members of society, work closely with local communities, to support them with respect to the human rights of each person and with social issues such as an environmental issue, and we seek to contribute to the realization of sustainable society."

Code of Ethics (Excerpt)

- 1 Fundamental Mission and Social Responsibility
- 2 Offering High-Quality Services
- 3 Strict Compliance with Laws and Regulations
- 4 Severing Anti-Social Forces and Combating the Threat of Terrorism
- 5 Building Highly Transparent Organizational Culture
- 6 Contribution to Sustainable Society

To realize sustainability management, we have established the Environmental Policy and Human Rights Policy as of 2019. These policies serve to advance concrete initiatives in our businesses and in the behavior of our directors and employees as we clarify our fundamental position on resolving environmental issues and respecting human rights, and as we foster and unify awareness among the same. We have placed the Basic Policy for Investment and Loans under our Environmental Policy and Human Rights Policy.



Environmental Policy and Human Rights Policy: Two Unique Traits

① Defines the Norinchukin Bank basic mission

Our mission is to contribute to economic development through the development of the AFF industries, industries that are linked closely to the environment. We also strive to help the people engaged in these industries enjoy greater happiness. In accordance with the principle and spirit of mutual aid embraced by cooperatives, the Norinchukin Bank respects human rights and dignity rooted in equality and aims to create a fair society.

② Emphasizes fostering a sound corporate culture

We believe that fostering and establishing a sound corporate culture is an integral part of implementing both policies. While responding appropriately to human rights issues, we work to maintain an awareness of the risks and returns related to our business activities, encourage individual employees to act with awareness of their own responsibilities while ensuring transparency, and create attractive workplaces that offer unrestricted and open-minded discussion and respect for diverse opinions.

Environmental Policy: Key Points

- ① Reflecting on our basic mission, we declare that we will contribute to the creation of a sustainable society through partnership and collaboration with fellow members
- ② We declare our support and participation in international standards and initiatives¹ to address environmental issues
- ③ We implement concrete initiatives based on the Environmental Policy through our core financing and lending business
- ④ We declare that, as a financial institution founded on the AFF industries, climate change² and biodiversity are particularly important environmental issues, and that we will respond to these issues through our business activities
- ⑤ We declare that we shall strive to respond to environmental issues as an element tied closely to our ability to foster a sound corporate culture, the backbone of our operations

*1 United Nations Global Compact, Equator Principles, CDP Principles for Financial Action for the 21st Century, & TCFD

*2 Refers to supporting TCFD recommendations and advancing initiatives going forward based on the purpose of said recommendations

Human Rights Policy: Key Points

- ① Reflecting on our basic mission, we declare that we will contribute to the creation of a sustainable society through partnership and collaboration with fellow members
- ② We declare our support and respect for international standards and initiatives³ to address human rights issues
- ③ We declare our respect for human rights across the entire value chain (executives, employees, customers, and suppliers) in accordance with the concepts of the UN Guiding Principles on Business and Human Rights (Ruggie Principles)
- ④ We declare that we shall strive to respond to human rights issues as an element tied closely to our ability to foster a sound corporate culture, the backbone of our operations

*3 Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights, UN Global Compact, OECD Guidelines for Multinational Enterprises

Identifying Sustainability Issues

Identify material issues in light of stakeholder input

Based on perspectives required by stakeholders and perspectives on important issues for the Norinchukin Bank, we have established five focus areas and 14 topics. We considered the four points below in choosing these topics, formulating the process as seen in the diagram to the right.

Points for Consideration

- 1 Be mindful of measures to address sustainability-related issues
- 2 Incorporate input from our stakeholders
- 3 Consider the various perspectives related to sustainability (e.g. the SDGs)
- 4 Base our approach on our Medium-Term management plan (FY2019-2023)

We will continue to review issues as appropriate in light of social trends.

Define business models

Conduct interviews within each division

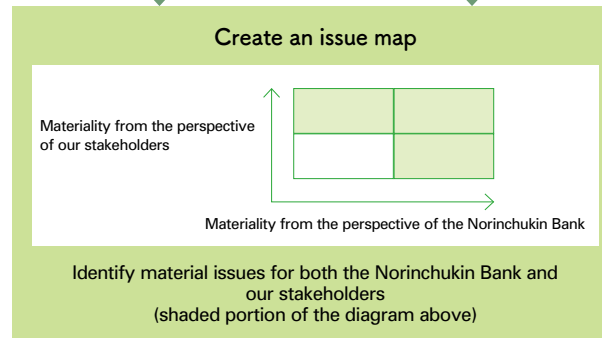
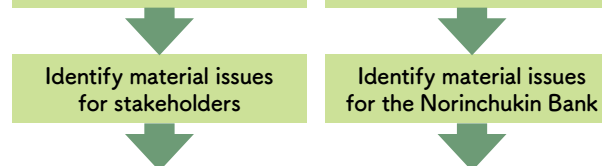
Identify stakeholders

Identify important stakeholders (members, local communities, employees, customers, others)

Create a list of issues

Formulate a Sustainability Issue Universe (based on ISO26000/GRI/SDGs)

Select material issues from all issues listed



Establish five focus areas and 14 topics

The Norinchukin Bank Sustainability Topics

(Five Focus Areas and 14 Topics)

Focus Area 1: Create a positive impact on the AFF industries, food, and local communities

- Topic 1-1: Contribute to sustainable AFF industries
- Topic 1-2: Contribute to a safe and secure food supply
- Topic 1-3: Contribute to sustainable local communities
- Topic 1-4: Conserve the natural environment as a foundation of the AFF industries
- Topic 1-5: Create business innovation

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Focus Area 2: Promote responsible finance

- Topic 2-1: Promote sustainable finance
- Topic 2-2: Contribute to sustainable energy utilization
- Topic 2-3: Realize financing for everybody

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Focus Area 3: Promote sustainability management

- Topic 3-1: Ensure a transparent organizational governing structure
- Topic 3-2: Reinforce the management of environmental and social risks
- Topic 3-3: Reinforce stakeholder engagement

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Focus Area 4: Secure highly capable human resources

- Topic 4-1: Improve diversity and equal opportunities
- Topic 4-2: Enhance human resources development

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Focus Area 5: Maintain customer trust as a financial institution

- Topic 5-1: Further reinforce our compliance framework

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Sustainability Promotion Structure

The Sustainability Committee and CFT

We have established the Sustainability Committee under the board of directors to achieve sustainability-oriented management.

The Sustainability Committee discusses and deliberates a variety of topics, such as the direction of sustainability-oriented management and overall planning.

In 2019, we launched the Cross-Functional Team (CFT) to explore sustainability-oriented management across our entire organization and to create synergistic effects within each division.

The CFT is headed by executive officer in charge. CFT members come from a variety of divisions gathered together for cross-division discussions to formulate specific plans, and to develop stances related to sustainability.

In FY2020, we held eight meetings of the Sustainability Committee, and 15 meetings of the CFT.

Diagram: Sustainability Promotion Structure

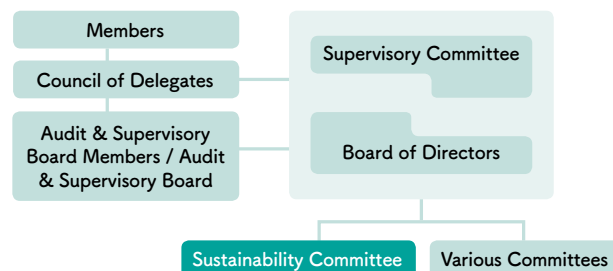


Diagram: CFT Structure



Status of Sustainability Committee Meetings

Key Details	
June 2020	■ Toward formulation of our Purpose and Medium/Long-Term Goals for sustainable management ~Executive Workshop~
July 2020	■ Contents of <i>Sustainability Report 2020</i>
September 2020	■ Toward formulation of our purpose and medium- to long-term goals for sustainable management ~Interim Summary~
November 2020	■ Toward formulation of our Purpose and Medium/Long-Term Goals for sustainable management ~Draft Summary~
December 2020	
January 2021	■ External evaluations of sustainable management
March 2021	■ Initiatives for new forest businesses ~Report on the activities of the Forest Business Working Group~ ■ Third Dialogue With Experts on Sustainability
March 2021	■ Policy for publishing <i>Sustainability Report 2021</i> ■ Standardization of environmental and human rights policies across the Norinchukin Group

Status of Sustainability Management CFT Meetings

Key Details	
May 2020	■ Start of discussions on formulating the Bank's Purpose
May 2020	■ Status of ESG-oriented investment and finance initiatives
May 2020	■ Sustainability linked loans and examples of use ■ Individual sector policies
June 2020	■ Ministry of Agriculture, Forestry and Fisheries SCAFFF project
June 2020	■ Individual sector policies
June 2020	■ Response to environmental and human rights incidents
July 2020	■ Raising employee awareness and recognition of sustainability
July 2020	■ Participation in Dai Maru Yu SDGs ACT5
July 2020	■ Future responses based on human rights impact assessments
August 2020	■ Status of discussions towards formulation of our Purpose and Medium/Long-Term Goals
September 2020	■ Individual sector policies
October 2020	■ Interim report on our Purpose and Medium/Long-Term Goals
November 2020	■ Draft summary on our Purpose and Medium/Long-Term Goals
December 2020	■ Status of TCFD initiatives
February 2021	■ Final draft of our Purpose and Medium/Long-Term Goals, incorporate incorporation into management plan ■ Approach to sustainable finance

Groupwide sustainable management

The Norinchukin Bank pursues sustainable management throughout the Group.

We share sustainable medium-term goals with the Norinchukin Bank Group companies (see below), and each company is working to achieve the goals.

Additionally, the Group aims to share our Environmental Policy, Human Rights Policy, and the subsidiary Basic Policy for Investment and Loans with Group companies throughout 2021.

Group Companies Subject to Medium-Term Sustainability Goals

- The Norinchukin Trust & Banking Co., Ltd.
- Norinchukin Australia Pty Limited
- Norinchukin Bank Europe N.V.
- Norinchukin Research Institute Co., Ltd.
- Norinchukin Facilities Co., Ltd.
- Nochu Business Support Co., Ltd.
- Norinchukin Business Assist Co., Ltd.
- Norinchukin Academy Co., Ltd.
- Norinchukin Value Investments Co., Ltd.
- Kyodo Housing Loan Co., Ltd.
- Nochu Information System Co., Ltd.
- JA Card Co., Ltd.
- Norinchukin Zenkyoren Asset Management Co., Ltd.
- The Cooperative Servicing Co., Ltd.
- The Agribusiness Investment & Consultation Co., Ltd.

Participation in Initiatives

United Nations Global Compact

The United Nations Global Compact is a voluntary initiative whereby signatory companies and organizations act as upstanding members of society by demonstrating responsible and creative leadership, participating in the creation of a global framework for achieving sustainable growth. We signed the Global Compact in November 2016.



CDP

The CDP is an NGO that conducts international activities. In response to requests from institutional investors, the CDP sends major international corporations a questionnaire related to climate change, water resources, forests, and commodities. The CDP then analyzes, evaluates, and discloses the responses, thereby exerting significant influence on global ESG investments.

We signed on to the CDP in March 2017.



Equator Principles

The Equator Principles is an international risk management framework adopted voluntarily by financial institutions for assessing and managing environmental and social risks in project finance and other areas. We adopted the Equator Principles in May 2017.



Principles for Financial Action for the 21st Century

The Principles for Financial Action for the 21st Century were adopted in October 2011 as action guidelines for financial institutions that aim to establish a sustainable society. We became a signatory to the Principles in March 2012. At the General Assembly in FY2015, our Nochu Potential Forest Productivity Fund was selected as a preferred project of the year.



Developing a Future Outlook, Formulating a Five-Year Plan

The TCFD was established in December 2015 by the Financial Stability Board (FSB). We adopted the TCFD's recommendations in April 2019. Going forward, we will address the impact and risks of climate change on our business and work to expand our initiatives and disclosures.



Japan Climate Initiative

The Japan Climate Initiative is a network to strengthen information dissemination and exchange of opinions among companies, local governments, NGOs, and other actors that are actively engaged in taking climate action in Japan. We announced our membership to the Initiatives in April 2019.



Norinchukin Zenkyoren Asset Management Co., Ltd. Signs PRI

In March 2020, Norinchukin Zenkyoren Asset Management Co., Ltd. became a signatory to the United Nations Principles for Responsible Investment, in agreement with their fundamental concepts. Going forward, we will continue to study and implement initiatives tackling ESG issues in keeping with our fiduciary duty. In so doing, we will fulfill our social responsibilities and strive to further enhance our activities.



Dialogue With Experts



To reach higher levels of sustainability management, the Norinchukin Bank engages in dialogues with experts every year.

In the third dialogue held in April 2021, two experts joined with our President and CEO and other directors for a dialogue. These experts engaged in a practical discussion of “the global environmental crisis and the future of agriculture” and “the trends in sustainable finance and impact investing”.

We will utilize the knowledge gained from this dialogue in steadily advancing our sustainability management.

Participants

Sustainability Experts

Mr. WAKUI Shiro

Distinguished Professor,
Tokyo City University

Mr. IKEDA Satoshi

Chief Sustainable
Finance Officer,
Japan Financial Services
Agency

The Norinchukin Bank Participants

OKU Kazuto
Representative Director and President, Chief Executive Officer

YAGI Masanobu
Representative Director and Managing Executive Officer

YUDA Hiroshi
Director and Managing Executive Officer

AKIYOSHI Ryo
Director and Managing Executive Officer

ITO Yoshihiro
Director and Managing Executive Officer

YOSHIDA Hikaru
Director and Managing Executive Officer

FUJISAKI Kei
Director and Managing Executive Officer

IWASO Satoshi
Managing Executive Officer

UMEDA Yasuhiro
Managing Executive Officer

KITA Masakazu
Managing Executive Officer

KAWAMOTO Shin
Managing Executive Officer

KAWADA Junji
Managing Executive Officer

UTSUMI Tomoe
Managing Executive Officer

KITABAYASHI Taro
Managing Executive Officer

MIYACHI Shigeo
Audit and Supervisory Board

ITO Akiko
Audit and Supervisory Board

(MC)

NODA Haruo
Deputy General Manager, Sustainability Management
Department, Corporate Planning Division

Expert Lecture #1

Mr. WAKUI Shiro

After studying at the Department of Landscape Architecture at the Faculty of Agriculture at Tokyo University of Agriculture, Mr. WAKUI has worked in a variety of landscape planning roles as a landscape architect, including as a general producer for the Expo 2005 Aichi Japan venue. He has served as the Acting Chairman of the Japan Committee of the United Nations Decade on Biodiversity, as a member of the selection committee for the New National Stadium, and on many other national and local public organizations and committees. Mr. WAKUI has served in a number of roles over his career, including distinguished professor, Tokyo City University; president of Gifu Academy of Forest Science and Culture; president of Nagoya Open University of the Environment; specially appointed professor of the Faculty of Economics, Aichi Gakuin University; visiting professor of the Chubu Institute for Advanced Studies, Chubu University; and visiting professor of the Faculty of Regional Environmental Science, Tokyo University of Agriculture.



The Global Environmental Crisis and the Future of Agriculture

The current loss of biodiversity is at crisis levels, and is a topic of worldwide discussions. This sense of crisis originates in our belief that while the earth is a planet replete with life, we fail to fully understand that the areas on our vast planet richest in life are limited. Since the time of the Industrial Revolution, humanity has been using natural resources as if they were inexhaustible.

One possible way to solve this problem is through coexistence with nature. Since ancient times, the Japanese have managed to live in harmony with nature by classifying nature into two types—nature governed by the gods and nature created by humans. The people of Japan have been using community forest systems such as *satoyama* to achieve circular production for human prosperity and biodiversity. Behind this is the significant impact of frequent natural disasters. The AFF industries have significant value in creating social immunity to natural disasters and contributing to disaster prevention. At the same time, the AFF industries, which produce goods while managing national lands, are coming under increasingly stringent scrutiny.

Throughout world history, pandemics have been followed by civilizational shifts. We are seeing major social transformations as a result of COVID-19, not least of which is the popularization of remote working. In such times of transition, we can reaffirm the importance of Public Interest Capitalism—sustainability-conscious social and economic systems—and of maintaining a healthy AFF industries environment. It is my hope that the Norinchukin Bank will use its position as a financial institution to treat nature itself as a type of capital, and promote investment and finance in initiatives that value this function.

Expert Lecture #2

Mr. IKEDA Satoshi

Mr. IKEDA joined the Ministry of Finance in 1996. Since 2008, he has been working at the Financial Services Agency (FSA). In 2019, he became the Chief Sustainable Finance Officer at the Japan FSA. Mr. Ikeda has worked in a wide range of sustainable financing fields, including head of implementation of TCFD recommendations in Japan, and the secretariat of the FSA's SDGs Strategic Initiatives Project Team. He is also the vice-chair of the national advisory board of the Global Steering Group for Impact Investment, a study group on impact investing co-sponsored by the Financial Services Agency (FSA) and the World Bank.



Trends in Sustainable Finance and Impact Investment

Looking back on recent developments in financing and considering the Lehman Shock and the subsequent global financial crisis, we have been searching for ways in which finance can make contributions to the real economy. People are becoming more aware of the negative impact that economic activities can have on the environment and societies. There have been discussions into the functions of finance as a solution. These discussions are influencing global rule making and the way finance is being conducted. Against this background, global discussions have been held regarding sustainability disclosure standards. In particular, active discussions have been held on the disclosure of the impact of environmental and social issues on corporate performance (single materiality), as well as the impact of corporate activities on the environment and society (double materiality). There is a growing consensus that the impact of sustainability issues such as climate change on business can also impact corporate value. A company's environmental and social impact is also considered to have a ripple effect on the company's own corporate value. Given this assumption, financial institutions must factor environmental and social issues into their risk-return assessments.

Impact investment is one way to use finance to solve environmental and social issues. Impact investment evaluates investments and finance by adding the third axis of environmental and social impact to the risk-return assessment. This practice can lead to opportunities for financial institutions to create shared value if the impact investment has a significant impact on sustainability issues important to the financial institution. The Norinchukin Bank has established its own Purpose. Many other companies are moving to define their own purpose, and given the points raised above, financial institutions are being asked to reexamine their own purpose.

Q&A



YAGI We have received explanations about the status of discussions on sustainability disclosures, single materiality, and double materiality, and we are reminded again that are very important matters for discussion. Do you have any advice regarding how we as financial institutions and businesses should adapt and move forward with information disclosure?

IKEDA Regarding information disclosure, merely following global trends is not enough. Financial institutions must look further ahead. We should take into account certain types of public interest and sustainability. When we talk about the public interest in Japan, we tend to focus on entities close to the company, mainly business partners and employees. However, in the future, we will need to talk about public interest and sustainability on a global scale. Put differently, we must implement initiatives that enrich humanity, while also reducing our ecological footprint. I think it is vital to discuss how we disclose these initiatives to ensure they are understood by our stakeholders. We also expect that the development of disclosure standards will continue, a wide range of sustainability issues. I think that the Norinchukin Bank should consider contributing to these efforts.

YUDA The Bank has set a goal of 10 trillion yen in sustainable finance by 2030. This is a significant goal, but substance and quality are also important. Some areas are still in flux, such as the debate on disclosure. I think that it is important to not only keep pace with global trends, but also ask ourselves what will be important in the future, linking these matters to our investment behavior.

IKEDA The first thing we must consider is how to incorporate elements of sustainability effectively into our investment and lending framework. If we incorporate these elements, we must identify how these elements will impact the value of investment and lending, as well as what information to collect and use in evaluating that impact. Regardless of the amount of information collected, investment and finance decisions are ultimately judgment-based



in the end. We can improve the quality of investment and finance decisions by establishing a knowledge base of sustainability factors and developing human resources. Even if the results are not immediate, we should see impactful changes in ten years.

WAKUI Environmental and social issues, or hot spots, such as biodiversity, hunger, and poverty are of particular concern. I think we should use investment and finance that addresses these hot spots directly. Doing so will help us understand how these topics affect society. Naturally, investment and finance in these fields comes with its own risks, so we must ensure some way to follow through. Monitoring these hot spots and reporting results globally on an ongoing basis should give us an advantage when it comes to the process of making rules. I think that the Norinchukin Bank, as an institutional investor, should participate in international discussions about sustainability. Japanese people tend to follow rules, but can show apathy in the rule-creation process. It is important that we commit to this rule-making process.



ITO When financial institutions try to improve the practice of sustainable finance and the quality of their engagement with companies, there is a limit to the amount of risk assets they can use. This could result in unintended divestments. During transitional periods, certain national policies or transitional measures may be necessary. What is your opinion about how changes to the industrial structure should proceed?

IKEDA One solution to the issue you pointed out is transition finance. The final determination on investment and financing hinges upon whether companies with a large carbon footprint can create a transitional roadmap toward something consistent with 2050 carbon-neutrality targets by combining existing low-carbon technologies and technological innovations.

There will of course be in place policies to support initiatives by companies to create roadmaps charting a course consistent with carbon neutrality. I think the role of Japanese financial institutions is to use these initiatives and to finance such companies to aid in

making these changes. As you touched on when talking about risk assets, encouraging a shift in investment and finance clients will lead to reductions in risk. While divestments may lower portfolio risk in the short term, divestments do not reduce the environmental and social risks themselves. These risks may have a negative impact on the portfolio at some point.



KITABAYASHI In France, farmers raise cows suited to the terrain, and farmers make cheeses using local bacteria. Many consumers with whom these values resonate purchase these cheeses, even if they are a little more expensive. When reflecting on how to promote this type of food culture in Japan, what changes must occur, including changes in consumer behavior?

WAKUI In France, the concept of terroir in the world of wine is well known. Terroir is the flavor of the land. Japan already has an established culture of enjoying foods only available in certain areas. Japan's *Michi-no-Eki* (Roadside Stations) are a perfect example of this. When people serve food to their families, many use ingredients offering peace of mind and safety, even if these ingredients cost more. We need to understand how the actions of every one of us impact the environment. We need to push steadily toward changing our activities on an individual level.

KAWAMOTO You mentioned the significance of the multifaceted value of the AFF industries. However, I don't think the general public is fully aware of this value. Do you have any effective approaches or ideas to encourage more people to understand and resonate with this sense of value?



WAKUI Creativity is important. We need to understand that the biodiversity created from the AFF industries is not merely forms of life, but also diversity of cultures. It is important to think about what we can create. One example is a

business started to grow *warabi* bracken in areas previously deforested and neglected. Changing our outlook may well provide business opportunities in this space that had been overlooked in the past.

IKEDA From a financial perspective, financial institutions have an incentive to engage in investment activities that contribute to solving the environmental and social problems that form the basis of these investments and loans to protect the value of the entire investment and lending portfolio. The Norinchukin Bank is an institutional investor with based in the AFF industries. In the context of increasing the value in this space, the Bank can play a role by using financing to solve environmental and social issues.



Summary of Dialogue: OKU Kazuto, President and Chief Executive Officer



Thank you all for today's very worthwhile discussions.

The Norinchukin Bank has defined our Purpose, and we have set the Medium/Long-Term Goals to achieve this purpose by the year 2030. One goal is to be carbon-free. Another is to increase the income of people engaged in the AFF industries. At present, we are still in discussions as to how to define some of these goals and how to put them into practice specifically. Today's thought-provoking talks and the opinions expressed will be factored into future discussions because we are in the practical phase. I want to incorporate the following three points in particular.

- ① How to achieve coexistence with nature? In particular, how we should approach and work on food culture and biodiversity in solving issues?
- ② Initiatives should be tailored to the characteristics of each space, such as mountainous or urban areas. Given these characteristics, we should consider initiatives for the public good, such as carbon free and disaster prevention, as well as initiatives to attract people back to sparsely populated areas.
- ③ How do we confront sustainability as a financial institution and investor? How do we create impact through not only risk and return, but also through an awareness of time horizon? I want to return to our Purpose and think about what we can achieve through finance.

Although we have just finished setting goals, we intend to confront these challenges proactively. I welcome your continued guidance and support.

Contribution for Mitigation and Adaption to Climate Change

The AFF industries are the foundation of the Norinchukin Bank. These industries are prone to incur the negative impact of climate change and, at the same time, have the potential to amplify climate change.

Our response to climate change contributes to the development of the AFF industries, which is the mission of the Norinchukin Bank. We pursue efforts to mitigate and adapt to climate change through our business activities, focusing on climate-related opportunities and risk management. As part of our efforts, the Bank expressed our support in 2019 for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB). We are addressing the impact and risks of climate change on our business in an appropriate manner, engaging in initiatives, and enhancing our disclosures based on the TCFD recommendations. In FY2020, we conducted sector-specific qualitative assessments of climate-related risks and quantitative assessments using scenario analyses of the transition risks from climate change for the electric utilities, oil-gas-coal, food and agriculture, and beverages sectors.

Governance for Addressing Climate Change

The Norinchukin Bank holds regular meetings of our Sustainability Committee (under the board of directors) to discuss policies addressing environmental and social issues, including climate change, and the status of our initiatives. The outcomes of the Sustainability Committee meetings are reported to the board of directors and the Supervisory Committee as needed. In FY2020, we reported on how we plan to extend our Environmental Policy (Core Principles toward solving environmental issues) to group companies, as well as how we manage environmental and social risks, including matured operation of our Investment and Financing Sector Policy. Our reporting also referenced the status of project financing aligned with the Equator Principles.

Climate-related Opportunities

Climate change is a future risk. At the same time, we can find business opportunities in mitigating and adapting to this climate risk. One example is the potential for shifting electricity to renewable energy. The shift from conventional thermal power to offshore wind and solar power generation will lead to corporate capital investment and lending and investment opportunities for the Bank. This is one way in which we can support the transition to a decarbonized society through financing services.

Initiatives through sustainable financing

We support the initiatives of our investment and finance clients for climate change issues through sustainable financing.

- Project finance for overseas offshore wind power projects → P43
- Sustainability-linked loans to promote environmentally friendly buildings → P27

Initiatives for ensuring the sustainability of forests and the forestry industry

We are engaged in various initiatives to sustain and revitalize the forest function to absorb carbon dioxide. → P38



Solar sharing initiative

We contribute to local community revitalization through solar sharing (agricultural photovoltaic power generation) and the use of idle land by partnering with renewable energy power generation equipment manufacturers and distributors. → P28



Impact Analysis of Climate-Related Risk

Climate-related risks commonly comprise two main risk drivers: transition risk and physical risk. Transition risk refers to the risk that occurs in transitioning to a society with low greenhouse gas emissions (a low-carbon society). For example, the introduction of a carbon tax levied on greenhouse gas emissions could lead to a negative financial impact on investment and financing clients that have high emissions. This

in turn could result in credit costs for financial institutions. We have conducted an analysis of this risk, providing disclosure of the details of our analysis. Physical risk refers to the risk of increased damage due to disasters stemming from climate change (floods, etc.). The Bank is founded in the AFF industries. Accordingly, we understand the importance of physical risk, and we have initiated analyses on physical risk in addition to transition risk.

Risks posed to the Bank by climate change

Risk	Classification	Major Risks	Time Frame
Transition risk	Policy and Legal Risk Technology Risk Market Risk	<ul style="list-style-type: none"> • Increase in credit costs due to the impact of regulatory measures aimed at achieving the 2°C target in the business models and performance of investment and financing clients • Increase in credit costs due to changes in the supply-demand relationship for products and services, as well as changes in corporate performance, as the market becomes more decarbonization-oriented 	Medium- to long-term
	Policy	<ul style="list-style-type: none"> • Changes in regulations in response to growing international concern regarding climate change 	Short-term
	Reputation Risk	<ul style="list-style-type: none"> • Risk of inadequate climate change efforts and information disclosure 	Short-term
Physical risk	Acute Risk Chronic Risk	<ul style="list-style-type: none"> • Downturn resulting from stagnating investment and financing client businesses due to natural disasters such as typhoons and torrential rains, as well as increasing credit costs resulting from damage to collateral value of real estate and other assets • Risk that climate change will affect land use, productivity of primary sector of the economy, etc. • Impact on business continuity due to damage to the Bank's assets caused by extreme weather 	Short-, Medium-, and Long-Term

Climate-Related Risk Assessment by Sector

The impact of climate change will become even more apparent over the medium- to long-term, and said impact will vary depending on the sector in which our investment and financing clients operate.

Therefore, we evaluated where and when transition and physical risks would occur, targeting sectors and other areas defined by the TCFD recommendations. The manifestation of risks associated with climate change is caused by various external factors, environments, and transmission channels. We created the heatmap below after identifying these risks and factors. The heatmap shows (in chronological order) the impact of these risks on the sectors in which the Bank has most financial exposure. Our analysis also reflects the effects of climate change affect at different times according to region, geographic conditions, and jurisdictions. As one example, transition risks in the EU are expected to manifest early due to environmental regulations being adopted ahead of the rest of the world.

Assessment of transition risks *1



*1 Transition risks are assessed based on a 2°C scenario in which policy measures mitigate climate change, while physical risks are assessed based on a 4°C scenario in which global warming advances.

Sector	2030			2040			2050		
	Japan	EU	US	Japan	EU	US	Japan	EU	US
Electric utilities	Low	High	High	High	High	High	High	High	High
Oil-gas-coal	Low	Low	Low	Low	Low	Low	High	High	High
Chemical	Low	Low	Low	Low	Low	Low	High	High	Low
Metal and mining	Low	Low	Low	Low	Low	Low	High	High	Low
Food and agriculture	Low	Low	Low	Low	Low	Low	Low	Low	Low
Beverages	Low	Low	Low	Low	Low	Low	Low	Low	Low
Railroad	Low	Low	Low	Low	Low	Low	Low	Low	Low
Land transport	Low	Low	Low	Low	Low	Low	Low	Low	Low
Marine transport	Low	Low	Low	Low	Low	Low	Low	Low	Low

Physical risk assessment *1

Sector	2030			2040			2050		
	Japan	EU	US	Japan	EU	US	Japan	EU	US
Chemical	Low	Low	Low	High	Low	Low	High	Low	Low
Real estate management and development	Low	Low	Low	High	Low	Low	High	Low	Low
Real estate-related finance	Low	Low	Low	High	Low	Low	High	Low	Low
Insurance	Low	Low	Low	High	Low	Low	High	Low	Low
Paper and forest products	Low	Low	Low	Low	Low	Low	Low	Low	Low
Food and agriculture	Low	Low	Low	Low	Low	Low	Low	Low	Low
Beverages	Low	Low	Low	Low	Low	Low	Low	Low	Low
Metal and mining	Low	Low	Low	Low	Low	Low	Low	Low	Low
Electricity	Low	Low	Low	Low	Low	Low	Low	Low	Low
Oil-gas-coal	Low	Low	Low	Low	Low	Low	Low	Low	Low
Railroad	Low	Low	Low	Low	Low	Low	Low	Low	Low

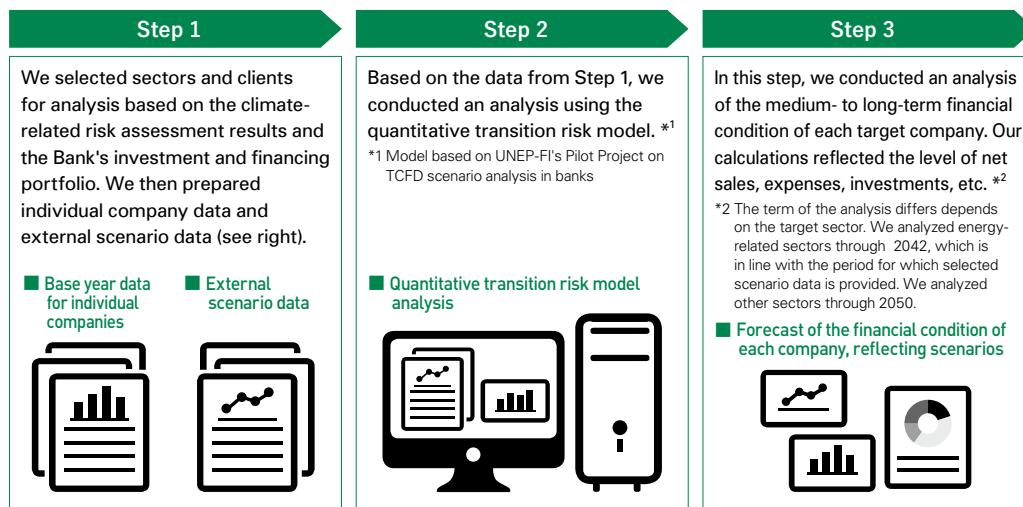
Impact Analysis of Climate-Related Risk (Scenario Analysis)

We conduct scenario analyses to understand the impact of climate-related risks on our credit portfolio and finances. Our target sectors for transition risk analysis consist of the electric utilities and oil-gas-coal sectors. Our evaluations on the left side of the chart indicate these sectors as having high climate-related risks, as do the food and agriculture and beverages sectors, which form the food and agricultural value chains. Through scenario analysis for these sectors, we evaluated the medium- to long-term changes in credit costs caused by the progress of decarbonization.

We used the scenarios published by the representative International Energy Agency (IEA) and the Food and Agriculture Organization of the United Nations (FAO). Our analysis was based on the method published by the pilot project led by the United Nations Environment Program Finance Initiative (UNEP FI) with the objective of discussing and developing methods for climate-related financial information disclosure in the banking industry.

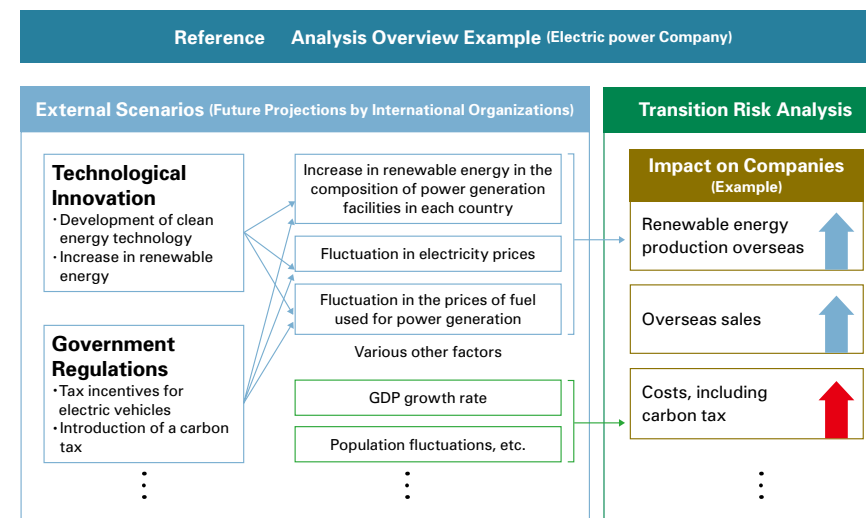
Special Feature: Transition Scenario Analysis

Transition Scenario Analysis Overview



Methodology for Transition Risk Scenario Analysis

- Based on the results of our qualitative assessment of climate-related risks, we selected the electric utilities, the oil-gas-coal, food and agriculture, and beverage sectors as targets for transition risk scenario analysis. The electric utilities and oil-gas-coal sectors have been identified in the final TCFD report and Sustainability Accounting Standards Board (SASB) as sectors with high carbon emissions and that are highly vulnerable to transition risks. Hence we believe our selection of companies for scenario analysis was compliance with these international initiatives and global standards. We selected the food and agriculture and beverages sectors based on the results of our climate change qualitative assessment, as well as the fact that these two sectors form the foundation of the Bank. Given our investment and financing portfolio, the analysis covers not only domestic and overseas lending clients, but also our investment clients in corporate bonds.
- Our analysis of the electric utilities and oil-gas-coal sectors incorporates various forecast data from the IEA World Energy Outlook, which is widely used internationally including Japan. The future scenarios we referenced include the Sustainable Development Scenario (SDS = 2°C scenario), which incorporates measures consistent with achieving the 2°C target of the Paris Agreement, and the Stated Policy Scenario (STEPS = 4°C scenario), which incorporates currently announced policies and targets. We predicted the impact on Bank investments and loans, while also analyzing the increase or decrease in credit costs. We formed our predictions by combining the Dynamic approach, in which companies make new capital investments in response to climate change, and the Static approach, in which companies do not make additional capital investments in response to climate change.
- For the food and agriculture and beverage sectors, we used FAO forecast data and future scenarios: towards sustainability scenario (TSS = 2°C scenario in which changes are made proactively to establish sustainable food and agriculture systems), and business as usual scenario (BAU = 4°C scenario in which past trends and policy directions are maintained). Using the same approach as with the electric utilities and oil-gas-coal sectors, we examined the impact on the Bank's credit portfolio, including the impact on our investment and financing clients.



Analysis Target	Selection Scenario
Energy (electric utilities, oil-gas-coal)	IEA World Energy Outlook 2019 – SDS, STEPS •SDS stands for Sustainable Development Scenario, and corresponds to the 2°C scenario •STEPS stands for Stated Policies Scenario, and corresponds to the 4°C scenario
Food and agriculture, beverages	FAO Food and agriculture projections to 2050 – TSS, BAU •TSS stands for Towards Sustainability, and corresponds to the 2°C scenario •BAU stands for Business as Usual, and corresponds to the 4°C scenario

Four-Way Scenario Analysis

	Dynamic Approach (an approach reflecting new capital investments in response to market demand)	Static Approach (an approach reflecting the status quo without additional capital investment)
4°C Scenario (a scenario reflecting only established policies that have already been formulated)	4°C Scenario × Dynamic	4°C Scenario × Static
2°C Scenario (a scenario reflecting measures necessary to achieve the 2°C target of the Paris Agreement)	2°C Scenario × Dynamic	2°C Scenario × Static

Special Feature: Transition Scenario Analysis

Transition Risk Scenario Analysis Results

● Electric utilities and Oil-Gas-Coal Sectors

The Static approach increased credit costs by approximately 4 billion yen per fiscal year, while the Dynamic approach did not incur any additional credit costs. Looking at the trends for each of our investment and finance clients, we identified the financial impact stemming from stranded assets in power generation facilities due to the spread of renewable energy and the cost of carbon tax. These trends were notable for power companies in particular, which reflect the high ratio of thermal power generation. On the other hand, electric power companies expanding their business in Asia and other regions are capturing climate change as an opportunity. These entities are trending toward increased profits through capital investment in renewable energy and low-carbon technologies.

● Food and Agriculture, and Beverages Sectors

In both the Dynamic and Static approaches, the credit cost increased by approximately 1 billion yen per fiscal year. Looking at the medium- to long-term changes in our investment and financing clients based on the scenarios, we recognized the negative impact of a changing market in Japan and other countries. This market change included a decrease in meat consumption due to changes in dietary habits, stemming from a growing consumer sentiment of sustainability. In contrast, companies with operations overseas in Asia and other regions showed a positive trend. Increased demand due to population growth and economic growth supported earnings.

● Impact on Credit Portfolio

The total impact of transition risk in the two aforementioned sectors could result in increases of the credit cost by approximately 1 billion yen to 5 billion yen per fiscal year through 2042 (the range is due to the difference between the Dynamic and Static approaches). Thus, the impact on our credit portfolio is deemed to be limited.

Using Analysis Results

- Based on the results of the transition risk analysis, we initiated engagement (constructive dialogue) on climate-related issues with our investment and financing clients in sectors where we identified a relatively large impact. By sharing an awareness of the issues with our investment and financing clients, we will strengthen our efforts to address climate change together and work toward creating a low-carbon and decarbonized society.
- As the transition to a low-carbon society progresses, the Bank will continue to support the efforts of our investment and financing clients to increase their resilience to climate change. Our support will include promoting ESG loans.

Detailed Results of Transition Risk Scenario Analysis for the Food, Agriculture, and Beverage Sectors

(1) Overview of the Assumed FAO Scenario

4°C Scenario	2°C Scenario
<ul style="list-style-type: none"> ● A scenario assuming that only fixed policies currently in effect will be implemented ● Despite the efforts of many countries, food and agriculture issues remain unresolved. 	<ul style="list-style-type: none"> ● A scenario in which universal and sustainable access to safe and nutritious food is achieved in a way that is sustainable for the environment. ● A state in which proactive change is implemented toward a more sustainable food and agricultural system.

(2) Analysis Results by Region, Scenario, and Approach

Region	Dynamic		Static
	4°C Scenario	2°C Scenario	4°C / Common to both 4°C and 2°C Scenarios
High-income countries (including Japan)	<ul style="list-style-type: none"> · Likely increase of corporate earnings due to robust economic growth. · Maintenance of existing food culture 	<ul style="list-style-type: none"> · Decreasing demand for animal-based foods due to a greater awareness of sustainability; increasing demand for vegetable and fruit-based foods 	<ul style="list-style-type: none"> · Limited increase in earnings as production volume remains unchanged due to lack of capital investment to meet increased demand
Low- and middle-income countries	<ul style="list-style-type: none"> · Continued increase in demand for grains and other products due to population growth 	<ul style="list-style-type: none"> · Higher economic growth compared to the 4°C scenario, and increased demand for animal products due to more diverse diets in line with higher income levels 	

(3) Post-Analysis Considerations

In both the 4°C and 2°C scenarios, the demand for food on a global level will increase due to global population growth and other factors. This demand will lead to increased production and increased profits. In the 2°C scenario, significant economic growth is expected in low- and middle-income countries experiencing large population growth. Demand for food grows more than under the 4°C scenario. Therefore, companies with global operations increase their profits under both scenarios, while the results for companies operating in specific regions vary depending on the characteristics of those regions. Companies that produce mainly in Japan, where the population is expected to decline, have already been impacted by a decrease in animal product consumption and an increase in vegetable and fruit plant product consumption stemming from greater consumer sentiment of sustainability.

Our scenario analysis also confirmed that, in addition to regional characteristics, the products handled and business structure (e.g., upstream versus downstream) are influential factors. We will continue to work on expanding the number of sectors we analyze and refining our analysis methodology.

Addressing Physical Risk Scenario Analysis

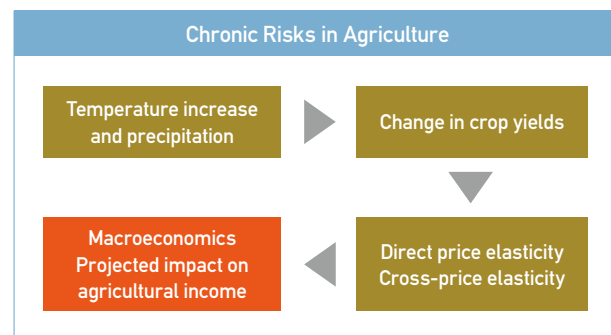
We began physical risk scenario analysis of physical risks in Japan, which we determined to be a high-risk region based on sector risk assessments associated with climate change, as discussed above.

Here, our first step was to analyze flood damage, which has been significant in recent years in Japan. We then estimated the potential maximum amount of damage based on hazard maps, the location of the company, and other factors. Based on this analysis, we estimated the resulting credit cost. We are also taking on the challenge of analyzing the impact on the agricultural sector, which is important to the Bank, as we are founded on the AFF industries.

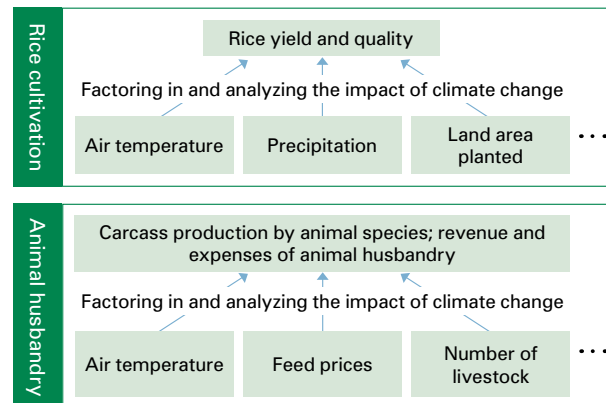
There are two types of physical risks, defined as acute risks and chronic risks*1. We will develop an analytical approach that considers chronic risks that have more serious consequences for agriculture, while we will also conduct a multifaceted study of specific applications leveraging our analytical results.

We intend to disclose our results to the public some time on and after FY2022.

*1 Acute risk refers to a risk arising directly from an event such as a natural disaster. Chronic risk refers to a risk of an ongoing problem caused by long-term changes, such as changes in rainfall or temperature.



Conceptual Approach



Managing Climate-Related Risks

We adopted and implemented an environmental and social risk management (ESRM) framework centered on investment and financing sector policy. This framework helps us manage environmental and social risks, including climate change, in investment and financing.

In 2019, we established the Environmental Policy and Human Rights Policy as a basic policy to solve environmental and social issues.

In addition, as part of our investment and financing sector policy, we established environmental and social policies for investment and financing in sectors causing concern about negative environmental and social impacts. These sectors include coal-fired thermal power use, coal mining, palm oil extraction, and impact on forests.

We conduct due diligence on large-scale development projects based on the Equator Principles.

→ Initiatives to Manage Environmental and Social Risks P29

Metrics and targets

- Reducing CO₂ Emissions Through Business Activities
We are engaged in understanding greenhouse gas emissions, striving to reduce the environmental burden through our business activities. In FY2019, we deactivated certain backup system terminals in connection with system migration. This is the main reason for the reduction in electricity consumption (decrease in Scope 2) compared to the previous year. We will continue to engage in energy and resource saving efforts.

(Units: tCO₂)

Item Measured		FY2018	FY2019
Scope1	Direct emissions	2,063	2,045
Scope2	Indirect emissions	25,247	20,104
Scope3	Other indirect emissions		
	3 Fuel- and Energy-related activities	934	839
	6 Business travel	455	455
Total		28,699	23,443

(Note) Applies to domestic head and branch offices.

- Setting the Medium/Long-Term Goals FY2030
We have set the Medium/Long-Term Goals FY2030 to reduce GHG emissions by 50% (compared to 2013 levels) from the Norinchukin Bank's investment and finance clients. As part of this process, we investigate the measurements described under Scope 3 Category 15 (investment).

→ Medium/Long-Term Goals P10

Carbon-related assets (as of end of March 2021) *2

Sector	Total share of portfolio
Energy	1.9%
Utilities	2.4%
Total	4.3%

Financed amount: 21.8 trillion yen (as of end of March 2021)

*2 Financed assets excluding the financed assets for renewable power generation, etc. from the financed assets that belong to the energy and utilities sectors based on the TCFD recommendations are defined as carbon-related assets.

Initiatives Against COVID-19

A sharp decline of demand due to COVID-19 has greatly affected the management foundation of the AFF industries. As a member of JA Bank and JF Marine Bank, the Bank is working to provide smooth financing through a variety of support options to ensure sustainability of the AFF industries and to secure their stable management foundations.

Financial Support

The Bank provides support to customers affected by the outbreak of COVID-19 through our COVID-19 Emergency Fund.

Fund Name	COVID-19 Emergency Fund
Eligible Recipients	Corporations operating in the AFF industries that have been directly or indirectly harmed by the spread of COVID-19
Funds Usage	Working capital, stopgap funds, etc.
Amount of Lending	Maximum ¥50 million
ending Period	Maximum 1 year
Lending Interest Rate	Fixed rate

*Damage status and other circumstances may be checked separately. In addition, loans require a prescribed screening; loan requests may not be able to be fulfilled depending on the results of this screening. Please contact your nearest Norinchukin branch for details.

In addition, we provide support to agricultural corporations through equity investment to stabilize their finances.

Eligible Recipients	Corporations operating in the AFF industries that have been directly or indirectly harmed by the spread of COVID-19
Maximum Investment	Amount ¥30 million (up to ¥100 million if conditions met)
Investment Period	Maximum 15 years
New Investment Deadline	January 2023
Consultation Locations	JA, Shinnoren, Norinchukin Bank

*In this scheme, Agribusiness Investment & Consultation Co., Ltd., established through joint investment from the Japan Finance Corporation and JA Group, invests in agricultural corporations that meet certain conditions.

*Damage status and other circumstances may be checked separately. In addition, investments require a prescribed screening conducted by Agribusiness Investment & Consultation Co., Ltd.; investment requests may not be able to be fulfilled depending on the results of this screening. Please contact your nearest JA Bank for details.

Non-Financial Support

To maintain the local AFF industry infrastructure, we work with the JA Group, the JF Group, the JForest Group, and our members to provide support for producers, members, and customers of these industries that have been affected by the COVID-19 pandemic.

Forests and Forestry Industry Support Project - Products connecting Forest and Life

The spread of COVID-19 has caused a decline in housing projects and other factors that have reduced the demand for wood.

To promote a greater consumer understanding of forests and forestry, as well as to stimulate demand for wood, we produced a wood smartphone stand in cooperation with the National Federation of Forestry Cooperatives.

The smartphone stand is made of lumber produced in Oguni Town, Kumamoto Prefecture, which was damaged by torrential rains in July 2020. The stand is jointly manufactured by the Kumamoto Prefecture Forestry Cooperative and the Oguni Town Forestry Cooperative. To promote understanding of the forestry industry, we included a picture of the prefecture's mascot, Kumamon, wearing a safety uniform and holding a chainsaw, on the smartphone stand.

Smartphone stand distribution events were held at LaLaport Toyosu and COREDO Nihonbashi in Tokyo. Visitors included families looking to buy a home and office workers working in urban areas.



Fishery Support Project - Fishermen Support Project

Restaurants and hotels have been forced to close or shorten business hours, which severely damaged demand for domestic marine products. In response, and to convey the appeal of marine products to consumers and stimulate demand, we launched the Fishermen Support Project in Tokyo and Osaka in cooperation with the National Federation of Fisheries Cooperative Associations. In Osaka, we developed collaborative menus with restaurants in business districts. Menus featured limited-time seasonal marine products. We also partnered with radio station FM Osaka to introduce ways to enjoy marine products at home, including the e-commerce site GyoGyolchi operated by the National Federation of Fisheries Cooperative Associations.



Actions at JA Bank and JF Marine Bank

Within the JA Bank (JA/Shinnoren/the Bank) and the JF Marine Bank (JF/Shingyoren/the Bank), branches offer consultations about lending and other services for customers who have been affected by the spread of COVID-19.

If customers are unable to find support at their usual branch, they are asked to use the contact information provided below.

JA Bank Disaster Consultation Line

<https://www.nochubank.or.jp/consult/urgency/jabank.html>

JF Marine Bank Disaster Consultation Line

<https://www.nochubank.or.jp/consult/urgency/jfmarinebank.html>

Solving Environmental and Social Issues Through Sustainable Finance

The Norinchukin Bank Sustainable Finance Goals

As a member of cooperative organizations supporting the industries, the Norinchukin Bank understands that our businesses are part of the life and natural environment sustained through these industries. We pursue sustainability management, including support for the SDGs, to solve environmental and social issues, pursuing sustainability

in society (including the AFF industries) and our business activities.

Our main contribution to this goal is through finance. We approach sustainable finance through the dual aspects of securing business opportunities and engaging in risk management.

In addition to credit decisions based on traditional finance risk, the Norinchukin Bank has also adopted the ESG Integration framework. We use this framework not only for internal controls, but also as a tool to engage in dialogue with our business partners.

Secure Business Opportunities

Sustainable Finance → P26 · 27

We conduct investment and financing activities to generate profit and to contribute to the development of sustainable environments and societies, and to the growth of the AFF industries.

FY2020 New finance Roughly **¥600 billion** Held balance at end March 2021 Roughly **¥2.4 trillion** 2030 medium/long-term goals New finance **¥10 trillion**

Our sustainable finance refers to the following:

- Investment and finance
 - Sustainability linked loans, green loans, social loans, sustainability loans
 - Investment and lending to companies with ESG-related certification, and authorized investment and lending
 - Other investment and lending for the resolution of environmental and social issues
- Funding
 - Sustainability related funding

JA Bank Efforts Toward Renewable Energy Demand → P28

ESG Integration → P26 · 29

We are striving to build a decision-making process for investment and finance decisions that integrates a recognition of environmental and social risk into credit decisions based on the traditional financial risk evaluation process.

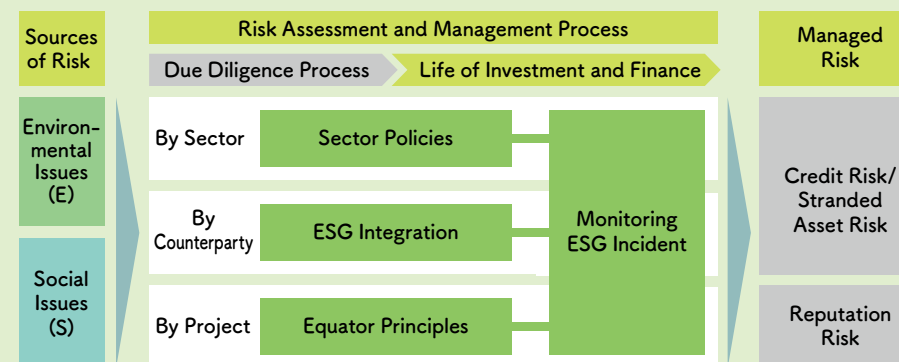
This framework is a tool not only for internal controls, but also for engaging in dialogue with customers based on non-financial information.

Risk Management

Environmental and Social Risk Management (ESRM) → P29

We have built an ESRM framework to assess and manage environmental risks and social risks prior to making investment and financing decisions for individual customers and projects.

■ The ESRM Framework



Initiatives to Turn Solutions for Environmental and Social Issues Into Business Opportunities

Sustainable Finance

At the Norinchukin Bank, we have set as Medium/Long-Term Goals the amount of ¥10 trillion in new finance provided by 2030.

To date, of our approximately ¥60.7 trillion in market assets, we have allocated ¥2.4 trillion to sustainable investment and financing. (as of end March 2021)

2030
Sustainable Finance Transaction Target
¥10 trillion

ESG Integration

We incorporate ESG integration into our investment and finance projects assessment as part of environmental and social risk management (→P.29). Our investment decisions are based on a comprehensive evaluation integrating financial analysis and ESG assessment related to the customer. By engaging in dialogue with our customer throughout this process, we learn of their concerns and issues. In so doing, we support our customer's sustainability initiatives and create new business opportunities.

Topics

Investing in Sustainable Development Bonds

In FY2020, we invested around ¥200 billion in sustainable development bonds issued by the World Bank (officially known as the International Bank for Reconstruction and Development) for a total of around ¥500 billion.

Investment in these bonds is a tailored initiative that started from FY2019 in partnership with the World Bank, with the aim to solve food loss issues (thus reduce climate change) and the sustainable development of AFF industries.

We have been discussing with the World Bank the current status of SDG-related issues, and ways in which environmental and social impact can be measured.

Additionally, in October 2020, at the "Dai Maru Yu SDGs ACT5" workshop themed around ESG financing × food losses, an event was held that introduced in a dialog format the role of financing in achieving SDGs, as well as component initiatives which both parties were cooperating on.



Dialog with Yoshiyuki Arima, Japan Representative, World Bank Treasury; Keito Shimbu, Representative Director, the Norinchukin Bank (present President & Chief Executive Officer at JA Mitsui Leasing Ltd.)

From the
Front Lines



Vice President

**SAKURAGI
Takamichi**

With the common language of sustainability, we as investors, as well as investees and governments starting to head in the same direction. Through the practice of ESG investment and finance, we are now able to pay more attention to partners with whom it was formerly difficult to imagine collaborating, and to areas without coverage. This has led to not only increased our investment opportunities, but also heightened potential for us to contribute to sustainability.

Investing in the World Bank's sustainable development bonds has provided an opportunity for the bank to be recognized as an ESG investor, and the Bank's track record in ESG investing has also increased understanding within the Bank. Even after investing, we have continued to communicate with the World Bank, and exchanged information regarding how these funds are utilized and their quantitative impact, thus improving our own understanding.

Currently, the Global Investments Division holds weekly "sustainability brainstorming sessions" in order that we can all work towards the same goal when it comes to sustainable finance. I feel that having employees hold discussions on a wide range of themes while not constrained by job titles or responsibilities means that they are all on the same path, and that they can proactively face up to challenges in new fields.

Creation of Sustainability Linked Loans and Other ESG Loan Products

We began handling sustainability linked loans in May 2020. Here, our objective is to support our customers to advance their initiatives for solving the environmental and social issues from a strategic approach. At the same time, we support medium- and long-term corporate value of our customers. This product involves Sustainability Performance Targets (SPTs) reflecting sustainability goals based on customer business strategy. Linking loan conditions with progress toward achieving SPTs motivates customers to achieve their goals. Furthermore, in April 2021, we launched loan products with restrictions on how funds are used and compliant with Green Loan Principles — green loans (for environmentally friendly businesses), social loans (for socially friendly businesses), and sustainability loans (for environmentally and socially friendly businesses). Use of these ESG loan products aims to support the sustainable business activities and growth of our customers in terms of the environment and society in accordance with customers' financing and IR strategies.

Product name	Fund usage	
Sustainability Linked Loans	No restrictions (set SPTs)	
Green Loans	Restricted	Environmentally friendly businesses
Social Loans		Socially friendly businesses
Sustainability Loans		Environmentally and socially friendly businesses

Topics

Structure of Sustainability Linked Loans

In January 2021, the Norinchukin Bank launched a sustainability-linked loan with the Japan Real Estate Investment Corporation. This is the Bank's second such sustainability linked loan after that made to MITSUBISHI ESTATE Co., Ltd. in May 2020. This loan is based upon the targets as set in the Japan Real Estate Investment Corporation's "Sustainability Policy," with CO₂ emissions (2030 target: 35% reduction compared to 2013, per-unit basis) and number of ZEB* certified buildings owned (2030 target: 5) as SPTs. Furthermore, in concluding the loan agreement, we sought a third-party opinion from Japan Credit Rating Agency, Ltd. regarding compliance with the principles of SLL and the rationale behind the SPTs involved. These SPTs were evaluated as to their compliance with the principles of SLL in terms of their ambition and significance. This initiative was selected as a model case by the Ministry of the Environment's "Public Offering for Model Cases in the Model Creation Projects on Sustainability Linked Loans 2020," and we expect this to lead to the spread and acceleration of CO₂ reduction initiatives within the industry, including the move to ZEBs.

*Abbreviation for Net Zero Energy Building



From the Front Lines

Corporate Business
DIV. II
Manager

HARA Yosuke

(Photo, at right)

HATTORI Erina

(Photo, at left)



When compared to general loans, sustainability linked loans have not only the incentive on a interest rate, but are also expected to both appeal to investors and to promote ESG awareness and initiatives within customer's organizations. Because the needs of companies receiving investment and finance are in line with sustainability, I hope we can use financing for support customer's effort. As well as increasing awareness of ZEB certification, we consider this as a foothold in making an positive impact on the real estate industry through measures such as increasing the number of tenants sensitive to ESG, improving property values, and furthering incentives for new ZEB development. Increased social awareness of ESGs will lead to the creation of new business opportunities, and new needs for collaborations with business partners and suppliers. We have participated in Dai Maru Yu SDGs ACT5, an organization promoting activities that beyond individual company in the Otemachi, Marunouchi, and Yurakucho districts of Tokyo, and these activities led to our first deal. Taking advantage of our experience in these initiatives, it is our hope that we can support the creation of new partnerships between companies, and work together in a positive manner to make sustainability a reality.

JA Bank Efforts Toward Renewable Energy Demand

The ratio of renewable energy in Japan's power supply compositions is roughly 18% (as of FY 2019), lower than other developed economies.

At the same time, Japan's Fifth Basic Energy Plan calls for a renewable energy mix of between 22% and 24% by 2030. Therefore, we can expect future government policies and public-private initiatives to support the spread of renewable energy.

JA Bank handles products compatible with solar power generation facilities to encourage members of JA and JF to adopt renewable energy.

Further, we launched a partnership with four renewable energy power construction and sales companies in 2019. Our goal here is to adopt agricultural solar sharing and encourage the effective use of idle land, contributing to higher incomes among members of JA and JF and greater regional revitalization.



Topics

Support for the introduction of agricultural solar sharing

By partnering with renewable energy power generation equipment manufacturers and distributors, we are encouraging members of JA to introduce solar sharing. Our Utsunomiya branch, together with our partners West Energy Solution Inc (West) held an explanatory meeting for JA in Tochigi Prefecture about solar sharing.

JA Shimotsuke also in Tochigi held a promotion session for its members conducted by an agricultural economics liaison officer and a sales representative from West, and JA Ashikaga promoted the spread of solar sharing through explanatory meetings for its local community members. The number of contracts in the prefecture has thus increased to 73 as of April 2021.

While leveraging the strengths of JA Bank such as providing loan products that can support the introduction of solar sharing, we will contribute to the spread of renewable energy.

From the Front Lines

Loans Promotion Team, Utsunomiya Branch

OIDE Yuta



The agricultural output of Tochigi Prefecture is the 9th highest in Japan, and is rich in nature with around 55% of its land being forested and around 20% as farmland, but the ratio of farmland is seeing a downward trend. Farming is very important in protecting the natural environment, therefore we believe that stabilizing and improving incomes and maintaining farmland by providing farmers with investment and finance as well as solutions is one way in which the Bank can contribute to achieving sustainability.

Introducing solar sharing will help farmland provide a stable income, and help with the utilization of unused farmland.

As well as cooperating with JA and our business partner West in providing support for the initial capital investment as well as a full 20-year guarantee scheme for selling electricity, we are also holding explanatory sessions providing farmers with accurate information about both the upsides and downsides of solar sharing, thus encouraging them to take up this opportunity.

The first solar sharing project started operation in Nikko City in December 2020, and we are seeing a steady uptake in adoption. Looking forward, we would like to take on the challenges of creating production areas for crops produced by solar sharing, and of promoting agricultural production.

Initiatives to Manage Environmental and Social Risks

Aiming to Improve Risk Governance

The extent and importance of environmental and social challenges to be addressed is increasing in practicing sustainable finance. It is essential for us to evaluate and consider environmental and social risks when considering whether to provide financing or investment to clients or projects. Under our Environmental and Social Risk Management (ESRM) framework, the front line department assesses environmental and social risks, and the risk management department exercises the monitoring and checking function. In addition, an internal escalation process for decision making at the management level on an as needed basis is established.

We will work on advancing the sophistication of our ESRM framework in a phased manner, aiming to incorporate the framework into integrated risk management.

From the Front Lines

Risk Management Division
SATO Kotaro



Under the ESRM framework, we are working to avoid or mitigate stranded asset and reputation risks primarily by setting Sector Policies, whilst collaborating with the front line department on ESG integration to work on developing perspectives for evaluating investments and loans by taking ESG factors into account. Through these efforts, we will continue to support the Bank's initiatives regarding sustainable finance.

In response to the TCFD recommendations, although there was little precedent, we conducted scenario analysis of the transition risks from climate change for the food & agriculture and beverages sectors that are closely tied to the Bank's Food and Agriculture Business. We will continue to work towards improvements while considering the materiality for the Bank founded to serve the AFF industries and taking on board the opinions of our stakeholders.

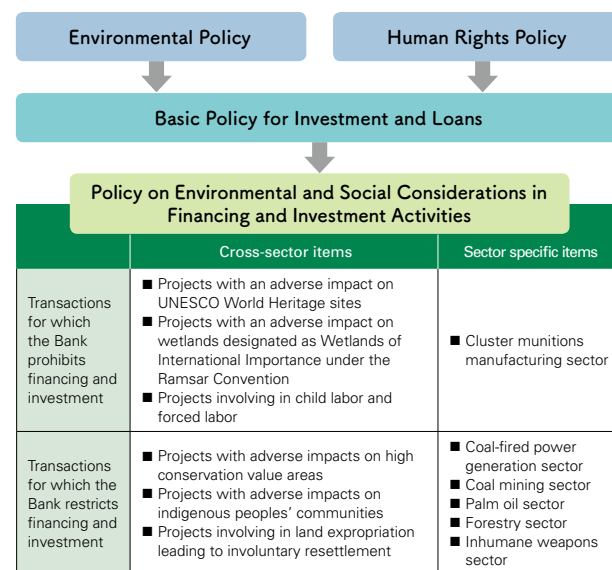
Specific ESRM Initiatives of the Norinchukin Bank

The Norinchukin Bank established our Environmental Policy and Human Rights Policy in 2019 as basic policies to resolve environmental and social issues. Based on these policies, we engage in appropriate risk management according to priority for topics and sectors recognized as having strong potential for significant adverse impacts on the environment and society.

Sector Policies

The Norinchukin Bank has formulated policies on environmental and social considerations in providing financing or investment for businesses that may have significant adverse impacts on the environment and society. We will continue to revise these policies as needed, considering domestic and international trends regarding initiatives to address social and environmental issues, as well as the

Policy on Environmental and Social Considerations in Financing and Investment Activities



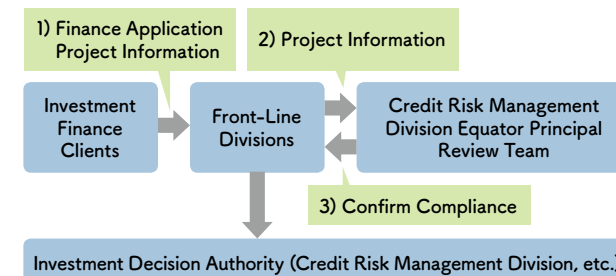
expectations from our stakeholders and points of view of them. (see page 30 for details).

ESG integration in risk management

The risk management department evaluates environmental and social risks for financing and investment and serves as a second line to support ESG integration conducted by the front line department.

Equator Principles

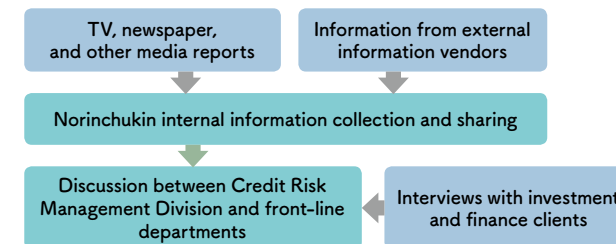
We confirm compliance with the Equator Principles and monitor compliance with the covenants.



Responding to environmental and social incidents

By periodically monitoring environmental and social incident information*1 of our clients, we can take action to avoid the reputation risk or credit risk caused by environmental and social risks.

*1 Information on corporate and business activities and related events that may have serious impact on the environment or society.



Revision of the Policy on Environmental and Social Considerations in Financing and Investment Activities

1. Positioning of the Policy

The Policy has been formulated to set out the Bank's policy on environmental and social considerations in financing and investment activities based on the Environmental Policy and the Human Rights Policy, which clarify our fundamental approach to resolving environmental issues and respecting human rights.

2. Transactions Subject to the Policy

The Policy applies to all financing and investment activities that we will provide for our clients.

3. Details of the Policy

Taking into consideration severity and nature of impacts on the environment and society, we have established the "Transactions for which the Bank prohibits financing and investment" and "Transactions for which the Bank restricts financing and investment" as follows. Each of the transaction categories is further classified into "Cross-sector items" and "Sector specific items" to organize the contents of the Policy. We will not provide financing or investment to any transactions listed in the "Transactions for which the Bank prohibits financing and investment." When considering whether to provide financing or investment to any transactions listed in the "Transactions for which the Bank restricts financing and investment," we will confirm the client's response to and consideration for environmental and social issues, and then make cautious decisions on whether to provide financing or investment after discussion at the management level as necessary.

① Transactions for which the Bank prohibits financing and investment

A. Cross-sector items

In recognition of the serious risks to have significant adverse impacts on the environment and society, we refuse to engage in transactions related to the following types of projects:

- Projects with an adverse impact on UNESCO World Heritage sites
- Projects with an adverse impact on wetlands designated as Wetlands of International Importance under the Ramsar Convention
- Projects involving in child labor and forced labor

B. Sector specific items

(A) Cluster munitions manufacturing

Civilian populations have been greatly affected by cluster munitions and are recognized by the international community as inhumane weapons. Based on such recognition, we will not provide financing or investment to any cluster munition manufacturers.

② Transactions for which the Bank restricts financing and investment

A. Cross-sector items

In recognition of the potential to have significant adverse impacts on the environment and society in relation to the following types of projects, we will confirm the client's response to and consideration for environmental and social issues, and then make cautious decisions on whether to provide financing or investment:

- Projects with adverse impacts on high conservation value areas (IUCN Category I-IV)
- Projects with adverse impacts on indigenous peoples' communities
- Projects involving inland expropriation leading to involuntary resettlement

B. Sector specific items

(A) Coal-fired power generation

Coal-fired power generation has a risk of adverse impacts on the environment and society primarily due to the emission of more greenhouse gases compared to other types of power generation.

Based on such recognition, we will not provide financing or investment to any new coal-fired power plants unless it is required to respond to disasters and other emergencies. Meanwhile, we continue to support technologies and initiatives that support the transition to a decarbonized society, such as Carbon Dioxide Capture and Storage technology (CCS), which will contribute to reduction in the emission of greenhouse gases.

(B) Coal mining

With regard to coal mining, we assume a risk of coal becoming stranded assets due to the transition to a low-carbon society. In addition, improper management of coal mining operation may pose a risk of adverse impacts on the environment and society, such

as the occurrence of occupational injuries caused by coal mining accidents, pollution of water systems (rivers and oceans) caused by mining waste, and destruction of ecosystems. We are also aware of the importance of consideration for human rights issues such as infringement of the rights of indigenous peoples and communities, health problems, and forced and child labor. Based on such recognition, we will assess the implementation status of environmental and social considerations by our clients when considering whether to provide financing or investment to clients who operate the coal mining business.

We will not provide financing or investment to coal mining projects in the U.S. Appalachian areas using the mountaintop removal (MTR) method (a type of surface mining), which has severe impacts on the natural environment.

We will not provide financing or investment to thermal coal mining projects.

(C) Palm oil

Palm oil is used in a variety of consumer products, such as chocolate, margarine, snacks and soaps, making it an important ingredient indispensable for people's lives. On the other hand, we recognize that the development of palm plantations may cause conflicts over indigenous land rights; various environmental issues such as forests fires and smoke pollution (haze) caused by the development of peatlands, deforestation of tropical rain forests and slash and burn agriculture, and damage to biodiversity; and human rights issues such as child labor and low wage labor. Based on such recognition, we will assess the implementation status of environmental and social considerations by our clients when considering whether to provide financing or investment to clients who operate the plantation and oil extraction business for palm oil production. In addition, when we provide financing or investment to the palm oil business described above, we will verify whether the client complies with the Bank's policy regarding its intended use of funds and has certified relevant operations according to RSPO (Roundtable on Sustainable Palm Oil). We will examine its action plans to achieve certification when relevant operations are yet to be eligible for the certification.

(D) Forestry

Forests play a significant role in mitigating global warming by absorbing and storing carbon dioxide and are valuable resources that contribute to biodiversity conservation. Deforestation has severe impacts on the global environment. Based on such recognition, we will assess the implementation status of environmental and social considerations by our clients and aim to contribute to environmental conservation. In addition, when we provide financing or investment to clients who are engaged in logging business in emerging countries, we will verify whether the client complies with the Bank's policy regarding its intended use of funds and has certified relevant operations according to internationally recognized certification organizations: Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). We will examine its action plans to achieve certification when relevant operations are yet to be eligible for the certification.

(E) Inhumane weapons

Nuclear weapons, biological and chemical weapons, and anti-personnel mines, which have indiscriminate and serious effects on civilians, are internationally accorded to have entailed risks that cannot be ignored for humanitarian concerns, along with cluster munitions. Based on such recognition, we will not provide financing or investment for the manufacturing of nuclear weapons, biological and chemical weapons, or anti-personnel mines.

4. Review of the Policy

Considering the results of implementation of the Policy and trends in Japan and overseas regarding initiatives to address environmental and social issues, we will regularly review the appropriateness and sufficiency of the Policy at the management level, and then revise the Policy and enhance its implementation as necessary.

5. Education and Training

In order to enhance officers' and employees' knowledge on environmental and social issues, and deepen their understanding of the Environmental Policy and the Human Rights Policy, as well as the Policy, the Bank continuously conducts education and training for all officers and employees. We also ensure that officers and employees will fully comply with the rules and procedures related to the Policy.

6. Stakeholder Communication

We continuously engage in dialogue with stakeholders on a variety of sustainability-related topics, including environmental and social issues handled in the Policy. We believe that those initiatives will be helpful to properly and timely identify environmental and social issues which we must address through the revisions of the Policy to further increase its effectiveness.

Focus Area 1

Creating positive impact on the AFF industries food and local communities

In this focus area, the Norinchukin Bank aims to utilize accumulated knowledge in food and agriculture, conduct investment and lending, build business partnerships, collaborate with stakeholders, and generate new innovation to promote initiatives to contribute to the preservation and development of local communities and the natural environment. Here, we will turn the AFF industries into sustainable growth industries.

Topics		Medium-Term Goals
Topic 1-1	Contribute to sustainable AFF industries	Through initiatives in the Food and Agriculture Business and collaboration with stakeholders, we contribute to the realization of sustainable AFF industries.
Topic 1-2	Contribute to safe and secure food supply	We leverage our organizational knowledge in food and agriculture to contribute to people's rich dietary lifestyles.
Topic 1-3	Contribute to sustainable local communities	We contribute to providing solutions for and supporting sustainable development of local communities across all of Japan, the foundations of the AFF industries.
Topic 1-4	Conserve the natural environment as a foundation of the AFF industries	We contribute to conserving the natural environment, such as soil, forests, rivers, and oceans, which are fundamental for the sustainable development of the AFF industries.
Topic 1-5	Create business innovation	We contribute to the sustainable development of the AFF industries through investments and business alliances that create new technologies and business models.

Major Initiatives

- Provide financial support and solutions to management issues for agricultural, fishery, and forestry organizations
- Collaborate with the Japan Institute of Agricultural Management, which trains next-generation farm operators
- Support the AFF industries and help revitalize industries and help revitalize local communities via the AFF Future Fund, a general incorporated association
- Conduct food and farming education activities
- Support forest rejuvenation through the Wood Solution Network, the Norinchukin Forest Rejuvenation Fund (Nochu Potential Forest Productivity Fund), Potential Forest Productivity Fund, and more
- Create business innovation by supporting startup companies

Related SDGs

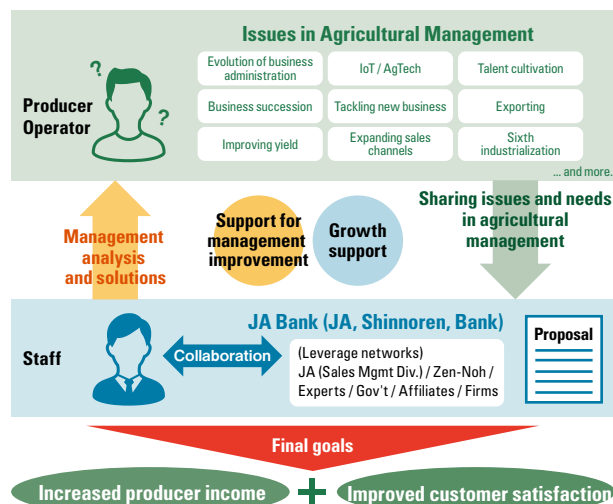


Contributing to Sustainable AFF Industries

Provide Financial Support and Solutions to Management Issues for the AFF Industries

As a member of the JA Group, and as a financial institution playing a role at JA Bank, the Norinchukin Bank supports the development of management and cultivation of people underpinning agriculture. It does this through striving to provide unimpeded financing and multifaceted solutions in fields related to food and agriculture.

One specific initiative is the Bank's demonstration of a consulting function to increase agricultural income. We extract, clarify, and share the management issues that need to be resolved based on an understanding of the actual business situation by conducting multiple in-depth dialogues with the operators of agricultural corporations. These form the basis of our initiative to increase income for producers and improve customer satisfaction (CS).



Contributing towards Solving Issues with Sustainability through the "F&A Growth Industrialization Investment Framework"

The Norinchukin Bank has established the "F&A Growth Industrialization Investment Framework" with the aim of collaborating with industry members and businesses both within Japan and overseas and providing them with risk money to support them, in order to increase the added value and productivity of the AFF industries. By investing in this framework, we are contributing towards solving sustainability issues surrounding the AFF industries.

Promoting the Spread of Soy-based Meat

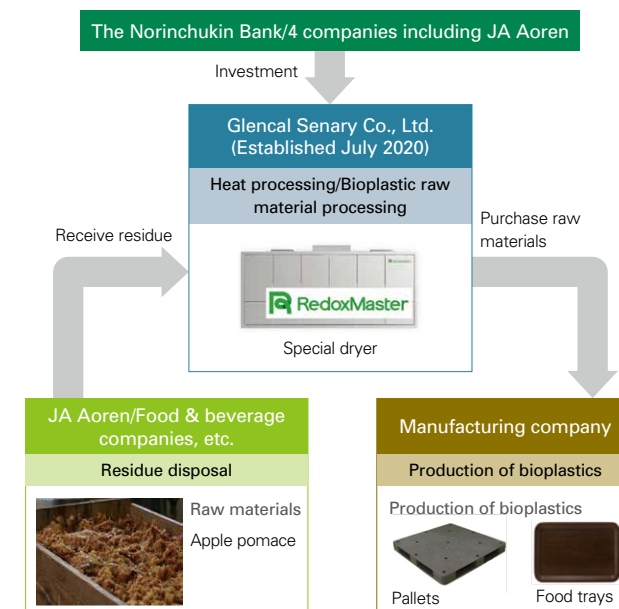
Given the "protein crisis" caused by global population growth, deepening environmental problems, and the increase in ethical consumption, plant-based meats are gaining increasing attention as alternative proteins. In March 2021, we invested in Kumamoto company DAIZ Inc. which is developing, producing, and selling plant-based meats. DAIZ uses its proprietary technology utilizing raw materials made from sprouted soybeans instead of conventional pressed soybeans to make "Miracle Meat," a plant-based meat that is highly nutritious and with a flavor, texture, and aroma similar to that of traditional meat. The Norinchukin Bank is providing investment to not only support their efforts to promote the spread of plant-based meats using domestically-produced soybeans but also to introduce sales channels, thereby not only solving food and environmental problems, but also increasing consumption of domestic soybeans and increasing the incomes of agricultural producers.



Products made from soybean-derived plant-based meat

Bioplastics Raw Materials made from Plant Residues

Reducing the emission of greenhouse gases in the post-processing of plastics made from fossil fuels is a challenge in bringing about a decarbonized society. In July 2020, the Bank invested in Aomori company Glencal Senary Co., Ltd., which uses its own proprietary drying technology to dry food residues, felled trees, and other plant residues to produce raw materials for biomass plastics. One example initiative is The Farm Village Industry Federation of Aomori Prefectural Agricultural Cooperatives (JA Aoren), which has started initiatives to dry at low cost apple pomace produced in the apple juice production process for use as raw materials for biomass plastics.



Forming Partnerships Towards the Wider Use of Biogas Plants

In the dairy and livestock industry, labor shortages mean that costs for treatment of manure as well as securing enough personnel are becoming problematic. The inability to ensure capacity for treatment of manure while increasing cattle herd sizes is proving a bottleneck to business expansion, and even if this manure is composted this may not be functionally adequate in terms of quality, and there have been incidents of problems with odor.

Hoping to solve such problems, the Norinchukin Bank formed a partnership with Biomass Research & Development, and JA-HokkaidoShinnoren in August 2020 aimed at promoting the spread of biogas plants for the dairy and livestock industries. As well as reducing farmers' burden of manure disposal, biogas plants enable use of by-products for manufacturing fertilizer in farming as well as providing biogas for renewable energy. This provides additional income for farmers thus increasing the viability of a sustainable farming business, and by producing and using energy locally, contributes to fighting climate change.

We will first ensure the success of individual cases in Hokkaido, and by expanding this nationwide in the future will develop local businesses and investment demand, thus creating an opportunity to exercise our financial functions.

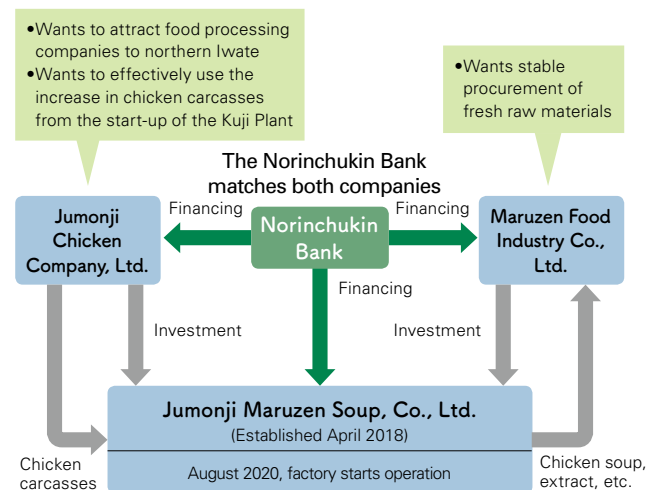


(From right) YASUMOTO Kaoru, President of JA- Hokkaido Shinnoren, KIKUCHI Sadao, Representative Director of Biomass Research Ltd., and KAWAMOTO Shin, Managing Executive Officer of The Norinchukin Bank who together signed a partnership to promote the spread of biogas plants

Initiatives to Reduce Food Waste through Financing

For poultry farmers, disposing of chicken carcasses is an unavoidable problem. Jumonji Chicken Company, Ltd., is a company in Iwate Prefecture involved in chicken meat production and sale. In order to effectively use the chicken carcasses produced by its plant, it established Jumonji Maruzen Soup, Co., Ltd. as a joint venture with Maruzen Food Industry Co., Ltd. In order to produce chicken broth. In establishing this company the Bank acted as an intermediary, and provided 2.6 billion yen in loans for the construction of the plant. This plant processes 35 tons of chicken carcasses daily, producing soup, extract, and oil, and the waste from this is converted into poultry feed, contributing to reductions in food waste. In addition, the plant also contributes to local employment.

Companies' relationships with the Norinchukin Bank



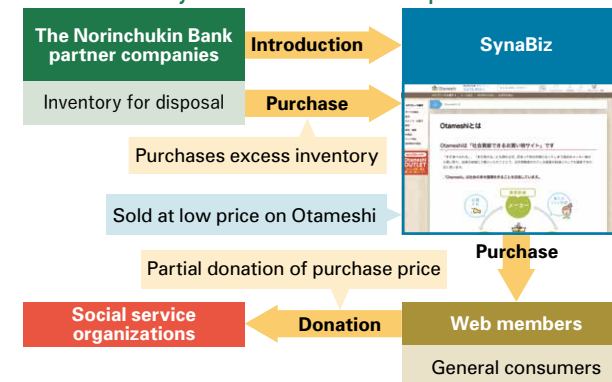
Contributing to Safe and Secure Food Supply

Supporting the Redistribution of Excess Food Inventory to Reduce Food Loss

In Japan, the amount of food loss — food that could otherwise be eaten but is thrown away instead — is 6 million tons per year (2018 estimate by the Ministry of Agriculture, Forestry and Fisheries). Of this loss, the food manufacturing, food wholesaling, and food retailing industries count for approximately one-third.

To resolve this issue, the Bank began working with SynaBiz Co., Ltd. in 2019. Through the Bank, SynaBiz is introduced to companies facing concerns over dealing with food inventory, with ordinary distribution made difficult due to seasonal products, packaging changes, and other issues, forcing inventories to be disposed of over time. Through the SynaBiz-operated Otameshi social contribution-style distribution platform, we work to redistribute these inventories. Going forward, we will leverage the Otameshi distribution platform and the Bank's network in strengthening our cooperative structure to contribute to reducing food loss, including agricultural products and other perishable items.

Initiative with SynaBiz and Partner Companies



Introducing New Sales Channels for Seafood Processing Companies

In light of the impact of COVID-19, JF Nagisa Shingyoren together with the Bank conducted a survey about their current situations based on the hypothesis that "some seafood processing companies may have excess stock levels." As a result, it became clear that many seafood processing companies that had lost their sales channels were suffering from excess stock levels. In order to solve this problem, in cooperation with JF Nagisa Shingyoren, the Bank introduced these seafood processing companies to Synabiz (page 33). Sales of processed seafood products through Synabiz started in September 2020. In addition to making these specific matching projects a reality, we also provide financing support.



JF Nagisa Shingyoren and The Norinchukin Bank

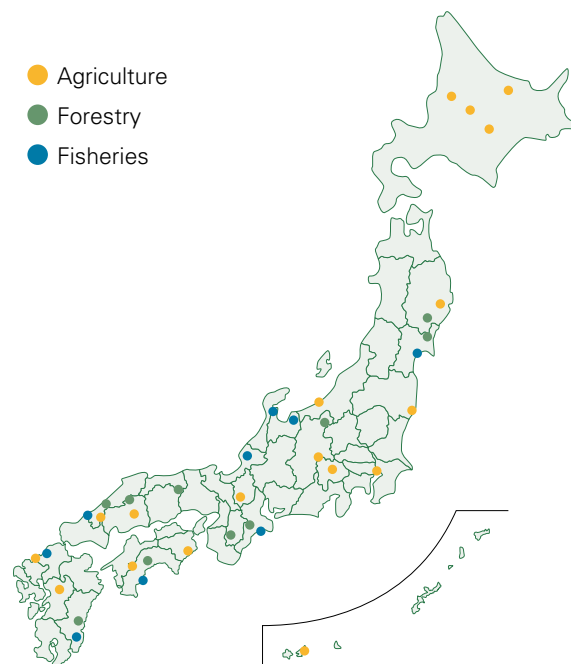
Contributing to sustainable local communities

The Agricultural, Forestry, and Fisheries Future Fund, Supporting Local AFF Organizations

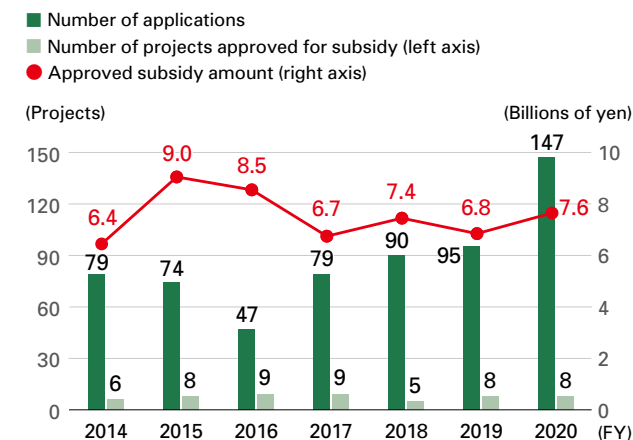
The Agricultural, Forestry, and Fisheries Future Fund was established in 2014 by The Norinchukin Bank, a member of the JA Group, JF Group, and JForest Group, with a 20 billion yen contribution. This fund seeks to support initiatives to nurture leaders who drive the sustainable development of the AFF industries, strengthen the revenue base of these industries, and revitalize local communities based on the AFF industries.

Projects targeted by the Agricultural, Forestry, and Fisheries Future Fund

- Agriculture
- Forestry
- Fisheries



Number of projects targeted and amount of subsidy from the Agricultural, Forestry, and Fisheries Future Fund



Food and Farming Education Activities

Each year, we distribute booklets to children in the fifth year of elementary school across Japan covering a variety of topics, from food and farming education to environmental education to financial and economic education. We also distribute a universal edition for special education schools. In FY2020, approximately 1.30 million copies were distributed free of charge to 20,000 elementary schools nationwide.



Senior Elementary School Edition: Our Lives with Agriculture (Left), Universal Design Edition (Right)

Alliance with the Japan Institute of Agricultural Management, Which Trains Next-Generation Farm Operators

The Japan Institute of Agricultural Management (JAIAM) was established in 2013 with the Norinchukin Bank as its main sponsor and in cooperation with member companies. The institute seeks to train next-generation farm operators and agricultural leaders in local communities. Under its organizational philosophy of *training farm operators*, which is indispensable to Japan's future agriculture, the JAIAM provides holistic education under the four themes of *management capability, farming capability, social capability and humanity*.



Post-graduation agricultural employment status

As of April 1, 2021

	Total graduates (101)	No. Farmer's child (70)	No. Non-Farmer's child (31)
At family farms*	55	51	4
At farming companies	24	12	12
Independent farmers	19	6	13
Other	3	1	2

*Family farms include those owned by grandparents, relatives



First Generation of Graduates: Employed in Nakano City, Nagano
Mr. ABE Hiroaki

After graduating, I began working in plum management in Nakano City, Nagano, which is where my family lives. When I took my farming job, new plum varieties cultivated by the Nagano Prefectural Agricultural Experiment Station was a big topic of discussion. We secured a farming field in the hope that this would lead to development in plum management. On the sales side, we have been striving to diversify our sales routes, with core sales from shipping to JA Nakano City, plus direct sales to customers, gifts for hometown tax payments, and so on. We also worked on creating shipping boxes, pamphlets, and office documents, such as invoices. Looking ahead, we will keep coming up with initiatives that help us appeal to consumers about our self-produced Nakano City sourced products. There are many young farmers in Nakano City who enjoy a life of fulfillment each day, exchanging information about cultivation, having personal relationships, and so on. In the future, I plan to integrate grape cultivation, a business run by my parents, and create a cultivation plan that looks at both plum and grape work. I still have much to learn, but I will deal with each issue as it comes.

Local Revitalization Support Utilizing Farmstays

We are promoting a farmstay venture meant to generate profit in the sense that it creates hiring and income in rural areas. In March 2020, we signed a four-way partnership agreement with JA Zen-Noh, Nokyo Tourist Corporation, and the Japan Countryside Stay Association. Through this agreement, we are working to realize regional revitalization through the establishment and promotion of the farmstay business. In addition to providing the JA Bank's financial functions (such as farmstay loans), the bank also offers partnership coordination via a broad trading infrastructure.

Regional Revitalization through Farmstays, Promotion of Farming Areas and Agriculture

From October 2020 to March 2021, as an effort to contribute to the revitalization of rural districts, the four groups at left held farmstay-themed courses at Marunouchi Platinum University, which offers career courses for businesspeople. This initiative was supported by Dai Maru Yu, a partnership between companies situated in the Otemachi, Marunouchi, and Yurakucho districts of Tokyo, in collaboration with "Dai Maru Yu SDGs ACT5" which aims to build an SDG model city. This course aimed to create sustainable local communities through exchange between rural and urban areas to solve problems and create fans, and had a total of 227 participants in six sessions.



Learning in Tokyo



Interaction with the regions



Rural-urban exchanges, building communities (creating fans of regions)



Conserving the Natural Environment as a Foundation of the AFF Industries

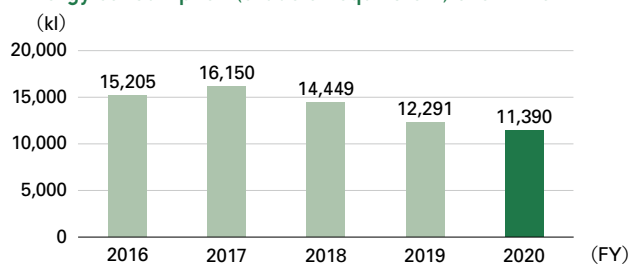
Energy-saving and resource-saving initiatives

When the Act on the Rational Use of Energy (Energy Conservation Act) was revised, the Norinchukin Bank newly established an energy management structure and implemented the visualization of organization-wide energy usage. By promoting initiatives such as adopting energy efficient features at the time of facility updates and disseminating a Cool Biz campaign, we continue efforts to prevent global warming.

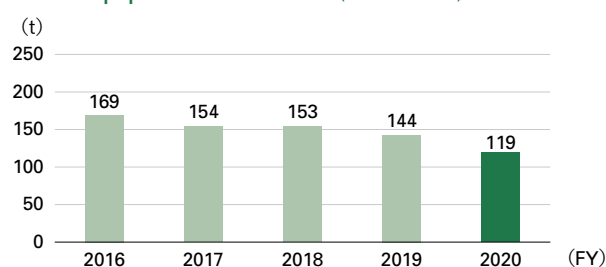
We also continue efforts to save resources such as shifting to paperless methods.

The bank will continue to address the Energy Conservation Act and each prefecture's ordinances and other regulations appropriately, and engage in ongoing energy and resource-saving efforts.

Energy consumption (crude oil equivalent) over time



Volume of paper waste over time (head office)



Initiative to Reduce Food Loss at Cafeteria Facilities

The Act on Promotion of Food Loss and Waste Reduction came into effect in October 2019, and JAs across the country are working to reduce food loss. We are also engaged in similar initiatives. Since April 2020, we have been reducing food loss by improving the accuracy of our user count forecasts and rethinking less popular menu options at the cafeteria in our Akishima Center (Akishima City, Tokyo). A portion of generated food waste is recycled as compost through an external contractor rather than being disposed of as regular garbage.

Topics

Global Warming Prevention Initiatives Certified by Gunma Prefecture (Maebashi Branch)

Since 2006, Gunma Prefecture has been implementing the "Environmental GS (Gunma Standard) Certification System." This certifies and publicizes activities of businesses in making sustainable reductions in greenhouse gas emissions, and also supports their activities to prevent global warming. As of the end of March 2020, a total of 2,477 businesses within Gunma Prefecture have been certified, and our Maebashi Branch has retained its certification for 13 years.

From the Front Lines

When we hear the word sustainability, we may think this is "someone else's issue." However, participation in the Environmental GS Certification System is effective in changing the awareness of individual branch employees from this being "someone else's problem" to "my problem."

We remade the Environmental GS Certification into the size of a business card and distributed to each branch staff. This helps people feel more connected to environmental issues. The wording "Gunma Environmental GS Company" on these certifications is unconsciously seen by staff.

Initiatives to reduce energy consumption at our branch include day-to-day operations, such as encouraging use of stairs and prioritizing the use of hybrid vehicles. What is important is that notifying the branch of monthly usage data and visualizing this makes this information more of a "my issue." This year we set up the Sustainable Leader Committee and we are thinking seriously about initiatives we should develop as a branch, as a bank, and in the future as the JA Group regarding SDG Initiative Items.

The Maebashi Branch aims to achieve sustainability through the efforts of all of our employees.

General Affairs Group,
Maebashi Branch
IMAIZUMI Naomi



Creating Business Innovation

AgVenture Lab: A hub for Open Innovation

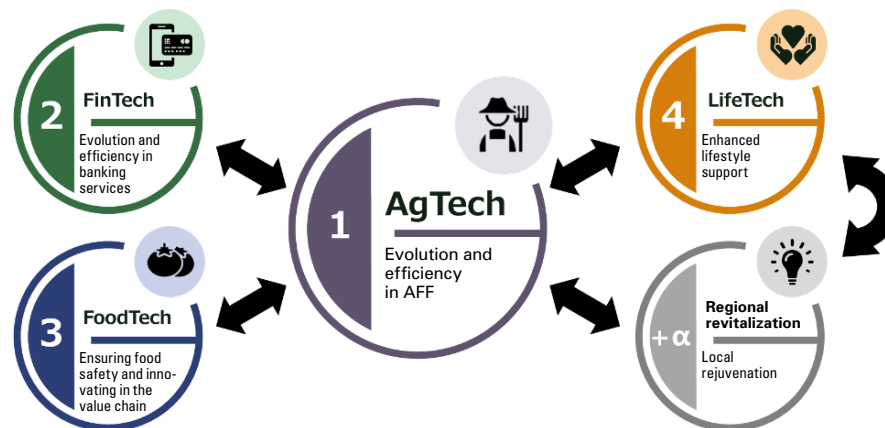
In May 2019, the JA Group established AgVenture Lab, an innovation laboratory, in Otemachi, Tokyo. AgVenture Lab is based on the concept of cultivating the next generation of agriculture, closely supporting daily lives of local communities, and connecting places and people.

At this lab, the various businesses of the JA Group connect with startups, partner companies, universities, government actors, and others who possess technology, ideas, and other assets. These players utilize a variety of knowledge and technologies to create new businesses, develop services, and resolve social issues. On the hard side, we have set up coworking spaces for startups. On the soft side, we also work to accelerate innovation based on the JA Accelerator Program which seeks to generate new business models, soliciting business plans from startups and other companies and leveraging the JA Group's strengths.

In May 2020, we held a business plan contest to select companies that would participate in the 2nd JA Accelerator Program; in this contest, eight companies passed the selection process.

The program adopts the key phrase of innovation of food, agriculture and life, and covers the wide range of businesses operated by the JA Group. It solicits business plans not only in FinTech but also AgTech, FoodTech, LifeTech, and others, leveraging the JA Group's strengths (e.g. physical storefronts and other infrastructure, its customer networks) in an attempt to generate new business models.

AgVenture Lab Initiative Areas



AgVenture Lab

2nd JA Accelerator Program Business Plan Contest Award Recipients

< Business Plan Contest Merit Award > 2nd JA Accelerator Program Participating Companies

AGRIST Inc.	Solving agricultural labor shortages with AI and harvesting robots
Agrihub Inc.	From core agricultural systems to cultivation support AI
CuboRex Co., Ltd.	"E-Cat Kit" for electric drive of wheelbarrows
greenase Inc.	Powdering technologies that connect vegetable production and consumption
sharagri Co., Ltd.	Sharagri specific skills temporary staffing
TERRACE MILE, Inc.	Utilizing data to build a new farming support platform
TrueBizon, Ltd.	sora:share sky sharing platform for drone navigation
myProduct Co., Ltd.	CRAFTRIP – industrial tourism platform specializing in local handicrafts

<Innovation Award> Companies separate to this program being considered for an alliance or support

Axis-motion Inc., INGEN Inc., WFrontier Inc., Tabetech Inc., STOCK POINT Inc., miraiscien Co., Ltd.

Restoring a Healthy Circulation of Forest and Forest Industry Providing Full Support for Wood Utilization Initiative

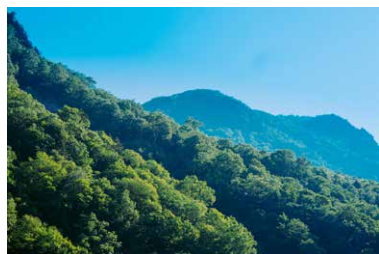
Forest Industry Issues in Japan

Japan is a forest superpower. Japan's forests account for about two-thirds of its national land area and cover about 25 million hectares. The total timber volume (volume of timber in forests) of Japan is about 5.2 billion cubic meters. The majority of Japan's forests are artificial forests planted after World War II. About half of the trees are nearly 50 years old, so cutting and replanting are necessary.

The biggest problem facing the forest industry in Japan is that forest owners cannot replant their forests, even if they wish to do so. This is because of low timber prices, high costs for replanting, and the lack of business succession planning.

Forest Industry Contributions to Mitigate and Adapt to Climate Change

In the meantime, the carbon absorption capacity of forests is attracting attention as Japan and other countries grapple with climate change. In cooperation with a nationwide network of forest owners' cooperatives, the Bank aims to promote initiatives to prevent global warming by ensuring CO₂ absorption through appropriate thinning and other forest maintenance, as well as by promoting the usage of wood, which sequesters carbon.



Topics

Expanding the Utilization of Japanese Wood Wood Solution Network

A total of 31 companies and organizations involved in wood participate in the wood solutions network (WSN) (as of June 2021). These entities include forestry producer's groups, lumber companies involved in wood processing and distribution, trading companies, general contractors, and housing manufacturers. WSN activities have entered their second phase (2019 to 2022). Together with participating organizations, we are promoting a range of initiatives aimed at expanding the use of wood — these include popularization activities using the approach book for promoting non-residential wood construction and interior wood construction that was created in the first phase, and employing new themes (forest environment tax credits, ESG investment, and SDGs) that are in line with current themes.

Forestry Safety Education 360 Degree VR that Improves the Labor Safety of Forestry

In FY2020, we expanded the Forest Labor Safety Project and added an educational tool called "Forestry Safety Education 360 Degree VR - Other Chainsaw Operator Dangers Edition." Based upon input from users, in FY2021 we created our second effort, the "Clearing Leaner Edition" and "Kick-back Edition."



VR Images



Low-Cost Forest Replanting Project to shorten the replanting cycle and reduce costs

Main points of the Low-Cost Forest Replanting Project are 1) using fast-growing trees, 2) using large-container nursery trees, and 3) less dense planting. Demonstration experiments have been started at three sites in Japan — (JForest Neba Village in Nagano Prefecture, JForest Miyoshi Regional in Hiroshima Prefecture, and JForest Miyakonojo in Miyazaki Prefecture). Results obtained from these will be extended nationwide, and we will encourage replanting after major logging.

Points	Details	
1) Using fast-growing trees	Planting trees which grow faster than cedar and cypress (in this case, Chinese fir)	(Reducing cutting cycle from 50 to 30 years)
2) Using large-container nursery trees	Integrated logging and planting operations using large containerized seedlings, eliminating land preparation and reducing clearing frequency	Work reduced from 3 - 4 years to several months
3) Less dense planting	Reducing density from 3,000 to 1,500 trees per hectare, leading to faster logging and less need for thinning work	Planted trees halved from 3,000/ha (high density) to 1,500/ha (low density)



Containerized seedlings

From the Front Lines

Forestry Finance & Planning Group
Food & Agriculture Business Planning Division

SATO Riho



Our Forestry Group provides support for regional forest owners' cooperatives. Support is not limited to investment and lending, instead we are also involved in improving the safety of forestry workers and in creating networks to further promote the use of timber. Forestry has a higher rate of occupational accidents than other industries, with health and safety measures being of major concern. We have also, in cooperation with the National Federation of Forestry Owners' Cooperatives Association, developed the Forestry Safety Education 360 Degree VR. In cooperation with the JForest NaraMoriren, it is possible to experience 11K high-definition VR video of an actually cut tree crashing into a mannequin. This has been well received by people who have experienced it, driving home the danger of such accidents. It has been used as an educational tool by the Forestry Agency's "Green Employment Project" as well as forestry colleges, prefectures, municipalities, and universities. The forestry industry relies on a long cycle of planting by grandparents, nurturing by parents, and felling by their children, and is deeply rooted in the idea of being aware of future generations. This is also in line with SDGs and concepts behind sustainability. Moving forward, we will continue to actively provide support for forests and forestry, while remaining aware that this industry contributes towards solving various issues such as climate change and disaster prevention.

The Initiatives of the JA Group

JA Group SDG Initiatives

In addition to the world's governments, private-sector organizations and businesses are also expected to play a role in achieving the SDGs. Cooperative organizations also have a role to play. Based on these circumstances and high expectations for cooperative associations, the JA Group summarized and published the JA Group SDGs Declaration, reflecting the group's basic philosophy, in May 2020. As a member of the JA Group, the Norinchukin Bank will continue to promote initiatives to achieve the SDGs.

SDGs and the JA Group

<https://org.ja-group.jp/challenge/sdgs/>

Initiatives to Revitalize the Regions

Regions throughout Japan are confronted by shrinking workforces, aging populations, and COVID-19. At the 28th JA National Convention, it was resolved that as points to be confronted nationwide, "JA will cooperate with a range of local organizations in order to respond to the various issues related to the lives of its members while confronted by shrinking populations and aging societies."

In view of this policy, the JA Bank will promote initiatives to

play a more in-depth role in revitalizing local communities, which is where JA Bank started. We will continue to provide support for JA's creative and original initiatives tailored to the actual conditions and requirements of local communities, including disaster prevention measures and the installation of renewable energy infrastructure in order that they can use locally produced energy.

Topics

Smartphone Classes aimed at Eliminating the Digital Divide throughout the Country

Triggered by the spread of COVID-19, the very concept of "connectedness" is undergoing dramatic changes, and the importance and presence of digital services in our daily lives is rapidly increasing. Smartphones are already an important link in individual's lives.

The importance of the countermeasure to "digital divide" is of increasing importance in today's society — this includes ensuring the same levels of convenience anywhere in the country, and communicating with friends and family who live in remote locations.

The JA Group will continue its efforts to eliminate this digital divide gap by offering "smartphone classes" nationwide to meet the needs of local residents and let them experience the new opportunities provided by digital services.



参加無料！要予約

スマホ体験教室開催

スマホアドバイザーがしっかりサポート！
体験用スマホは無料貸出！

～これは簡単！入門編～
基本的な使い方やよく使う機能まで、楽しく学べる講座です！

スマホの
基本

カメラ
機能

地図機能

文字入力
機能

まだスマホを持っていない方や
持ったばかり、持ってるけど自信のない方向け

日時	
会場	
定員	20名（要予約：ご参加の際は下記までお電話ください）
参加費	無料
講師	スマートフォンアドバイザー（ 社） ※ 社とご契約のない方もご参加可能 ※ 飯度は致しません！

定員に達した場合、ご参加希望に添えないことがございますのでご承知おください。

参加のご連絡はこちらにお電話ください！

JA

Focus Area 2

Promoting Responsible Finance

In this focus area, the bank provides sustainability-conscious, responsible investments and loans and strives to develop and maintain financial services nationwide that are fundamental to the AFF industries.

In addition, we conduct business activities aiming for sustainable energy utilization.

Topics		Medium-Term Goals
Topic 2-1	Promote sustainable finance	We contribute to realizing a sustainable society through responsible investments and loans that provide consideration for environmental, social, and governance aspects.
Topic 2-2	Contribute to sustainable energy utilization	We contribute to promoting sustainable energy utilization.
Topic 2-3	Realize financing for everybody	We contribute to realizing a society where everyone, including residents in Japan’s underpopulated areas and the economically vulnerable, have wide access to financial services.

Major Initiatives

- Practice responsible investment and lending for the resolution of environmental and social issues
- Provide financial services assuming the expansion of demand for renewable energy
- Improve financial access in each and every location throughout Japan using a variety of channels, including mobile branch vehicles and internet banking

Related SDGs



Promoting Sustainable Finance

Basic Policy on Finance

In addition to the fundamental mission stated in Article 1 of the Norinchukin Bank Act, the bank has another mission: to contribute to the prosperity of the agriculture, fishery, forestry, and related industries, as well as to the revitalization of local communities as a dedicated financial institution for the AFF industries.

As the basic principles for fulfilling these missions, we have formulated the Basic policy on Finance.

With strong recognition of our public nature and social responsibility as an important part of Japan's financial system, we have formulated this fundamental policy from the perspective of compliance, and based on our Code of Ethics, Basic Policies for Risk Management, and the Environmental Policy and Human Rights Policy, which serve as guidelines for realizing sustainability management.

The Norinchukin Bank recognizes that it has an important social responsibility to conduct business operations adhering to the Basic policy on Finance.

Development of Sound Investments and Loans

The Norinchukin Bank conducts sincere and fair investments and loans in compliance with social codes, fully understanding its fundamental mission and role. To this end, the bank is dedicated to conducting sound business operation with a focus on accountability, not only at the time of investments and loans, but also thereafter. In addition, the Compliance Manual clarifies, as the code of conduct for directors and employees, that they must always keep in mind the soundness of operations even amidst their enthusiastic execution of business and should not set excessive plans and performance goals for investments, loans, and other businesses.

Investment and Financing Sector Policy

See page 29 for details.

Initiatives for the Equator Principles

The Equator Principles is an assessment framework used by private financial institutions when financing large-scale development projects. This framework is used to assess whether the development project pays the appropriate attention to the natural environment and local communities. It is widely used in the project finance field as a method to identify, evaluate, and manage environmental and social risks. Financial institutions that have adopted the Equator Principles are required to incorporate these into their internal policies and procedures and to construct appropriate management and administrative systems. Furthermore, they may not invest in projects that are not compliant with the Equator Principles. Based on the increasing public awareness of environmental and social issues and society's expectations of financial institutions, the Bank adopted the Equator Principles in May 2017 for realizing a higher level of consideration toward the sustainable environment.

Specifically, under the Basic policy on Finance, the Bank has formulated both the Basic Policy Regarding the Equator Principles and the Administration Guidelines for the Equator Principles. A dedicated staff member has been assigned to determine conformity with these principles, and we continue to request that customers address environmental and social considerations at the required level according to their project category.



Project Category Definition

Category	Definition
A	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented
B	Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures
C	Projects with minimal or no adverse environmental and social risks and/or impacts

Investment in Climate Change ETFs

In response to environmental and social issues associated with climate change, the Norinchukin Bank and the National Mutual Insurance Federation of Agricultural Cooperatives (JA Kyosairen), have each invested 10 billion yen (total of 20 billion yen) into the NZAM ETF S&P/JPX Carbon Efficient Index managed by Group company Norinchukin Zenkyoren Asset Management Co., Ltd. (NZAM). This is linked to the S&P/JPX Carbon Efficient Index and aims for investment efficiency. This ETF focuses on the carbon efficiency (carbon emissions per unit of revenues) and the environmental information disclosure status of companies. It is expected to improve carbon efficiency by approximately 20% compared to products that are linked to the TSE stock index (The Norinchukin Bank comparison). These have an element of engagement by investors — their widespread use also encourages improvements in industries and businesses that are still behind in carbon efficiency and information disclosure, thus contributing to achieving a low-carbon society. Investment in this ETF will energize the stock market, as well as improving companies' carbon efficiency and supporting disclosure of environmental-related information.

Contributing to Sustainable Energy Utilization

Providing Financial Services Assuming the Expansion of Demand for Renewable Energy

For details on the Bank's efforts related to renewable energy, please refer to project finance examples and JA Bank initiatives (page 28).

Worldwide Action in Project Finance

In our investment business, we are fully engaged in project finance. Unlike corporate finance, which provides loans according to the creditworthiness of the corporation receiving the loan, project finance targets a specific business/project and then evaluates its profitability before making a loan.

Project Finance Examples

Domestic Renewable Energy Projects

Financing solar projects **Total lending: ¥126.5 billion**

We are continuing to provide financing for solar power station projects in Japan.



Water-Related Projects

Financing desalination and sewage treatment projects **Total lending: ¥117.3 billion**

We provide financing for water treatment projects (e.g. power generation, seawater desalination, sewage treatment) in Australia and the Middle East.



Overseas Renewable Energy Projects

Financing offshore wind and other projects **Total lending: ¥526.8 billion**

We provide financing for offshore wind and undersea power transmission lines in the United Kingdom and Continental Europe, as well as renewable energy projects in the United States and the Middle East.



Lending amounts are as of March 31, 2021

Realizing Financing for Everybody

Improving financial access in each and every location throughout Japan using a variety of channels

The Bank aims to realize financing for everybody in order to promote responsible finance. By leveraging the strength of its comprehensive business, JA branches provide a variety of services. It is developing different channels to provide financial services to our members and users, even those in depopulated mountainous areas.

Opening of Yoriso Plaza

We are introducing the Yoriso Plaza, at which customers can easily use JA Bank services even when there is no branch with a financial counter nearby. These provide financial services with remote consultation booths and ATMs at branches that lack financial counters. We also expect that this will function as a community venue for exchange.

Introduction of mobile branches

JA Bank is promoting the implementation of mobile branches equipped with financial booths and ATM services for all JAs nationwide (as of the end of FY2020, 105 units have been deployed).

Mobile branches allow users to deposit and withdraw ordinary savings and update passbook entries. In addition to bank transfers and payment of taxes and utility bills, users can also use consulting services about public pension benefit receipt, mutual insurance, and more. These mobile branches are gaining greater recognition as the nearest financial institution in regions without a nearby consultation branch or ATM.

These nationally-deployed mobile branches normally serve as a lifeline for rural and depopulated areas, and can also be utilized in times of disaster, offering financial services to affected areas.



The JA Bank App

JA Bank offers the JA Bank App application service to individual customers. The JA Bank App allows users to check their JA Bank account balances and deposit/withdrawal history on their smartphones, as well as contract information (maturity date, interest rate, etc.) of term deposits. Customers with JA Bank cash cards can immediately use this service without visiting a branch thanks to an easy first-time registration process.

This app gives users convenient access to JA Bank services even when they are too busy or otherwise cannot visit a branch.



Focus Area 3

Promoting Sustainability Management

In this focus area, the Norinchukin Bank strives to ensure environmental and social sustainability through business activities under highly objective and transparent business administration systems. In addition to implementing high-level information disclosure, the Bank is constantly reviewing and improving its sustainability management by regularly exchanging opinions with stakeholders and experts.

Topics		Medium-Term Goals
Topic 3-1	Ensure a transparent organizational governing structure	We engage in ceaseless efforts toward realizing highly objective and transparent business administration systems.
Topic 3-2	Reinforce the management of environmental and social risks	We continually identify material sustainability topics based on social conditions and the voice of our stakeholders as well as review risks and business opportunities. We also conduct high-level information disclosure.
Topic 3-3	Reinforce stakeholder engagement	We continually engage in dialogues with stakeholders, reflecting their opinions in business creation and social contribution activities that are unique to the Bank.

Major Initiatives

- Engage in dialogue with sustainability experts
- Exchange opinions on sustainability with stakeholders
- Enhance alliances with cooperative organizations, such as national-level cooperatives

Related SDGs



Ensuring a Transparent Organizational Governing Structure

Management System

Our decision-making is split and coordinated between the Norinchukin Bank Act-stipulated Supervisory Committee and the board of directors, while remaining in compliance with decisions by the Council of Delegates.

The Supervisory Committee decides important matters concerning cooperative organizations, as well as items to submit/report to the Council of Delegates. This committee also holds supervisory authority related to director business execution, and is allowed to request explanations from directors, request to the Council of Delegates that directors be dismissed, and take other such actions. The board of directors makes decisions on business execution, excluding those matters determined by the Supervisory Committee, and conducts mutual oversight of director business execution.

Strengthening Internal Control

In order to fulfill its fundamental mission and social responsibility, the Norinchukin Bank considers the establishment of a business management system as a top priority issue. As such, in order to ensure compliance with corporate ethics, laws, and regulations, as well as ensure appropriate risk management and appropriateness in business execution, we have established basic policies for internal control.

Risk Management

Based on the Basic Policies for Risk Management, which define risk types as well as management systems/methods, we assess risks faced in business operation for materiality, identifies risks under scope of management, and manages each risk according to their particular characteristics. Further, the Bank uses quantification methods to comprehensively

understand these risks and carry out integrated risk management that manages risks and compares risks to our financial strength.

Reinforcing Stakeholder Engagement

The Norinchukin Bank Stakeholders

- Members: Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forestry Cooperatives (JForest), etc.
- Members of JA, JF, and others (those engaged in the AFF industries), partner companies in deposits, savings, and loans (e.g. companies affiliated with the AFF industries)
- Members of local communities
- Business partners covering all operations: financial institutions, market participants, subcontractors, and more
- Government entities
- Staff

The trust relationships with these stakeholders (those who have interest in the bank) who are closely related to our management and day-to-day business activities were not built overnight, but steadily over our long history since we were established.

These trust relationships are important assets for the Norinchukin Bank, and it is important to maintain and build even stronger trust relationships going forward so that we can fulfill our fundamental mission and social responsibility.

To that end, we will continue to make efforts to build a highly transparent organizational culture by emphasizing disclosure and accountability to our stakeholders.

Exchange of opinions with stakeholders

In formulating our Purpose and The Medium/Long-term Goals, in October 2020 we exchanged opinions with Mr. NAKAI Tokutaro (Vice Minister of the Environment), Ms. KUBO Maiko, (Director of the Environment Policy Office, Ministry of Agriculture, Forestry and Fisheries), and members of the Bank's Supervisory Committee. They listened to an address on the various impacts of climate change and global efforts made by the public and private sector, together with the significance and importance of private-sector initiatives towards solving environmental and social issues. This also shared discussions from the Bank's executive workshop, followed by an exchange of opinions.

Additionally in February 2021, Mr. HANASHI Yasuhiro (State Minister of Agriculture, Forestry and Fisheries), Mr. KUMANO Seishi (Parliamentary Vice-Minister for Agriculture, Forestry and Fisheries), Mr. EDAMOTO Masaaki, (Vice Minister of Agriculture, Forestry and Fisheries), and directors from the Bank met to exchange opinions on the Ministry of Agriculture, Forestry and Fisheries' Strategy for Sustainable Food Systems, MeaDRI which aims to improve agricultural productivity and ensure sustainability. The exchange of opinions was centered on the importance of innovations towards a green food and agriculture value chain as a whole, and on ESG investment.



Discussions with the Ministry of Agriculture, Forestry and Fisheries (online meeting)

Initiatives in Sustainable Finance

Through dialogues with investment and loan clients, we will support their sustainability efforts and create business opportunities. For details on ESG Integration, please see page 26, and for details on Sustainability Linked Loans, please see page 27.

Topics

Engagement by Norinchukin Value Investments Co., Ltd.

Group company Norinchukin Value Investments Co., Ltd. (NVIC) aims to use our refined ability to identify companies with long-term investment potential, our perspective as a long-term investor, and our accumulated experience in dialog with companies on a global scale, and from the perspectives of "capital cost" and "business strategies to build a competitive advantage," to create a dialog that provides managers with meaningful insights.

Since 2019, the Bank has been working in partnership with NVIC in order to use the corporate analysis and know-how in conducting dialogues that NVIC has accumulated since its founding in 2014 so that it can engage in constructive dialogue with the Bank's clients.

Through these Group-wide engagement initiatives, we will contribute to the sustainable development of our investment and loan clients.

Exchange of opinions with members

We are exchanging opinions with members towards implementing sustainable management for all systems. Together with national level JA Zenchu, JA Zen-Noh, JA Kyosairen, the JA Group also participates in the SDG Liaison Conference that discusses the current situation on sustainability as well as initiatives towards the sustainability of the AFF industries and of regions.

We are also exchanging opinions with JA Shinnoren at the Prefectural level regarding JA Bank initiatives.

Exchanges of opinions are also underway with JForest Zenmoriren on forests and the forestry industry, and with JF Zengyoren on the fisheries industry.

Alliances with Cooperative Organizations

A cooperative organization is one established under the slogan of one for all, and all for one, rooting themselves in local communities and promoting mutual assistance between people to stabilize their lifestyles, and playing the role of a revitalizing force in that local community.

The Bank is a member of the International Co-operative Alliance (ICA), a global coalition of 312 cooperative organizations from 109 countries. These cooperatives are based in a variety of fields, from agriculture, to fishery, to forestry, to co-ops. Also, in 2013, the National Council to Commemorate IYC (the International Year of Cooperatives) was formed in Japan; in July 2019, the Japan Co-operative Alliance took on the mantle of that council. The Norinchukin Bank is a participant in the JCA, promoting cooperation with other cooperative organizations.

Cooperative Organizations and the SDGs

Cooperative organizations tackle issues such as poverty and hunger, and are positioned as one important set of stakeholders for achieving the SDGs. The ICA also encourages cooperatives around the world to combine forces and work to achieve the SDGs. In Japan, the government explicitly mentions cooperative organizations in its SDGs Implementation Guiding Principles. In this way, there are great expectations at home and abroad for the role that cooperative organizations play in achieving the SDGs.

Focus Area 4

Securing Highly Capable Human Resources

In this focus area, to ensure the growth and sustainability of the AFF industries, the Norinchukin Bank trains high-quality human resources with both local and global perspectives. Moreover, at worksites, we ensure diversity and create a corporate culture where diverse human resources can perform to their fullest potential, striving to improve its organization-wide creativity and innovative capabilities.

Topics		Medium-Term Goals
Topic 4-1	Improve diversity and equal opportunities	We engage in initiatives to create an inclusive and diverse work environment where women, people with disabilities, and middle-aged to older workers can perform to their fullest potential. Also, we utilize and/or employ highly capable external human resources.
Topic 4-2	Enhance human resources development	We develop human resources capable of demonstrating their strengths in a self-starting fashion and taking on challenges boldly from the viewpoint of cooperatives and from a global perspective.

Major Initiatives

- Create a work environment where diverse human resources including women, people with disabilities and older workers can perform to their fullest potential
- Efforts to cultivate human resources targeted at employees
- Efforts to nurture a sense of sustainability among employees

Related SDGs



Improving Diversity and Equal Opportunities

Basic Principles

Basic Policy on Human Resource Management

Basic Policy

- Form a group of capable, motivated human resources capable of catching the winds of change in the business environment and executing new business strategies
- Nurture high employee satisfaction by helping each employee to understand the strategies and goals of the bank and its cooperative group, as well as helping them to grow through tenacious engagement in their business duties with self-motivated passion for contributing and tackling challenges

Future Vision

- Develop essential human resources and cultivate employee engagement to realize our mission of becoming a leading bank that supports the AFF industries, food production and consumption, and the daily lives of local communities

In line with this basic policy, our efforts are focused on the planning and management of personnel systems, including performance and competency assessment systems, as well as on personnel development.

In interviews between superiors and subordinates, goals are set and achievements are verified. Further, employee competencies demonstrated in a variety of work-related situations are reviewed. The repetition of this process allows us to promote employee awareness and effort toward contributing to performance and developing their own talents. We also offer support for these efforts with extensive training options. Based on this system, we are building a structure to provide fair wages to each employee.

Communication Between Management and Staff

For the purpose of fostering employee engagement, the Norinchukin Bank conducts executives seminars as an opportunity for employees to talk with directors. Specifically in these seminars, we set up forums for open discussion with executives, whom they would otherwise have limited opportunities to interact with, to exchange opinions, share thoughts from day-to-day work with management, and get a more intimate sense of where management stands. In this way, we are working to deepen bidirectional communication.

Employee Satisfaction Survey

The Bank conducts a staff awareness survey for all employees once a year. The employee awareness visualized using this survey is used as a basis for impactful measures as we seek to improve employee satisfaction and organizational vitality.

Anti-harassment Measures

To prevent sexual or power harassment as well as harassment on the basis of pregnancy, childbirth, and child- or nursing-care leaves, we engage in a wide range of activities such as providing e-Learning and position-by-position education, guidance and consultation by the persons in charge of human rights issues throughout the organization, and external contacts for consultation.

We have established and are operating a harassment hotline with which employees can conduct individual consultations, and are seeking to ensure a broad awareness that employees can quickly access the harassment hotline whenever they need to. Further, we strive to protect the privacy of the persons concerned and to take prompt action.

So that we can ensure psychological safety in the workplace, we are focusing our initiatives on preventing harassment and on strengthening the harassment hotline function.

Initiatives for Hiring People with Disabilities

The Norinchukin Bank strives to make a workplace where people with disabilities can carry out their duties in a vibrant manner, with a sense of fulfillment and security.

As an effort to this end, we established Norinchukin Business Assist Co., Ltd., an organization mainly engaging in financereLATED administrative work outsourced by the bank and group companies to expand the employment of people with disabilities.

Norinchukin Business Assist Co., Ltd.'s management philosophy is to assist each director and employee in working with earnestness and integrity so that they can develop their abilities and strive for self-realization through their work, and to create a workplace where directors and employees can always feel a sense of security and fulfillment in their work, valuing the consideration and communication of all individuals and enabling them to carry out their duties in a vibrant manner. To offer a pleasant working environment, offices are designed to provide bright and spacious room for working comfortably, while providing single-occupancy relaxation spaces and a break room where people can lie down.

Supporting the Success of Senior Talent

To support the success of senior talent, the bank offers career design training for understanding of self, understanding of environmental changes, and consideration of their personal and professional lives with a view on a post-retirement second career.

In addition, we have introduced a senior staff system, a meister system (a system for training skilled laborers), and more as options for them to continue to play an active role in our organization in the form of re-employment after retirement.

Initiatives for Workstyle Reform

The Bank has for some time operated a flexible work hour system designed to contribute to the diversification of employee workstyles and the improvement of productivity.

Since FY2019, as part of efforts toward workstyle reform, we have newly introduced a telecommuting system, as well as full-scale work interval systems and staggered shift systems.

A work interval system is a health issue prevention measure stipulating that certain intervals be ensured between the end of work on the previous day and the start of work on the following day.

A staggered shift system allows employees to select their own start and end work times; this focused work improves productivity, streamlines working hours, and raises employee awareness.

Further, a telecommuting system allows employees to work from home, shared offices, or other locations, in line with diversification of workplaces. Given the developments in work styles stemming from the spread of COVID-19, we have further relaxed the telecommuting and staggered shift systems.

Results of Workstyle Reforms

	FY2018	FY 2019	FY2020
Actual Work Hours	1,882	1,854	1,862
Average Overtime Hours			
All Employees	11.6	11.0	11.1
Career Track	15.2	14.6	14.8
Regional	7.0	6.7	6.5
Rate of Paid Leave Taken	71.9%	72.7%	70.1%

Major Workstyle Reform Systems

- **Half-day paid leave acquisition system**
→ System allowing annual paid leave to be taken in halfday units
- **Work interval system**
→ System requiring a certain time interval between the end of a day's work and the beginning of the next shift
- **Telecommuting system**
→ System allowing employees to work from home, in shared offices, or other locations for the purpose of improving work productivity
- **Staggered shift system**
→ A system by which employees can move their start and end times back or forward a certain time within a set range to give a more flexible work schedule
- **Flexible work hour system**
→ System allowing employees agreeing to fall under the system to work in a manner that is not constrained by prescribed start/end work times

Initiatives Supporting the Raising of Next-Generation Children and Promoting the Active Participation of Women

The Norinchukin Bank is working to support work-life balances and the ability to both raise a child and have a career. We are also encouraging male employees to take parental leave. In addition to these measures and our efforts to increase the rate of women among new graduate hires, we are helping to build a network among female employees by holding Women Employee Career Forums.

In order to promote the active participation of female employees based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children, we have established a General Employers Action Plan and are making efforts in this area. Our first action plan from 2016 has completed and been succeeded by a new plan launched in April 2019.

The Bank will continue to make multifaceted efforts to enhance the vitality of the organization and to create a work environment in which diverse employees can fully demonstrate their abilities and individuality, as well as remain active over a long period.

Results of Promotion of Active Participation of Women

	FY2018	FY2019	FY2020
Ratio of Women Hired			
Career Track	25%	26%	34%
Specified Roles	60%	100%	67%
Regional	82%	75%	90%
Share of Women Employees	33.9%	34.2%	34.6%
Share of Women Managers	5.9%	6.2%	6.3%

Action Plan for the Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children (FY2016-FY2018)

Target 1
Share of women in career-track new graduate hires: 20%
→Target met

Target 2
Rate of parental leave taken by men: 20%
→Target met

Action Plan for the Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children (FY2019-FY2021)

Target 1
Share of women in career-track/specified role new graduate hires: 20%

Target 2
Implement, entrench various measures to promote workstyle reforms

Childcare Support

In order to enhance our work-family balance support system, we have implemented a variety of systems to support employee childcare.

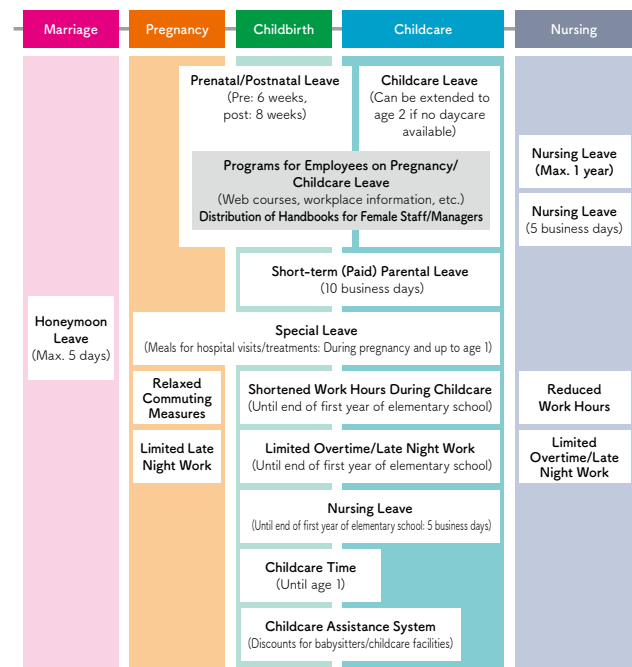
Specifically, we have up systems for employees to take special leave for pregnancy and childbirth, as well as childcare leave systems. We have also set up a short-term parental leave system so that male employees can offer further support for childcare.

In addition, we have developed services that let employees access online courses (e.g. return to work courses) and company intranet message boards. These services are part of a program to provide information to employees who are on

pregnancy or childcare leave. We also provide a number of support options for childcare, such as offering pre-return interviews to employees who have taken pregnancy and/or childcare leave so that they can smoothly return to work.



Based upon our General Employers Action Plan, the Bank supports the ability to both raise a child and have a career. As such a company, we have held Kurumin Certification from the Ministry of Health, Labour and Welfare since June 2011. However, in recognition of our introduction of these systems and their utilization, we have subsequently received Platinum Kurumin Certification as of February 2021.



Occupational Health and Safety

The Norinchukin Bank engaged in developing working environments where employees can perform their duties in good health and with a sense of security.

Our health management policy is formulated each year by its Occupational Hygiene Committee. This policy prescribes measures to be taken to reinforce the management of the physical and mental health of employees and help promote their health.

While ensuring that all employees take regular health checkups, we urge their families to take health checkups as well.

According to the results of these checkups, health guidance is provided by industrial doctors and medical staff. Efforts are also being made to reduce working hours, considering the possible adverse impact of long hours of labor on employee health.

As part of its efforts to ensure mental health at the workplace, we advise self-care methods for employees, offer counseling and other consultation opportunities, and conduct position-by-position mental health education. In addition, we carry out stress checks, offer readily available self-checking functions and have the Mental Health Consultation Room in place to provide consultations as required at the medical office in the head office of the bank.

To increase the health consciousness of employees and establish the practice of doing moderate exercise on a regular basis, we offer a wide range of educational programs and welfare services. Specifically, we subsidize sports club memberships and have health leaders lead health promotion activities.

Labor Relations

The Norinchukin Bank has an employee union as a counterpart organization to its management. In addition, this employee union employs a union shop system. As a general rule, all employees become union members on joining the bank.

Our employee union has the authority to negotiate with management on important matters such as the maintenance and improvement of labor conditions for its members. Further, surveys are conducted with members to aid in negotiation with management, and forums have been established for offering various recommendations to management. For any changes in personnel and labor-related systems that would exert significant impact on the lives and workstyles of union members, management is required to come to an agreement with the employee union, whether through management committee, labor committee, or other negotiations.

Enhancing Human Resources Development

Providing Opportunities to Develop Various Skills

For the development of employee careers, we deploy and assigns the right personnel in the right job based on the competency, aptitude, and career perspective of each person, as well as supports self-fulfillment through work, by adopting the Career Challenge Program (a job transfer application system) and the Career Change Program. In addition, the bank is aggressively recruiting and employing highly competitive external human resources.

When recruiting and assigning employees, care is taken not to exercise any type of discrimination.

With the goal of training core personnel in each headquarters, the bank is actively providing opportunities for them to develop their skills in order to support the self-motivated efforts of each and every employee. For example, in addition to subsidy programs for correspondence courses, certification exams, foreign language study, and sending employees to overseas study and cross-industry seminars, we hold after-work training for each headquarters. We also hold after-work training, group study, and other programs for employees based on their years of service and/or rank.

New Employees

In addition to the three-week entry training, new employees are sent to JA and agricultural corporations so that they can have diverse experience in Japan and overseas. The Bank also provides on-the-job training and offers a mentoring system for each new employee.

Young, Mid-Career and Manager-Level Employees

For young, mid-career, and manager-level employees, we help them develop their careers for further growth through such measures as placing them in temporary posts at JA and

JA Shinnoren.

We are also deepening employee understanding of our fundamental mission by holding workshops led by specialists in the cooperative system and the AFF industries. These are designed to develop human resources who can play a role as employees of a cooperative organization.

Management-Level Employees

To raise the management capabilities of management-level employees, we offer programs for study at European and U.S. business schools, as well as personal coaching to help managers to implement our management plan.

Career Development Support System

To help employees proactively work on their own career development, the Bank has implemented the Career Development Support System. Employees are able to take inventory of their own abilities and clarify their goals thanks to our career development training and career development interviews conducted with their superiors. After defining their career goals, they are encouraged to carry out career development based on the job capability requirements of employees in each headquarters.

Principal Human Resource Programs

Group Training

- Career development training: Foster an awareness of career development by taking an inventory of employee abilities and through self-analysis
- Management training: Acquire and improve knowledge and business skills needed for management, including leadership, junior staff development, vision making, and work efficiency
- Managerial development training: Acquire and improve knowledge required for organizational management, division and branch management, etc.
- The Norinchukin Bank Business School: Improve and deepen understanding of basic business management theory and consulting abilities, and build cross-departmental networks

Personal Development Support

- Financial support for online learning content, correspondence courses, gaining external certifications, and foreign language training: Support for employee self-directed career development by partially subsidizing various studies

Outside Studies

- Graduate School of Business (managers program): Acquire advanced management skills at domestic and overseas universities
- Overseas study: Acquire specialized knowledge and global viewpoints through attendance at an MBA or LL.M program
- Overseas branch trainee system: Foster global perspectives in less-experienced staff by posting them at overseas branches
- Exchange personnel and acquire specialized knowledge by sending staff to cross-industry training, asset management companies, JA, and JA Shinnoren

New Employee Training

- Workplace training system for new employees, instructor training, mentorship system
- Entry training, on-site training at JA, on-site training at agricultural corporations

Other

- After-work training
- Lectures by specialists from cooperatives, fostering of awareness as employees of the cooperative system through staff workshops
- Business English language lessons
- e-Learning

Development and Skills Enhancement of Cooperative Member Human Resources

In alliance with Norinchukin Academy Co., Ltd., a training specialist for cooperative members, The Norinchukin Bank is working to develop human resources that meet the trust and expectations of individual members and customers, targeted at the directors and employees of JA Bank, JF Marine Bank and JForest Group, by pursuing initiatives to (1) nurture and strengthen the power of Reform Leaders who promote the practice of prefectural and JA strategies and (2) promote the acquisition and enhancement of specialized skills and knowledge. Additionally, we have started online personnel training sessions in order that we can continue with training, while reducing their risk of COVID-19 infection.

Strengthened Human Resource Training Initiatives to Achieve JA Bank Medium-Term Strategies

We continue to hold the JA Bank Central Academy – Managers Course targeted at directors in charge of JA's banking business, the Senior Executives Course targeted at senior managers in charge of JA's banking business, the Seminar for JA Presidents/Board Chairpersons targeted at JA presidents/board chairpersons and the Block Symposium targeted at JA's branch managers and mid-career employees. Through these training courses designed to develop human resources who can lead the reform of JA and JA Shinnoren, we have supported the business reform of JA Bank.

We are also engaged in the development of the human resources required to promote the measures of the JA Bank Medium-Term Strategies by offering training options allowing them to acquire specialized skills and financial knowledge, including group trainings, correspondence courses, and qualifying tests.

Human Resource Training Initiatives at JF Marine Bank

For JF Marine Bank, we are focused on developing the human resources necessary to enhance the fishery financial function by continuing its group trainings, such as the JF Marine Bank Training: Store Operation Course targeted at store managers of JF Shingyoren and the Fishery Industry Financial Consultants Step-Up Seminar targeted at fishery industry financial consultants, as well as offering Training for Improving Financial Statement Analysis Capability, Life Planning Training, and Sales Skills Development Training with dispatched trainers.

Supporting Human Resources Training at the JForest Group

We support the JForest Group's organizational reform initiatives by helping to nurture human resources leading their organization. We do this through holding the Seminars for JForest targeting top executives at JForest and JForest Moriren (Prefectural Federations of Forestry Cooperatives), as well as JForest Cooperatives Counsellor Training aimed at personnel holding the title of counsellor, who support the backbone of JForest's practical management.

Personnel Exchanges between the Bank, JA, and JA Shinnoren

The Norinchukin Bank has enhanced personnel exchanges with JA and JA Shinnoren, and has been working to achieve mutual understanding and sharing of know-how within the JA Bank Group.

Specifically, we accept trainees from JA, educating them so that they can play a key role in the banking business and gain wide-ranging business know-how. We also accept staff and trainees seconded from JA Shinnoren, who work in various areas such as retail planning, administration, systems, agricultural and corporate loans, and securities investment. Moreover, we second staff to cooperative organizations (e.g., JA and JA Shinnoren) in order to deepen their understanding of the actual work of cooperatives from the point of view of employees of the central organization for cooperatives and of a financial institution for farmers, fishermen, and foresters.

Sustainability Workshop

When practicing sustainability management, it is important to foster employee awareness and mindfulness of sustainability. In 2020, we sought to promote understanding of sustainable management initiatives among employees at all of our business locations, including those outside Japan. These efforts featured study sessions at each headquarters and group training, as well as study sessions held independently at each branch. Going forward, we plan to hold more workshops on sustainability with the aim of raising awareness throughout the organization as a whole.

e-Learning Course

In order to improve knowledge and foster awareness about sustainability among executives and employees, we held an e-Learning course in November 2020 for all directors and employees themed on sustainability management. It consisted of 12 questions ranging from basic knowledge to recent trends and the Bank efforts, and was designed for participants to deepen their understanding through repeating the course until reaching the criteria to pass. We plan to hold e-Learning courses annually in FY2021 and beyond.

e-Learning Example Questions

Q: Of the following, which is incorrect regarding the AFF industries and the issue of climate change?

- (1) Given that it takes place in nature, agriculture is one of the few industries that can contribute to solving the problem of climate change.
- (2) In excess of 80% of greenhouse gases from agriculture comprise methane (CH₄) from fermentation in the digestive tract of cattle emitted as burps and from paddy fields, and nitrous oxide (N₂O) generated from agricultural soil, fertilizers, waste management, and similar.
- (3) The AFF industries are very susceptible to the problem of climate change, and high temperatures are already acting as barriers to growth and reducing product quality. However, there are also opportunities in this, such as increased arable land because of higher temperatures.
- (4) The Japanese government is also working on initiatives to reduce greenhouse gas emissions from AFF industries. These include measures to reduce emissions from horticultural and agricultural machinery, energy-saving measures on fishing boats, measures to reduce emissions from agricultural soil, and carbon sequestration in forests and agricultural soil.

Correct answer: (1)

Explanation: Greenhouse gas emissions from agriculture comprise around 10% of total worldwide emissions, and are one cause of accelerating climate change.

Q: Of the following, which is incorrect regarding ESG investment?

- (1) The term ESG combines the first letters of the words "environment," "social," and "governance."
- (2) ESG investment is investment placing importance on social contribution and environmental consideration, and for that reason profitability may have to be compromised.
- (3) Though corporate value has traditionally been measured primarily using financial information such as cash flow and profit margins, non-financial ESG factors are also important in evaluating a company's long-term value; therefore, we are seeing broader corporate valuation and investment with a focus on ESG.
- (4) In Japan, interest has grown among institutional investors in non-financial information with the publishing of the Japanese edition of the Stewardship Code in February 2014. Further, in September 2015, GPIF, the world's largest institutional investor (asset owner) became a signatory to the PRI, making it clear that it treats ESG as important and jumpstarting this trend.

Correct answer: (2)

Explanation: ESG investment is investment that increases long-term profits through social contribution and environmental consideration.

Data on Human Resources

Basic Human Resources Data

		FY2018	FY2019	FY2020
No. of Employees* ¹		3,659	3,645	3,584
Men	No.	2,417	2,398	2,343
	(%)	66.1	65.8	65.4
Women	No.	1,242	1,247	1,241
	(%)	33.9	34.2	34.6
No. of Non-core Employees		500	540	548
Men		403	437	448
Women		97	103	100
No. of Dispatched Employees		62	58	50
Men		0	1	1
Women		62	57	49
No. of Seconded Employees		312	324	395
No. of Overseas Local Hires		595	638	664
Age Structure				
20s and below	No.	964	936	900
	(%)	26	26	25
30s	No.	1,016	1,050	1,059
	(%)	28	29	30
40s	No.	912	875	851
	(%)	25	24	24
50s	No.	764	779	771
	(%)	21	21	22
60s or higher	No.	3	5	3
	(%)	0	0	0

		FY2018	FY2019	FY2020
Average Age		39	39	39
Men		40	40	40
		38	38	38
Average Length of Service		13.3	13.4	13.6
Men		12.7	12.9	13.0
		14.4	14.4	14.6
No. of New Graduate Hires		188	125	102
Men		97	64	57
Women		91	61	45
No. of Mid-career Hires		27	34	9
Men	No.	22	29	7
	(%)	18	31	11
Women	No.	5	5	2
	(%)	5	8	4
Share of Employees Retained for 10 Consecutive Years of Service (%)* ²		72.8	72.0	74.2
Men		85.9	82.5	83.3
Women		57.8	57.2	62.3
Turnover (%)		2	2	1
Men		1	1	1
Women		2	2	2
Average Monthly Salary (K Yen)		523	517	521
No. of Persons with Disabilities Hired		141	142	139
Share of Persons with Disabilities Hired (%)* ³		2.71	2.71	2.67
No. of Post-retirement Age Employees* ⁴		281	284	303

Childcare/Nursing-Related Data

		FY2018	FY2019	FY2020
No. of Employees Taking Childcare Leave		100	113	148
Men		57	78	97
		43	35	51
No. of Employees Taking Nursing Care Leave		63	66	88
Men* ⁵		48	61	80
Women* ⁶		94	113	91
Share of Employees Returning After Childcare Leave* ⁷		98	97	100
Days of Nursing Leave Taken		366.5	459.5	290.0
Share of Employees Taking Childcare Leave		0	1	3

Customer Consultations and Complaints

		FY2018	FY2019	FY2020
No. of Received Customer Consultations and Complaints		42	65	53

*1 Including those who are retiring at the end of the current fiscal year

*2 Percentage of employees hired 9 to 11 fiscal years ago who continue to work as of this report

*3 Aggregate hiring ratio from the Norinchukin Bank, Group subsidiaries, and special subsidiaries

*4 Employment using senior staff and meister systems

*5 The number of employees taking childcare leave divided by the number of dependents of employees giving birth (if leave and childbirth do not fall in the same fiscal year, these figures are counted toward the fiscal year where leave began)

*6 The number of employees taking childcare leave divided by the number of employees giving birth (if leave and childbirth do not fall in the same fiscal year, these figures are counted toward the fiscal year where leave began)

*7 Percentage of female employees who gave birth who continued to work (including periods of childcare leave) until their child's first birthday

Focus Area 5

Maintain Customer Trust as a Financial Institution

As a financial institution whose business is founded first and foremost on trust and confidence, the Norinchukin Bank places a priority on ensuring that individual directors and employees conduct their business with a heightened sense of ethical responsibility. Amidst increased social interest in diverse workstyles, we strive to ensure compliance with laws and regulations.

Topics		Medium-Term Goals
Topic 5-1	Further reinforce our compliance framework	Striving to ensure compliance includes appropriate responses to laws and regulations, measures against money laundering, severing anti-social forces, and the enhancement of information security

Major Initiatives
<ul style="list-style-type: none"> ● Ensure compliance ● Protecte human rights

Related SDGs


Further Reinforce our Compliance Framework

Further Reinforce our Compliance Framework

As a financial institution whose business is founded first and foremost on trust and confidence, the bank recognizes the importance of not only creating an effective compliance framework, but also of continuing to improve effectiveness. To fulfill our fundamental mission and social responsibility as well as prove ourselves worthy of customer and member trust and expectations in light of changes in the social and business environment, we continue our its unceasing efforts in the area of compliance by managing its business in accordance with societal norms by fully complying with laws and regulations based on the principle of total self-reliance. We also constantly endeavor to achieve a higher degree of transparency by emphasizing proper disclosure and accountability. In addition, we disseminate the Compliance Manual to all directors and employees to ensure that compliance awareness is high and practiced in all aspects of business.

Provision of Compliance Seminars

The Bank provides compliance seminars to all employees to raise compliance awareness and promote ethical practices in business activities. In FY2020, we invited a specialist from a law firm to further the knowledge of our executives regarding harassment prevention and the compliance required of management. Employees learned about smooth communication based on diversity, and the necessity of acting appropriately both in public and private while addressing day-to-day risks.

Measures against Counter Money Laundering and Financing of Terrorism

The Bank has positioned measures against counter money laundering and the financing of terrorism as important issues for management, and by appointing a manager in charge, is developing a more robust risk management system to handle these issues, and to maintain and develop the sound financial system.

We also take appropriate measures against the use of financial institutions for crimes such as the use of bank accounts to receive money generated by fraud or other crimes, to contribute to the establishment of a safe and secure society.

Prohibiting Relations with Anti-Social Forces

The Bank has a zero-tolerance policy regarding anti-social forces, which threaten the safety and order of civil society, and thoroughly prohibits relations therewith. We reinforce our organizational framework to systematically avoid transactions related to anti-social forces under unified cooperation among the front (Divisions in charge of business transactions), middle (Management and Compliance sections), and back (Internal Audit section).

Strict Information Management

Directors and employees of the bank have access to records concerning customer assets, credit, privacy, and other sensitive information. Strict measures are in place to ensure that such customer information is not leaked by the relevant persons while employed or after leaving. Extra care is taken to ensure compliance with the rules and regulations to prevent insider trading when significant but not yet announced facts concerning listed or other important customers is obtained.

Protection of Personal Information

As a Business Operator Handling Personal Information and Person in Charge of Processes Related to Individual Social Security and Tax Numbers, the Norinchukin Bank has created a framework to facilitate the proper handling of such material and provides education and training for employees to ensure compliance.

Whistle-Blowing System

The Bank has installed a Compliance Hotline to enable employees to report on compliance issues to the Legal Affairs and Compliance Division or outside lawyers by telephone or e-mail. When a compliance issue is reported, we maintain close contact with the whistleblower and make necessary improvements and implement corrective measures. The Bank's compliance operation prioritizes protecting whistleblowers such as prohibiting disadvantageous treatment of a whistleblower and keeping the information of reported content secret. Thus, we are making efforts to improve employees' trust in the Bank. On May 14, 2021, the Bank's Compliance Hotline was registered as conforming to Japan's Consumer Affairs Agency's Whistleblowing Compliance Management System (WCMS) certification (self-declaration of conformity registration system). WCMS certification (self-declaration of conformity registration system) is a system via which a business operator evaluates its own whistleblowing system against the Guidelines for Business Operators Regarding the Establishment, Maintenance and Operation of Internal Reporting Systems, which is based on the Whistleblower Protection Act of CAA Japan. If the business operator concludes that its whistleblowing Compliance Management System satisfies the guideline's requirements as a result of its self-assessment, the system undergoes auditing and confirmation by the Japan Institute of Business Law, an institution designated by the CAA, and is registered as authenticated if confirmed.



Symbol Mark for a business operator with an authenticated and registered with Whistleblowing Compliance Management System.

Fostering a Sound Corporate Culture

To prevent large-scale scandals that may damage trust among customers and in financial markets, we strive to foster and enshrine a sound corporate culture as a part of our business strategy. We have clearly defined desirable and sound corporate culture, and we have established the Code of Ethics and Code of Conduct to ensure the full awareness of all directors and employees and to ensure that all employees engage in legal and ethical practices in every aspect of business.

Definition of Sound Corporate Culture

1. Respecting risk management while continuing to pursue approaches to new tasks and ensuring appropriate returns

Individual directors and employees are expected to fulfill their basic roles for the bank and aggressively attempt new business to establish a stable profit structure that ensures organization-wide sustainability. Individual directors and employees are expected to fully recognize the risks they take on or that may arise, and always be aware of the need to maintain a balance of returns, corporate strength, and risk.

2. Securing business transparency and acting with a heightened awareness of responsibility

Individual directors and employees are expected to act with strict discipline and responsibility to achieve a higher degree of transparency and accountability through appropriate internal and external communication in order to serve the needs of society.

3. Respecting diverse ideas through communication to promote cooperation

Individual directors and employees are expected to develop a work environment that encourages active, free communication as well as respect for diverse ideas while promoting a sense of cooperation that enables all employees to fulfill their potential.

4. Understanding the Norinchukin Bank sense of value and management policy to execute business with a spirit of unity

Individual directors and employees are expected to share our sense of value while directors and managers are expected to practice strong leadership in providing clear and easy-to-understand communication to ensure that all employees fully understand management policy.

5. Developing a sound corporate culture as a part of corporate governance

Directors and managers are expected to take account of the business environment and employee awareness to develop a sound corporate culture based on an appropriate system for business performance evaluations and remuneration.

Formulated Environmental Policy, Human Rights Policy

The Bank has formulated human rights and environmental policies that clarify its basic position on environmental issues and respect for human rights, and is working to resolve such issues.

Respect for Human Rights

In the Code of Conduct, the Norinchukin Bank emphasizes respect for human rights and the building of a workplace that enables employees to work with a sense of security. Discriminatory words and acts based on race, creed, gender, age, nationality, ethnic group, religion, social status, and physical features are unacceptable in or outside the workplace. All directors and employees of the bank are strictly prohibited from engaging in such acts or using such language under any circumstances.

In addressing global human rights, we adhere to and respect international standards, including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. We also comply with the domestic laws of the nations in which we operate, and we prepare or update rules and regulations on operations concerning human rights in the course of our business activities. Recently, awareness of human rights is increasing not only within bank operations, but also throughout the entire supply chain. While referring to the UN Guiding Principles on Business and Human Rights, the bank will continue to address issues from various angles, including Compliance, with the UK Modern Slavery Act 2015.

Response to UK Modern Slavery Act 2015

The UK Modern Slavery Act 2015 requires any commercial organization with a certain annual turnover to produce a statement detailing their approaches to the prevention of slavery, forced or compulsory labor, and human trafficking in their business and their supply chain. This important statement has been posted on our English website since September 2016. The statement stresses that acts of slavery, forced or compulsory labor, and human trafficking are contrary to the Bank's mission and sets out our efforts to prevent such acts.

Educational Activities to Heighten Awareness of Human Rights

The Bank's business operations are supported by its stakeholders. It is important that all directors and employees of the Bank have a heightened sense of human rights with respect for the position and personality of others. To fulfill the Bank's fundamental mission, each director and employee are expected to respect the position of individual stakeholders and treat all with sincerity, acquire deep insights and highly professional knowledge, and behave as valued members of society. Toward the establishment of a highly transparent organizational culture based on the concept of respect for human rights, we continue conducting educational activities on human rights in line with the policy decided by the Board of Directors after discussion at the Human Rights Subcommittee. To prevent sexual or power harassment as well as harassment on the basis of pregnancy, childbirth, and child- or nursing care leaves, we engage in a wide range of activities such as providing e-learning and position-by-position education, guidance and consultation by the persons in charge of human rights issues throughout the organization, and external contacts for consultation. In light of the Act for Promotion of the Employment of Persons with Disabilities and the Act for Eliminating Discrimination against Persons with Disabilities, we have set up a Consultation Desk for People with Disabilities at each branch and in the Legal Affairs and Compliance Division, and this is working to respond to actual issues faced by people with disabilities.

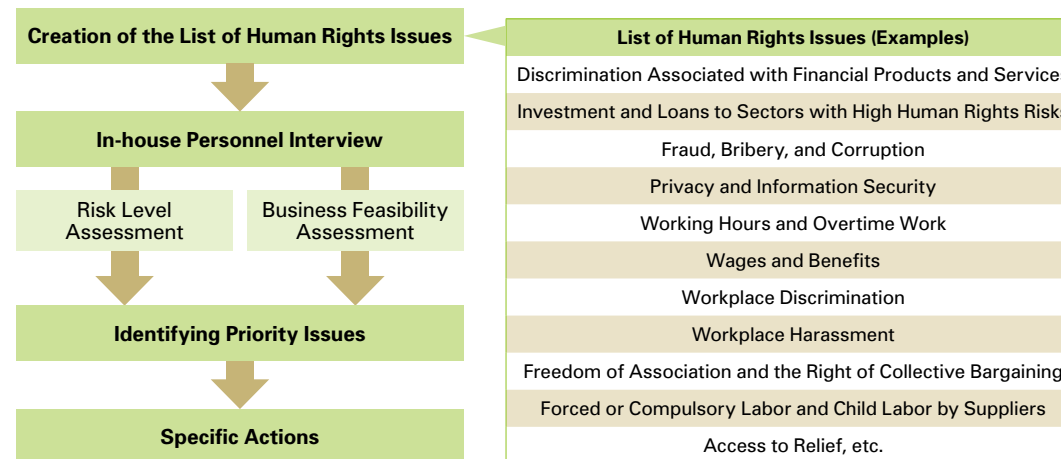
Human Rights Seminars

The Bank provides human rights seminars annually, and all directors and employees at the Bank are required to participate in at least one. We invite specialists from a wide range of fields to present seminars to enlighten and disseminate the concept of respect for human rights under broad themes. In FY2020, in view of COVID-19 restrictions, we provided 7 online sessions delivered to all business sites via the remote conference system.

Human Rights Impact Assessment (HRIA)

The UN Guiding Principles on Business and Human Rights (UNGPs) endorsed by the UN Human Rights Council in 2011 clarifies the corporate responsibility for human rights protection stating that business enterprises should carry out human rights due diligence, avoid infringing on the human rights of others and address adverse human rights impacts with which they are involved. Based on this concept, we clearly state Human Rights Policy that we strengthen efforts to carry out human rights due diligence to prevent or reduce adverse human rights impacts that its financial services may have, and conducts human rights impact assessment by the entire organization and in business activities. We choose priority human rights issues and implement specific actions in order.

Human Rights Impact Assessment Processes



Respect for Customers

The Norinchukin Bank considers it important to provide smooth access to necessary funds to customers engaging in the AFF industries, and small and medium-sized enterprises. To meet the needs of customers through the provision of customer-oriented services, we engage in ongoing efforts to enhance our functions and services with careful attention to customer requests.

As a provider of financial products and services, the bank regards it as important to seriously consider customer protection from the customer's perspective and to provide information that helps customers make appropriate decisions. In particular, when we help customers carry out transactions for financial products that require highly specialized knowledge, it is essential that we carefully explain contracts in easy-to-understand language. For this purpose, we have established a wide range of committees and set rules and regulations for customer protection.

Customer Consultations and Complaints

Customer consultations and complaints are systematically handled by the relevant departments, and the relevant departments communicate with and report to concerned departments in accordance with the rules and regulations for customer support and related services that specify the use of financial alternative dispute resolution (ADR) measures to resolve financial disputes out of court.

The Consultation Service Center of the Bank publicizes the content of the consultations and complaints from customers via our official website, etc.

JA Bank Consultation Service Center

JA Bank has internal rules and systems in place for the handling of customer consultations and complaints in a swift, fair and appropriate manner in consideration of financial ADR measures. Customer consultations and complaints are accepted through the JA Bank Consultation Service Center, a fair and neutral third-party organization, as well as the Consultation Service Centers at the Japan Agricultural Cooperatives (JA) and JA Shinnoren. With the consent of the customer, we urge the relevant JA or JA Shinnoren to promptly resolve all issues. In addition, we address areas of operation that might require improvement relative to consultations and complaints we receive and take measures to prevent recurrence by uniting the entire JA Bank organization.

JF Marine Bank Consultation Service Center

JF Marine Bank has internal rules and systems in place for the handling of customer consultations and complaints in a swift, fair and appropriate manner in consideration of financial ADR measures. Customer consultations and complaints are accepted through the JF Marine Bank Consultation Service Center, a fair and neutral third-party organization, as well as the Consultation Service Centers at the Japan Fishery Cooperatives (JF) and JF Shingyoren. With the consent of the customer, we urge the relevant JF or JF Shingyoren to promptly resolve all issues. In addition, we address areas of operation that may require improvement relative to consultations and complaints we received and take measures to prevent recurrence by uniting the JF Marine Bank.

GRI Guideline Comparison Table

GRI 102: General Disclosures		
1. Organizational profile		
102-1	Name of the organization	Sustainability Report 2021: P4 Annual Report 2021: P209 Value Report 2021: P46 Web: Corporate Outline
102-2	Activities, brands, products, and services	Annual Report 2021: P9, P54-57 Value Report 2021: P14-15, P28-31, P38-41, P42-45 Web: Our Businesses
102-3	Location of headquarters	Sustainability Report 2021: P1 Annual Report 2021: P209
102-4	Location of operations	Annual Report 2021: P201
102-5	Ownership and legal form	Sustainability Report 2021: P4 Annual Report 2021: P209 Value Report 2021: P46 Web: Corporate Outline
102-6	Markets served	Annual Report 2021: P4 Value Report 2021: P14-15 Web: Our Businesses
102-7	Scale of the organization	Sustainability Report 2021: P4 Annual Report 2021: P209 Value Report 2021: P14-15, P44
102-8	Information on employees and other workers	Sustainability Report 2021: P56 Annual Report 2021: P199
102-9	Supply chain	Value Report 2021: P14-15
102-10	Significant changes to the organization and its supply chain	-

102-11	Precautionary Principle or approach	Sustainability Report 2021: P19-23, P25, P29-30, P42, P46, P58, P60 Annual Report 2021: P17-18, P28-29, P34, P45-52 Web: Business Management
102-12	External initiatives	Sustainability Report 2021: P14 Annual Report 2021: P6
102-13	Membership of associations	Sustainability Report 2021: P14 Annual Report 2021: P6 Web: Business Management
2. Strategy		
102-14	Statement from senior decision-maker	Sustainability Report 2021: P2-3 Annual Report 2021: P2-7
102-15	Key impacts, risks, and opportunities	Sustainability Report 2021: P5, P7, P19-23 Annual Report 2021: P7, P28-29, P45-52
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Sustainability Report 2021: P8-9, P11, P59 Annual Report 2020: P5-6, P35 Value Report 2021: P16-17
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report 2021: P58, P61 Annual Report 2021: P35-38 Web: Business Management
4. Governance		
102-18	Governance structure	Sustainability Report 2021: P13, P46 Annual Report 2021: P20-27, P197 Web: Business Management
102-19	Delegating authority	Sustainability Report 2021: P13 Annual Report 2021: P20-22 Web: Business Management, Disclosure based on the Corporate Governance Code
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Report 2021: P13

102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Report 2021: P12, P15-18 P46-47 Annual Report 2021: P6, P22
102-22	Composition of the highest governance body and its committees	Annual Report 2021: P20-27, P197 Web: Business Management
102-23	Chair of the highest governance body	Annual Report 2021: P20-21, P197 Web: Business Management
102-24	Nominating and selecting the highest governance body	Annual Report 2021: P20-21 Web: Business Management, Disclosure based on the Corporate Governance Code
102-25	Conflicts of interest	Annual Report 2021: P20-27, P197
102-26	Role of highest governance body in setting purpose, values, and strategy	Annual Report 2021: P20 Web: Business Management
102-27	Collective knowledge of highest governance body	Annual Report 2021: P20-23
102-28	Evaluating the highest governance body's performance	Web: Business Management, Disclosure based on the Corporate Governance Code
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Report 2021: P5-7, P12-13, P19-23, P25, P29-30, P42, P46, P60 Annual Report 2021: P6-7
102-30	Effectiveness of risk management processes	Sustainability Report 2021: P25, P29 Annual Report 2021: P45-52
102-31	Review of economic, environmental, and social topics	Sustainability Report 2021: P13
102-32	Highest governance body's role in sustainability reporting	Sustainability Report 2021: P13
102-33	Communicating critical concerns	Sustainability Report 2021: P13 Annual Report 2021: P20-23 Web: Business Management
102-34	Nature and total number of critical concerns	–
102-35	Remuneration policies	Annual Report 2021: P22, P186-189 Web: Business Management, Disclosure based on the Corporate Governance Code

102-36	Process for determining remuneration	Annual Report 2021: P22, P186-189 Web: Business Management, Disclosure based on the Corporate Governance Code
102-37	Stakeholders' involvement in remuneration	Annual Report 2021: P22, P186-189 Web: Business Management, Disclosure based on the Corporate Governance Code
102-38	Annual total compensation ratio	–
102-39	Percentage increase in annual total compensation ratio	–
5. Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability Report 2021: P9, P46
102-41	Collective bargaining agreements	Sustainability Report 2021: P52
102-42	Identifying and selecting stakeholders	Sustainability Report 2021: P9, P46
102-43	Approach to stakeholder engagement	Sustainability Report 2021: P15-18, P46-47 Value Report 2021: P6-11, P18-21
102-44	Key topics and concerns raised	Sustainability Report 2021: P15-18 Value Report 2021: P6-11, P18-21
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	Annual Report 2021: P58-60, P67, P200
102-46	Defining report content and topic Boundaries	Sustainability Report 2021: P1, P13
102-47	List of material topics	Sustainability Report 2021: P12, P31, P41, P45, P48, P57
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	Sustainability Report 2021: P1
102-51	Date of most recent report	Sustainability Report 2021: P1
102-52	Reporting cycle	Sustainability Report 2021: P1
102-53	Contact point for questions regarding the report	Sustainability Report 2021: P1
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report 2021: P1, P62-65

102-55	GRI content index	Sustainability Report 2021: P62-65
102-56	External assurance	–

GRI 201: Economic Performance		
	Management approach disclosures	Annual Report 2021: P62-84
201-1	Direct economic value generated and distributed	Annual Report 2021: P62-84 Web: Financial Information
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2021: P19-23 Annual Report 2021: P7
201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2021: P71-72
GRI 203: Indirect Economic Impacts		
	Management approach disclosures	Sustainability Report 2021: P10, P25-28 Annual Report 2021: P39-41 Value Report 2021: P28-31, P38-41, P42-45
203-2	Significant indirect economic impacts	Sustainability Report 2021: P32-35, P37-39 Annual Report 2021: P39-41 Value Report 2021: P28-31, P38-41, P42-45 Web: Initiatives
GRI 205: Anti-corruption		
	Management approach disclosures	Sustainability Report 2021: P42

GRI 302: Energy		
	Management approach disclosures	Sustainability Report 2021: P36
302-1	Energy consumption within the organization	Sustainability Report 2021: P36
GRI305: Emissions		
	Management approach disclosures	Sustainability Report 2021: P10, P19-23
305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2021: P23
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2021: P23
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2021: P23
GRI 306: Waste		
	Management approach disclosures	Sustainability Report 2021: P36
306-2	Waste by type and disposal method	Sustainability Report 2021: P36

GRI 401: Employment		
	Management approach disclosures	Sustainability Report 2021: P49-51
401-1	New employee hires and employee turnover	Sustainability Report 2021: P56
401-3	Parental leave	Sustainability Report 2021: P51, P56
GRI 402: Labor/Management Relations		
	Management approach disclosures	Sustainability Report 2021: P52
GRI 403: Occupational Health and Safety		
	Management approach disclosures	Sustainability Report 2021: P52
403-3	Occupational health services	Sustainability Report 2021: P52
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report 2021: P52
403-6	Promotion of worker health	Sustainability Report 2021: P52

GRI 404: Training and Education		
	Management approach disclosures	Sustainability Report 2021: P53 Annual Report 2021: P42-43
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2021: P53-54 Annual Report 2021: P42-43
GRI 405: Diversity and Equal Opportunity		
	Management approach disclosures	Sustainability Report 2021: P49 Annual Report 2021: P43
405-1	Diversity of governance bodies and employees	Sustainability Report 2021: P49-51, P56
GRI 412: Human Rights Assessment		
	Management approach disclosures	Sustainability Report 2021: P11, P59-60
412-2	Employee training on human rights policies or procedures	Sustainability Report 2021: P60
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Sustainability Report 2021: P11, P29-30

SASB Reference Table

The Sustainability Accounting Standards Board (SASB) is an independent standards-setting organization that promotes the disclosure of important sustainability-related information to meet the needs of investors. The following table refers to Commercial Bank standards as defined by the Sustainable Industry Classification System (SICS), and shows where each topic is reported.

Prepared: July 2021

Topics	Indicator	Code	Reporting location
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	–
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Annual Report 2021: P52
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	–
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	–
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	–
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	–
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Annual Report 2021: P79-80, P115-120
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	Sustainability Report 2021: P25-30
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	–
	Description of whistleblower policies and procedures	FN-CB-510a.2	Annual Report 2021: P32, P35-37
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Annual Report 2021: P172
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	Annual Report 2021: P47

Activity Metric	Code	Reporting location
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	Annual Report 2021: P97
(1) Number and (2) value of loans by segment: (a) personal, (b)small business, and (c) corporate	FN-CB-000.B	Annual Report 2021: P98-101

From the Experts



KANIE Norichika

Professor,
Graduate School of Media and
Governance, Keio University

Formerly of the Tokyo Institute of Technology
Director, Keio Research Institute at SFC xSDGLab
KANIE Norichika serves as senior research fellow at United Nations
University Institute for the Advanced Study of Sustainability, visiting
professor at the University of Tokyo Institute for Future Initiatives,
member of the Sustainable Development Goals (SDGs) Promotion
Roundtable Meeting (SDGs Promotion Headquarters of the Japanese
government), member of the Expert Committee for the Promotion
of SDGs in Regional Governments (Secretariat for Regional
Development, Cabinet Office), and other positions.

I feel that as part of its new approach, one point of note
was the clarification of the Norinchukin Bank Vision
which positions Purpose as its most important aspect.
The Japanese government has started to specify policies
that express future directionality. These include setting a
greenhouse gas reduction target by 2030, and declaring that
Japan will have achieved carbon neutrality by 2050. SDGs
do the same thing, but I feel that given current instability,
first defining a position to aim for and then determining
what needs to be done now is an important approach.
Additionally, in the process of formulating the Purpose, along
with the executive workshops, I feel that important efforts
were made from a stakeholder perspective. These efforts

included collecting input from employees both within Japan
and overseas, and listening to the opinions of stakeholders.
Including the SASB reference table in addition to the GRI
standards is also of note. This is a first step in showing the
directionality that financial institutions should adopt and
how they should work with society, and I feel it is evidence
that they are taking a positive approach to investor-centric
sustainability.

Looking forward, it is important to recognize that trade-
offs may occur when coming up with strategies to make
this Vision a reality. For example, the Bank has put forth
increasing the income of farmers, fishermen and foresters
as a Medium/Long-Term Goal, however the sustainable
production base of the AFF industries may be compromised
if the indiscriminate taking or inappropriate usage of
resources in pursuit of increased income continues. We need
to recognize these negative impacts, and consider how we
can mitigate and reduce them.

As one response to this, I have high expectations for more
wide-ranging approaches, including support for the Positive
Impact Financial Principles formulated by the United Nations
Environment Programme Finance Initiative (UNEP FI). These
principles touch upon the recognition and mitigation of
these negative impacts, and the targets that they contribute
to. Understanding potential negative impacts and efforts to
overcome these may well become a business opportunity,
and can even lead to innovations.

I also found very interesting the progress and reporting on
recent topics of interest such as reductions in food losses,
plant-based alternatives, and forestry and wood, etc. With
ongoing technological innovations, these themes are starting
to become more valued in the market, and while their non-
financial value continues to increase, the market is still not
yet mature and establishing a business is problematic. If
the Norinchukin Bank can create financial value through
investment and financing, then there is the possibility that
this could lead to significant growth.

I look forward to their future initiatives. Coming through

the COVID-19 pandemic, I feel it is time to reevaluate the
distance between different people, and between people
and both nature and ecosystems. If we overlook the
present, then we may miss the chance to think about it.
The Norinchukin Bank has had to deal with this relationship
in its business dealings, but it is my hope that they will
again listen to the diverse stakeholder opinions and work
to better pursue this.

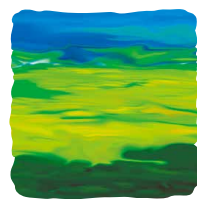
Responding to the Experts

Managing Executive Officer
Chief Human Resource Officer
Chief Administrative Officer
Chief Strategy Officer

KITABAYASHI Taro



I want to thank Prof. Kanie for his valuable opinions. After
discussions with executives and employees, we have
formulated our Purpose, however we are aware that we
still have a long way to go to put this into practice.
To achieve this, in our Medium/Long-Term Goals we have
set targets for the advancement of female employees, in
order that we can create a climate in which all employees
can engage in their work constructively and positively.
Additionally, as a business we will confront environmental
and social problems as not risks but as opportunities, while
factoring in the tradeoffs you pointed out.



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