

Sustainability Report 2020

NORINCHUKIN



Norinchukin Bank Sustainability Report 2020

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Sustainability Report 2020 Editorial Policy

We publish a sustainability report annually to provide information related to sustainability at Norinchukin Bank. We reference the GRI standard in the production of our sustainability reports.

Reporting Period

Fiscal 2019 (April 2019 to March 2020)
Certain information includes details as of June 2020.

Prior Publication

June 2019

Report Scope

The Norinchukin Bank and 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:

<http://www.nochubank.or.jp/en/>

The Norinchukin Bank sustainability Web site:

<https://www.nochubank.or.jp/en/about/sustainability/>

Contact regarding this Sustainability Report:

The Norinchukin Bank Sustainability Management
Department Corporate Planning Division

13-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo
100-8420, Japan

Message from the CEO

Practicing Sustainability Management Unique to Norinchukin



President and Chief Executive Officer, the Norinchukin Bank
Kazuto Oku

Supporting the Development of Agriculture, Fishery and Forestry Industries in Times of Change

The Norinchukin Bank is a member of cooperative organizations that support agriculture, fishery and forestry 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 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 in various activities and underlying corporate functions within our Food and Agriculture Business, our Retail Business, and our Investment Business.

Looking at fiscal 2019, we saw a year of increasing natural disasters, said to be caused by climate change.

While other nations experienced large-scale forest fires and other major disasters, Japan's agriculture, fishery and forestry industries also suffered severe damage from large typhoons. At COP25 (the 25th Conference of the Parties to the United Nations Framework Convention on Climate Change) held in December 2019, as well as at the Davos conference (Annual Assembly of the World Economic Forum) held in January 2020, I was impressed that the world had come to an agreement on the urgency of addressing climate change and environmental issues. I was also moved by the young people around the world who are taking powerful action for the future of the Earth. We are acutely aware of the severe impact of COVID-19 on economic and social systems. These circumstances have had grave repercussions around the world since the beginning of

2020. We have learned once again how important it is that companies and society be resilient to pandemics. This is a development prompting us to review not only our businesses, but also our lifestyles in working toward a sustainable society. These and other rapidly advancing global-scale issues threaten to rattle the very foundations of our business: food shortages due to global population growth, labor shortages due to declining birthrates, aging populations in advanced nations, and the loss of biodiversity. The Paris Agreement, the UN Sustainable Development Goals (SDGs), and other initiatives for social sustainability give rise each passing year to expectations for companies to resolve social issues. We recognize the need for us to conduct our businesses in ways that reflect society's expectations and demands.

At the same time, Japan's agriculture, fishery and forestry 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, agriculture, fishery and forestry 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. We feel strongly that we must probe more deeply into how Norinchukin can show purpose in helping create a sustainable society through our business activities.

Message from the CEO

A Constant Search for the Meaning of the Norinchukin Bank and an Evolution in Our Businesses

As the world places more emphasis on sustainability, the intersection between corporate value and outside perception is undergoing dramatic change.

Traditional values treated *environmental sustainability, the purpose of a company, corporate profits* as independent factors. However, the SDGs and the Paris Agreement have become a catalyst for the spread of a new value system. Under this value system, *sustainability and purpose are prerequisites for profits*. We believe that achieving these values will lead to sustainability management.

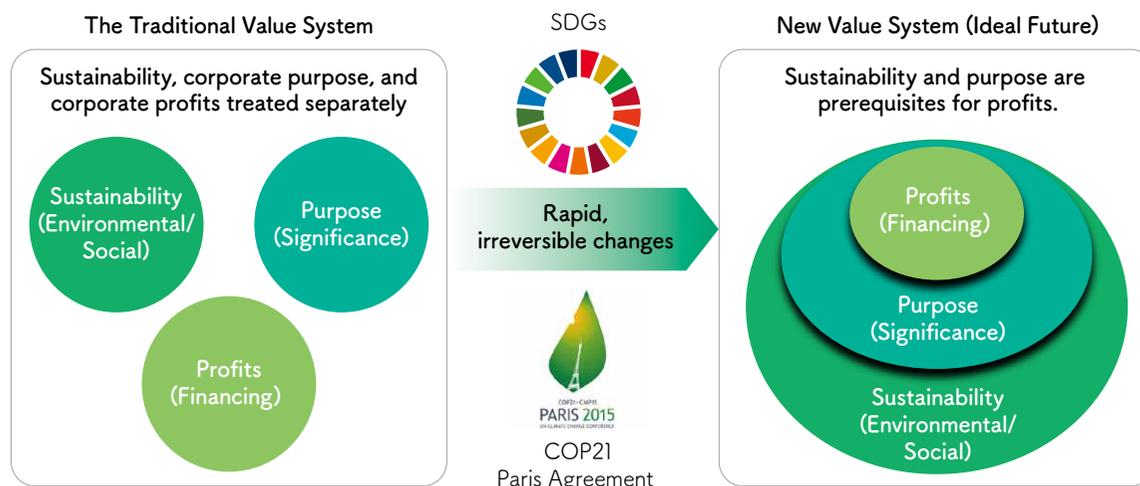
To exercise sustainability management, we continue to ask ourselves the value that the Norinchukin Bank offers to society, the demands of our stakeholders and society, and the unique businesses only we can provide.

In this way, we clarify our purpose, using this clarity to discuss and evolve sustainability management at the Norinchukin Bank.

In 2019, the Norinchukin Bank identified five focus areas and 14 topics related to sustainability. We then established sustainable Medium-Term goals for each of these issues. To clearly communicate the basis of our business activities and the actions of our officers and employees, we formulated environmental and human rights policies. We also declared our support for the Task Force on Climate-Related Financial Disclosures.

We have set these goals as group-wide goals to pursue during fiscal 2020. We are committed to work as a unified group to strengthen our framework for sustainability management.

As this is the *first year of sustainability management* at the Norinchukin Bank Group, we will strive to ensure our unique perspective on sustainability takes root in the daily tasks of our officers and employees, embracing sustainability as a part of our practices.



The Philosophy Behind Our Corporate Logo

The logo of the Norinchukin Bank represents a Japanese landscape with vibrant agriculture, fishery and forestry 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 agriculture, fishery and forestry 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 agriculture, fishery and forestry industries.

This is the traditional role of the Norinchukin Bank, and we will strive to make an even greater contribution in the future.

Medium-Term Management Plan and Sustainability Management

Norinchukin Bank Overview

The Basic Mission of the Norinchukin Bank

Our mission at the Norinchukin Bank is to support the agriculture, fishery and forestry industries as a national-level organization for JA Bank, JF Marine Bank, and the 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, 2020)

*Investment is accepted from members and preferred investors.

Total Assets (Consolidated Basis)

¥105,482.0 billion (as of March 31, 2020)

Members

3,477 organizations (as of March 31, 2020)

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

Number of Employees

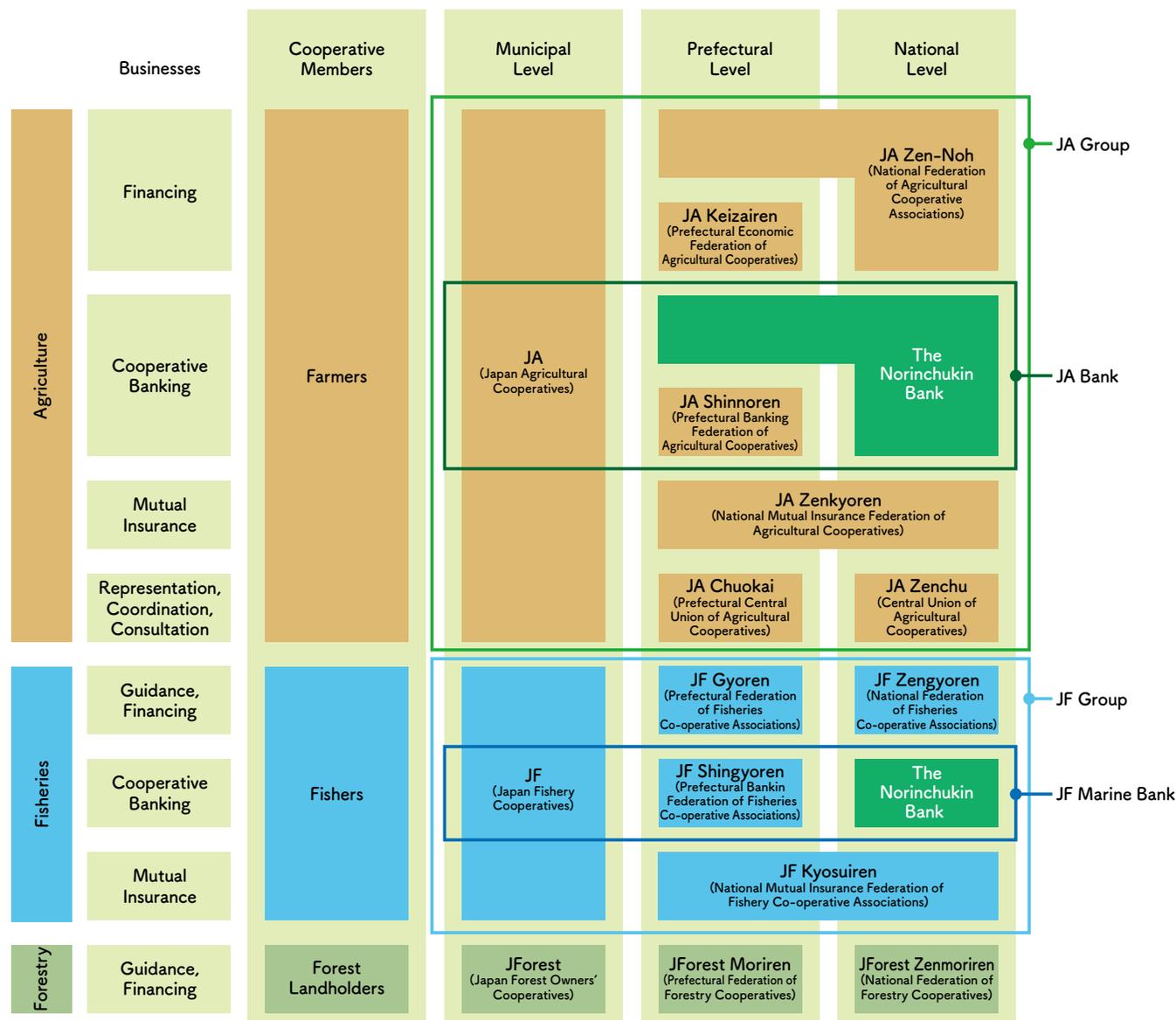
3,645 (as of March 31, 2020)

Business Locations

26

Head office, 19 branches in Japan, 1 branch annex, 3 overseas branches, 2 overseas representative offices (as of March 31, 2020)

Structure of the Norinchukin Bank



Medium-Term Management Plan and Sustainability Management

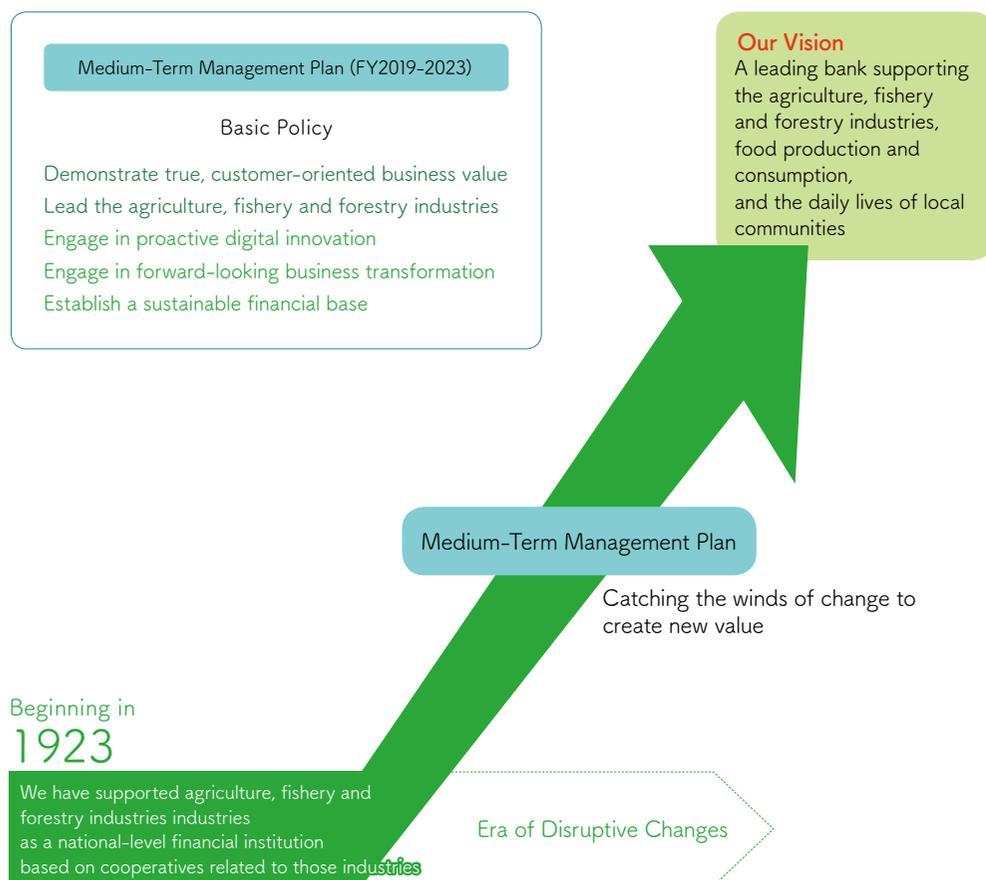
Medium-Term Management Plan and Three Priority Business Strategies

Under our Medium-Term management plan (FY2019-2023) the Norinchukin Bank pursues business and organizational management to become a *Leading Bank that Supports the Agriculture, Fishery and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities*.

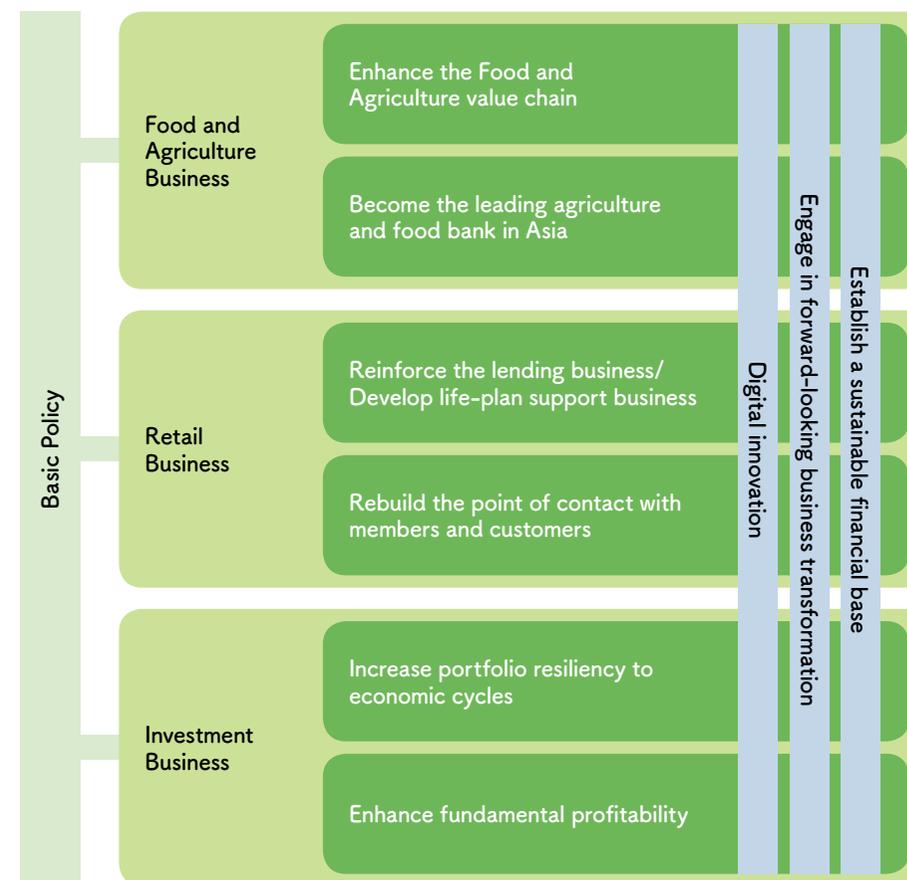
Our Medium-Term management plan assumes disruptive change over the next 10 years, and targets self-reform of our organization to meet customer expectations and create value.

We aim to contribute to sustainability-oriented management through our Food and Agriculture Business, Retail Business, and Investment Business, as well through the corporate functions that support these businesses. In so doing, we facilitate environmental and social sustainability upon which our business is founded.

Medium-Term Management Plan (FY2019-2023)



Three Priority Business Strategies



Medium-Term Management Plan and Sustainability Management

Overall View of Sustainability Management

Climate change, which increases in severity every year, and other environmental and social issues are universal and unavoidable. Disruptive change both in Japan and overseas has brought us to a major turning point in history. We must create value with a view to future changes, rather than as an extension of the past.

In addition, nations and corporate entities are making efforts toward the sustainable development of society, including the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement, which is a new framework for climate change. Given these changes, we recognize that the roles expected of companies are changing rapidly.

For a company to carry out sustainable business activities today, businesses must contribute to a sustainable environment and society, which represent the foundation of an entity's operations. This is called sustainability-oriented management. The Norinchukin Bank brand statement is *dedicated to sustaining all life*.

Looking to our origins as a financial institution based on agriculture, fishery and forestry cooperatives, Norinchukin Bank strives to address sustainability issues important to us and our major stakeholders. Here, we aim to improve environmental and social sustainability, as well as the sustainability of our businesses.

In fiscal 2020, we will define the Norinchukin Bank Medium-Term sustainability goals as Medium-Term sustainability goals for the all group companies (listed at right). Each group company will consider measures and take action to achieve these goals.

Brand Statement

Our work at The Norinchukin Bank won't change the world overnight

Our focus is on the agriculture, fishery and forestry industries.
This means that nature is our partner,
and nothing in nature bears fruit overnight
—they produce and nurture life as a legacy for future generations.

This is precisely why we are dedicated to serving those who sustain these industries and their local communities, no matter how small the scale of their operations.
As the financial institution wholly devoted to this sector
—the very cornerstone of our nation, we strive consistently to generate solid outcomes in the global financial markets.

Our history spans more than 90 years.

But that alone is no longer enough.
We must take on a greater role than ever before
if this sector is to continue developing in response to the changing times.

We must harness our financial knowledge to make new contributions that extend beyond our past functions and scope.
We must do our utmost to address on-the-ground issues.
We must respond to the needs not only of producers, but also to those of processors, distributors and consumers.

The life generated by the agriculture, fishery and forestry industries sprouts the workings of all life well into the future.

Now is the time for each and every one of us to give our all.
We aim to make the chain of life that connects us to the future more bounteous and more certain.

Dedicated to sustaining all life.

The Norinchukin Bank

Group Companies Subject to Medium-Term Sustainability Goals

- 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.
- Cooperative Servicing Co., Ltd.
- Agribusiness Investment & Consultation Co., Ltd.

Medium-Term Management Plan and Sustainability Management

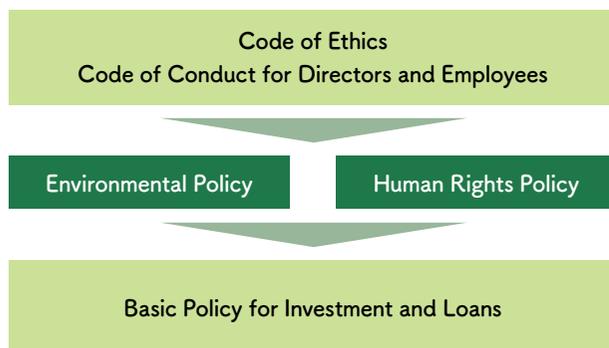
Philosophies and Policies Supporting Sustainability Management

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 November 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.



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 agriculture, fishery, and forestry 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 initiatives^{*1} 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 agriculture, fishery and forestry industries, climate change^{*2} 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 initiatives^{*3} to address human rights issues
- 3) We declare our respect for human rights across the entire value chain (directors, 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

Medium-Term Management Plan and Sustainability Management

Identifying Sustainability Issues

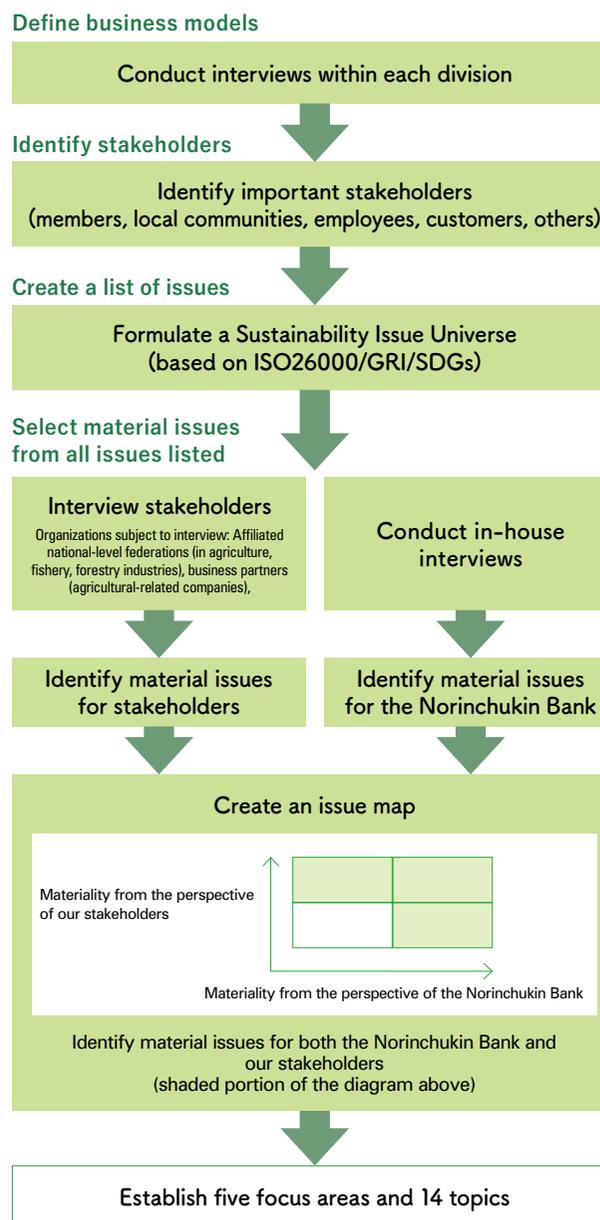
Developing a Future Outlook, Formulating a Five-Year Plan

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.



Norinchukin Bank Sustainability Topics (Five Focus Areas and 14 Topics)

| | |
|--|-----|
| Focus Area 1: Create a positive impact on the agriculture, fishery and forestry industries, food, and local communities | P28 |
| Topic 1-1: Contribute to sustainable agriculture, fishery and forestry 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 agriculture, fishery and forestry industries | |
| Topic 1-5: Create business innovation | |
| Focus Area 2: Promote responsible finance | P34 |
| Topic 2-1: Promote sustainable finance | |
| Topic 2-2: Contribute to sustainable energy utilization | |
| Topic 2-3: Realize financing for everybody | |
| Focus Area 3: Promote sustainability management | P38 |
| 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 | |
| Focus Area 4: Secure highly capable human resources | P41 |
| Topic 4-1: Improve diversity and equal opportunities | |
| Topic 4-2: Enhance human resources development | |
| Focus Area 5: Maintain customer trust as a financial institution | P50 |
| Topic 5-1: Further reinforce our compliance framework | |

Medium-Term Management Plan and Sustainability Management

Sustainability Promotion Structure

The Sustainability Committee and CFT

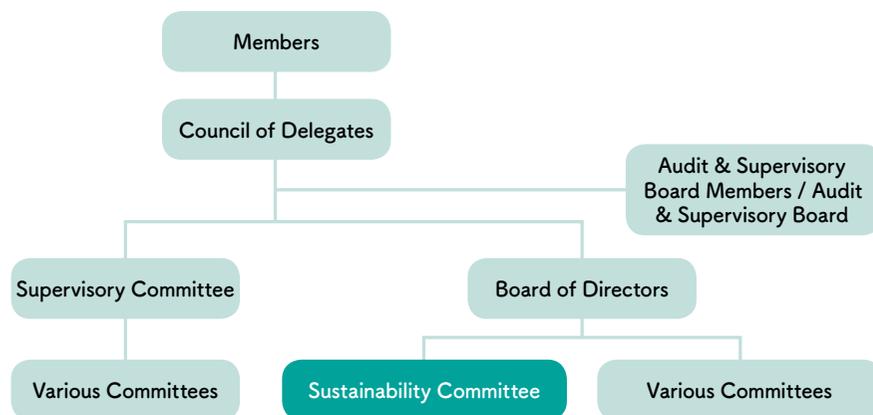
We have established the Sustainability Committee under the board of directors to achieve sustainability-oriented management.

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 directors in charge of business administration and risk management. 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 fiscal 2019, we held seven meetings of the Sustainability Committee and eleven meetings of the CFT.

Diagram: Sustainability Promotion Structure



Status of Sustainability Committee Meetings

| Key Details | |
|-------------|---|
| Apr 2019 | External call for sustainability management |
| Jun 2019 | Sustainability Report 2019 content |
| Jul 2019 | Position on planning for a sustainable fiscal 2020 |
| Sep 2019 | Established Environmental Policy, Human Rights Policy |
| Oct 2019 | Fiscal 2020 plan review status Expanded sustainability management to Group companies |
| Mar 2020 | Awareness of the state of sustainability management, future action policies |
| Mar 2020 | Policy for issuance of Sustainability Report 2020 |

Diagram: CFT Structure



Status of Sustainability Management CFT Meetings

| Key Details | |
|-------------|---|
| Mar 2019 | CFT kickoff, reviewed status of various policies (e.g. for formulation of Environmental Policy, Human Rights Policy) |
| Apr 2019 | Review of various policies (e.g. status of initiatives for TCFD disclosure, reviewed status for ESG investment/loans) |
| May 2019 | Review of various policies (e.g. review status for formulation of Environmental Policy, Human Rights Policy, sector policy) |
| May 2019 | Toward policy formulation for fiscal 2020 (brainstorming sustainable policy ideas, exchange of opinions) |
| Jul 2019 | Same as above (position/direction for formulating management plan) |
| Jul 2019 | Same as above (reconfirming direction after sharing committee discussions, Q1 initiatives) |
| Sep 2019 | Toward policy formulation for fiscal 2020 (first draft reports from business headquarters) Establishment of Environmental Policy, Human Rights Policy (for November external release) Expanded sustainability management to Group companies |
| Oct 2019 | Toward policy formulation for fiscal 2020 (discussion based on first drafts) |
| Oct 2019 | Same as above (discussion for policy determination, policy budget) |
| Dec 2019 | Status of preparation for fiscal 2020 policies (e.g. direction for implementation of various policies) |
| Mar 2020 | Awareness of state of sustainability management, future action policies Policy for issuance of Sustainability Report 2020 |

Medium-Term Management Plan and Sustainability Management

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 fiscal 2015, 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.



Medium-Term Management Plan and Sustainability Management

Dialogue with Experts



To reach higher levels of sustainability-oriented management, the Norinchukin Bank engages in dialogue with experts. In March 2020, three experts joined with our president and CEO and other directors for a dialogue. They engaged in multifaceted discussions, including perspectives such as domestic and overseas sustainability trends and expectations of the Norinchukin Bank. We will utilize the knowledge gained from this dialogue in steadily advancing our sustainability management.

Participants

Sustainability Experts

Mr. Takejiro Sueyoshi
Special Advisor to UNEP FI (United Nations Environment Programme Finance Initiative)

Ms. Maiko Kubo
Director, Environment Policy Office, Ministry of Agriculture, Forestry and Fisheries

Mr. Kenji Fuma
CEO, Neural Inc.

Norinchukin Bank Participants

Kazuto Oku
President and Chief Executive Officer
Tetsuya Kanamaru
Senior managing director (Representative Director)
Shozo Goto
Senior managing director (Representative Director)
Keito Shimbu
Senior managing director (Representative Director)
Kazuhiko Otake
Senior managing director (Representative Director)
Hikaru Yoshida
Managing Director
Kei Fujisaki
Managing Director
Kiyotsugu Akimoto
Audit & Supervisory Board

Shigeo Miyachi
Audit & Supervisory Board
Yasuyuki Matsumoto
Managing Executive Officer
Satoshi Iwaso
Managing Executive Officer
Seiki Todaka
Managing Executive Officer
Ryo Akiyoshi
Managing Executive Officer
Shin Kawamoto
Managing Executive Officer
Hiroshi Yuda
Managing Executive Officer
Masakazu Kita
Managing Executive Officer
Masanobu Yagi
Managing Executive Officer
Satoshi Matsunaga
Managing Executive Officer

Akiko Ito
Executive Officer and General Manager
Internal Audit Division
Yoshio Kimura
Executive Officer and General Manager
JF Marine Bank Management Division
Koki Ogino
Executive Officer and General Manager
Digital Innovation Division
Yoshihiro Ito
Executive Officer and General Manager
Financial Planning and Control Division
Kenji Kawashima
General Manager
Corporate Planning Division (Moderator)

Expert Lecture #1 Mr. Takejiro Sueyoshi

After graduating from the University of Tokyo, Mr. Sueyoshi joined Mitsubishi Bank. Having served as vice president at Nikko Asset Management, Sueyoshi was appointed as a special advisor to UNEP FI. Today, he serves as vice chair of the Executive Board of the Japan Renewable Energy Foundation, Chairman of CDP Japan, Chairman of WWF Japan, and Representative of the Japan Climate Initiative.



The State of Global Sustainability

Today, I want to emphasize that the world stage has changed. In particular, the issue of climate change has come to be regarded as a crisis, and the resulting sense of urgency has raised the level of global action. The world has come together to seek carbon-free, net-zero societies through a low-carbon mindset, reducing greenhouse gases. Failing to recognize this shift in gears will result in being left behind by the world. As an example, business leaders around the world who have emphasized profits in the past are now under pressure from their stakeholders to devise policies in consideration of sustainability. In the financial world, leading actors on Wall Street are also pivoting to ESG investments. That world is entering a new era where the structure and flow of financing is changing fundamentally. Another emerging trend is the rise of young people who have begun to act under a new set of values. It will be important to build political, social, and economic environments that meet their demands. We can see these new values on the world's dinner tables, where meat substitutes derived from green peas are being served. In this way, the world is undergoing change, ready and determined to achieve a sustainable society. This will be a major crossroads for those who can or cannot evolve with these trends. I hope to see the Norinchukin Bank set goals for the long term, drawing up a roadmap and pursuing targets for five and ten years in the future.

Dialogue with Experts

Expert Lecture #2

Ms. Maiko Kubo

After graduating from the University of Tokyo, Ms. Kubo joined the Ministry of Agriculture, Forestry and Fisheries (MAFF). She was named to her current position in April 2019 after serving as Deputy Director of the Environment and Biomass Policy Division, Director of JETRO Paris, Deputy Director of the Export Promotion Division of the Food Industry Affairs Bureau, Deputy Director of the Japan Pavilion at Milan Expo, and Planning Officer of the Minister's Secretariat Policy Division.



Sustainability in the Agriculture, Fishery and Forestry Industries and Initiatives of the Ministry of Agriculture, Forestry and Fisheries

Our primary mission is to leave behind an environment with safe food and a secure environment for future generations. The agriculture, fishery, forestry, and food industries are wholly dependent on natural capital and are interdependent on each other. Therefore, industry sustainability cannot be guaranteed without sustainability of natural capital. One-quarter of the world's greenhouse gas emissions stem from agriculture, forestry, and similar land use. The full-scale implementation of the Paris Agreement requires innovation in the fields of agriculture, fishery, and forestry. The Ministry of Agriculture, Forestry and Fisheries (MAFF) announced in January 2019 that the ministry aims to decarbonize Japan by 2050 through four key pillars: fully utilizing renewable energy, reducing greenhouse gas emissions, sequestering and storing carbon, and making international contributions. CO₂ absorption through forestation and environmentally friendly agriculture is drawing greater attention worldwide. Therefore, we will continue to promote initiatives in preparation.

Achieving the SDGs requires sustainable production and consumption of both food and agricultural products. MAFF established the Study Group on Sustainable Production and Consumption Forms in November 2019. In the future, we will pursue awareness-raising activities for sustainable consumption.

The Norinchukin Bank is influential in the agriculture, fishery and forestry industries, as well as in the greater industrial world. I would like to see the bank use this influence to support initiatives out in the field. I expect that the Norinchukin Bank will offer a wide variety of support, including incorporating ESG perspectives into financing terms and acceptance standards. I expect the bank to also use its nationwide network to connect the needs of investors with those working on the front lines.

Expert Lecture #3

Mr. Kenji Fuma

Master of Liberal Arts, Sustainability (Harvard University); MBA (Thunderbird School of Global Management); BLA, International Relations (University of Tokyo). Mr. Fuma founded Neural, an advisory company in sustainability management and ESG investment, in 2013, where he currently serves as CEO. Editor-in-chief of the Sustainable Japan news website.



Sustainability Initiatives Within Companies and Financial Institutions

Though the Davos conference features a presentation on global risks every January, climate change has already been the topic of the world's focus since 2011. For Japan, 2011 is synonymous with the Great East Japan Earthquake. In Europe, it was the time of a major debt crisis. However, the year 2011 was also when we came to recognize climate change as a risk. Despite uncertainty in the current economic outlook, I believe that efforts to tackle climate change will continue in Europe. In Japan, labor shortages are a major issue. We cannot sustain agriculture without relying on foreign workers. The "S" of ESG includes human resources, and dealing with a labor shortages is a major issue. Around 2008, the world's leading companies began to establish sustainability divisions, and though Japan has been behind in this trend, it is catching up. There are various trends among Japanese companies, including a commitment to go carbon-neutral by 2050; such initiatives will likely continue into the future.

In response to these corporate trends, financial institutions are accelerating action to support efforts through sustainable finance. With the launch of the Principles for Responsible Banking (PRB) in 2019, financial institutions are likely to make greater commitments in this area. In the future, there will be a greater demand for collaboration between companies and financial institutions toward the achievement of a sustainable world, including addressing climate change risks. Looking at agriculture today, we see that sustainability requires not only capital investment, but also technological development. My expectation is that Norinchukin Bank investment and lending for sustainability in the agriculture, fishery and forestry industries will have a significant meaning for the economy and society.

Dialogue with Experts

Q&A

Q I understand that changes in shareholder views influence changes in the awareness of business leaders around the world. What are your thoughts on the perspective of shareholders in sustainability management?

Mr. Sueyoshi: We have seen changes in the "shareholder first" corporate culture that has been the historical attitude among managers. Since the 2000s, financial institutions and companies have started holding dialogues with NGOs, reflecting this feedback in corporate activities. In August 2019, the Business Roundtable, consisting of major US companies, declared a shift from shareholder primacy to stakeholder capitalism.

I think these are changes in the axis of valuation that shows contributing to society is the more rewarding path for shareholders. Should we not move forward believing that the voice of the shareholder represents the voice of society?

Q The Norinchukin Bank is a financial institution with a mission to support the agriculture, fishery, and forestry industries, and seeks to contribute through the agriculture, fishery, and forestry industries. As I listen to opinions from those in the field, I worry about what we should be doing. Is there any advice you can give us?

Mr. Fuma: Around the world, there is a movement to envision an ideal future for the year 2050 based on the opinions of stakeholders. As a result, we are seeing more distinct gaps between the actual and the ideal. We see clearer roles for each player and clearer financing needs. As a result, companies, governments, and financial institutions are able to work in unison. Considering the various challenges facing Japan's agriculture, fishery, and forestry industries, I think having a vision for the ideal future in 2050 will help us think about what we should do now.

Mr. Sueyoshi: After the war, Japan enjoyed great economic growth and an age of plenty, with less societal attention paid to the agriculture, fishery, and forestry industries. But the agriculture, fishery, and forestry industries are the ones most harmed by global warming. I think it is necessary to share a sense of urgency in spreading information so the public can understand the situation. This may be the time to discuss how we make sustainable industries that adapt to the world's structural changes, different consumer preferences, and new value systems.

Q We are 30 years away from 2050. Looking back on the past 30 years, I think we can see obstacles in the path to sustainability. What can you tell us that will inform our considerations going forward?

Ms. Kubo: Thirty years ago, the three Rio Conventions (the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, and the United Nations Convention to Combat Desertification) were established. This was the era when sustainability began. In agriculture, the focus was on raising yields, and the core belief was that the environment was in conflict with

the economy.

However, our understanding of the environment has changed significantly through the SDGs. Generations are being born who will learn environmental issues at school, and I believe the foundation for understanding the need for sustainability in the growth of industry has been put in place.

Mr. Fuma: Thirty years ago, investing in society and the environment was considered to be a moral, yet unprofitable, investment. PRI was founded 15 years later, and societal trends changed as ESG investment perspectives were incorporated. Sustainable finance has changed in the sense that it is now a profitable activity. Stakeholders have a deeper understanding, these obstacles have been curtailed, and the bar has been lowered.

Q I believe that timelines are important when considering goals from a long-term perspective. What do we need in order to incorporate the voices of the youth, our future stakeholders, and bridge the gap between producers and consumers?

Ms. Kubo: In Japan, we are aiming for zero emissions in the agriculture, fishery, and forestry industries by 2050. We will be formulating a roadmap to achieve this goal. I believe one must first envision a desired future state, and then to constantly review this state as one presses forward.

Mr. Fuma: As an example, although it is difficult to make concrete plans for 2050, setting goals is significant in and of itself. Communicating your vision of an ideal future engages stakeholders, drives you closer to your goals, and attracts allies. In this sense, it is very significant to start by announcing long-term goals.

Mr. Sueyoshi: Today, the world is aiming for a common goal of zero emissions. If we do not share this goal, we cannot win the world's trust, nor can we stand on the same stage together. On the other hand, I think no one feels assured that 2050 goals will be achieved completely. For example, even among the world's leading corporations, it is said that 70% of goals are likely to be realized, while the other 30% are simply *que sera, sera* (what will be, will be). It would probably be best to start by sharing goals.

Dialogue with Experts

General Manager Comments



Tetsuya Kanamaru
Representative Director
(Head of Food & Agri Banking Business)

From the perspective of sustainability, we are thinking about what we should do, as well as what we can do. You've advised us to share our organization's goals and act with certain aims. We will continue our efforts going forward in consideration of the mission of the Norinchukin Bank.



Keito Shimbu
Representative Director
(Head of Global Investments)

As you mentioned, society will change, business will change, and finance will change as well. We would like to consider how we can contribute to sustainability through socially significant investments, working toward this in a manner fitting for the Norinchukin Bank.



Shozo Goto
Representative Director
(Head of Retail Banking Business)

I have always believed the question of what the Norinchukin Bank should do as a cooperative organization has been an issue. This has reaffirmed to me the importance of setting goals for the future. I hope we proceed with a shared sense of urgency, engaging in ongoing dialogues with the community and creating a vision for the ideal futures for both urban and rural areas.



Kazuhiko Otake
Representative Director
(Head of Corporate & Shared Services)

Considering future generations has once again made me aware of our very heavy responsibility and the important management issue of sustainability. Keeping today's discussions and advice in mind, I want to engage firmly in moving forward, allowing that we will encounter frustrations.



Summary of Dialogue:
Kazuto Oku
President and Chief Executive Officer

Thank you all for today's very thoughtful discussions.

As a financial institution, we at the Norinchukin Bank believe that we can pursue sustainability from an investor standpoint. Further, as a cooperative organization, I have recognized that it is necessary to continue studying how to reflect the spirit of mutual assistance represented by financial inclusion in sustainability.

Based on today's dialogue, I want to list five resolutions for the future.

- 1) I want to set targets and challenge ourselves in terms of finance, in terms as a cooperative, and in terms of an organization built on a base of the agriculture, fishery, and forestry industries.
- 2) I want to proceed with efforts from the dual perspectives of global efficiency and local resiliency and sustainability.
- 3) Although agriculture is said to be an environmentally burdensome industry, I want to aim for an approach that achieves carbon offsets and negatives through initiatives in the forestry and fishery industries.
I also want to consider the possibility that Japanese agricultural technology can contribute to reducing the environmental load of overseas agriculture, fishery, and forestry industries.
- 4) I want to consider uniquely Norinchukin methods of communicating information to stimulate people to think seriously about the environment and the Earth through food.
- 5) I want our directors and employees to think about the ideal future of both agriculture and ourselves through backcasting. *Dedicated to Sustaining All Life*. I hope we can work to link this corporate brand statement to broadly include the life of the Earth as well.

I have also reconfirmed that the Norinchukin Bank must create businesses that contribute to Carbon Zero by providing financing in the agricultural technology field. We will reflect today's discussions in our future initiatives.

Key Initiatives for Achieving Sustainability Management

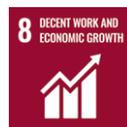
The Norinchukin Bank has established five key initiatives for fiscal 2020, reflecting the world situation related to Medium-Term sustainable goals, environmental issues, and social considerations.

We incorporated these key initiatives into our fiscal 2020 management plan, developing specific activities.

Policies

Contribute to solving environmental and social issues, including climate change and human rights, through our businesses, **striving to ensure sustainability for the agriculture, fishery, and forestry industries, which represent the foundation of our business.**

Relevant SDGs

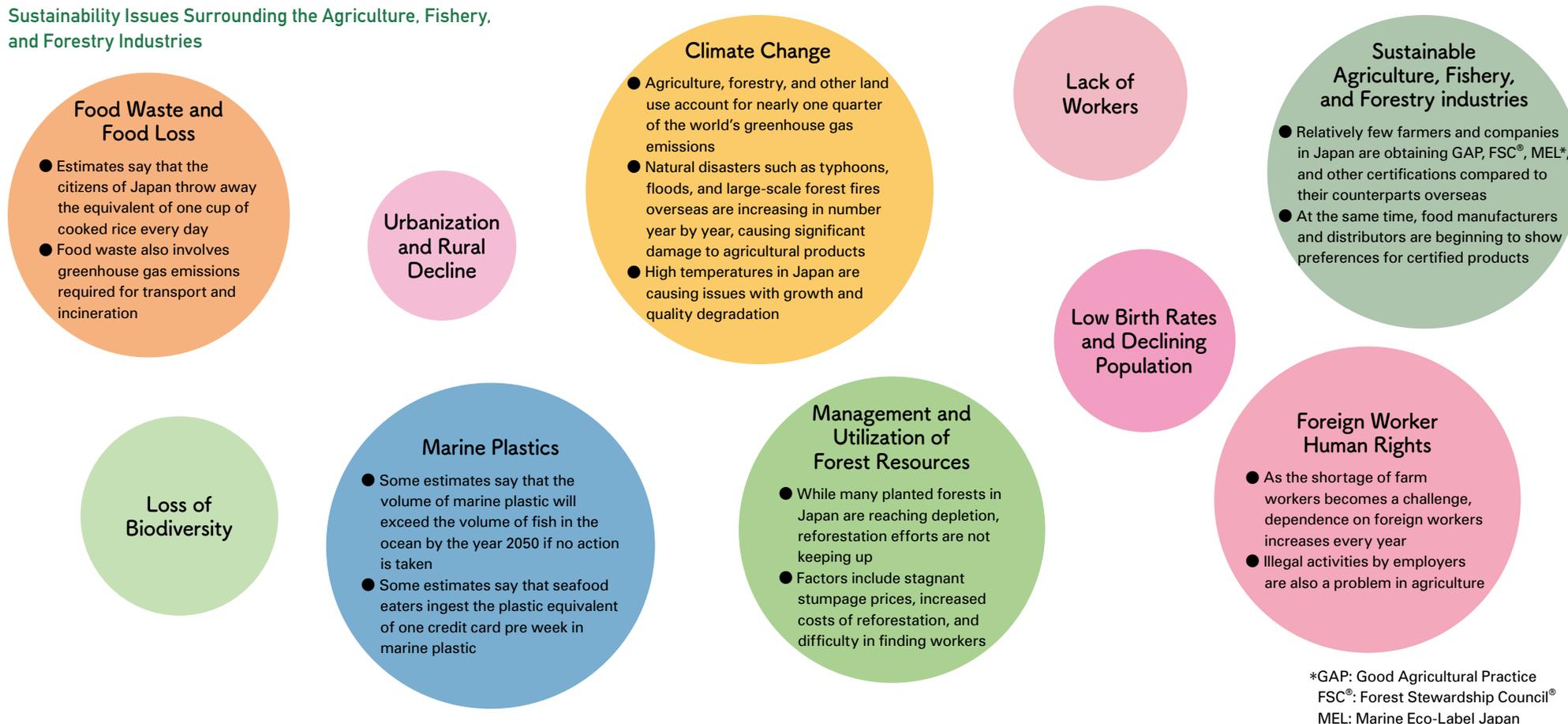


Sustainability Issues Surrounding the Agriculture, Fishery, and Forestry Industries

Sustainability issues in the agriculture, fishery, and forestry 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 Agriculture, Fishery, and Forestry Industries



Sustainability issues in agriculture, fishery, and forestry industries are nothing less than the very foundation of the Norinchukin Bank business



We will contribute to solutions through our businesses

Solving Environmental and Social Issues Through Sustainable Finance

Norinchukin Bank Sustainable Finance Goals

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

pursuing sustainability in society (including the agriculture, fishery, and forestry industries) and our business activities. Our main contribution to this goal is through sustainable 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 risks, 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

ESG-Oriented Investment and Finance → P18

We conduct investment and financing activities to generate profit and to contribute to the development of sustainable societies and to the growth of the agriculture, fishery, and forestry industries.

New Investment and Loan Target for Fiscal 2020: **¥250 billion**

Outstanding Assets Under Management (as of March 2020): **¥1.8 trillion**

Sustainability Linked Loans → P19

We began handling sustainability linked loans in May 2020. Here, our objective is to advance initiatives for solving the environmental and social issues faced by customers from a strategic approach. At the same time, we support the improvement of our own medium- and long-term corporate value.

JA Bank Efforts Toward Renewable Energy Demand → P20

ESG Integration → P18 · 21

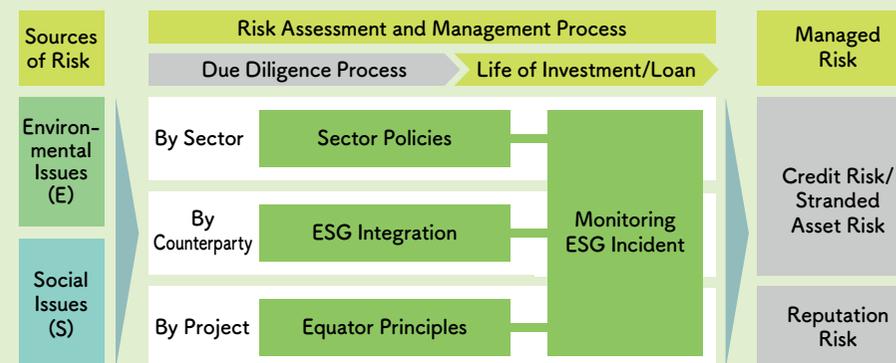
We are striving to build a decision-making process for investment and loan decisions that integrates a recognition of environmental and social risk into credit decisions based on the traditional financial risks evaluation process. This framework is a tool not only for internal controls, but also for engaging in dialogue with customers based on non-financial information.

Risk Management

Environmental and Social Risk Management (ESRM) → P21

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

ESG-Oriented Investment and Finance

We have set a new investment and loan target of ¥250 billion for fiscal 2020.

Of our roughly ¥64 trillion in market assets, we have allocated ¥1.8 trillion to ESG-oriented investment and financing. (as of March 2020)

FY2020

New ESG-Oriented Investment and Finance Target

¥250 billion

ESG Integration

We incorporate ESG integration into our investment and loan projects as a measure toward environmental and social risk management (P.21). 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

A total of US\$1.4 billion has been invested in sustainable development bonds issued by the World Bank (more precisely the International Bank for Reconstruction and Development).

These bonds have been issued through a partnership between the Norinchukin Bank and the World Bank, and investment in these bonds represents an important part of how we support the achievement of four of the 17 SDGs that we pursue in particular. As the first initiative of its type for Japan, these bonds represent our efforts with the World Bank to show the world the importance of initiatives related to the SDGs that are highly regarded by investors.

Investments in these bonds financially support World Bank initiatives in cooperation with the SDGs, including improved grain storage technology and projects for sustainable fisheries and the protection of marine resources. We follow up consistently on the progress of these projects, contributing to agriculture, fishery and forestry industry sustainability.

Further, these investments contribute to measures against climate change by reducing greenhouse gas emissions. In addition, these investments contribute to stable profits through internationally diversified investments, while also aligning with the Norinchukin Bank philosophy of sustainability-oriented management.



From the Front Lines

Fixed Income Investment Division Manager

Junichi Fujimori



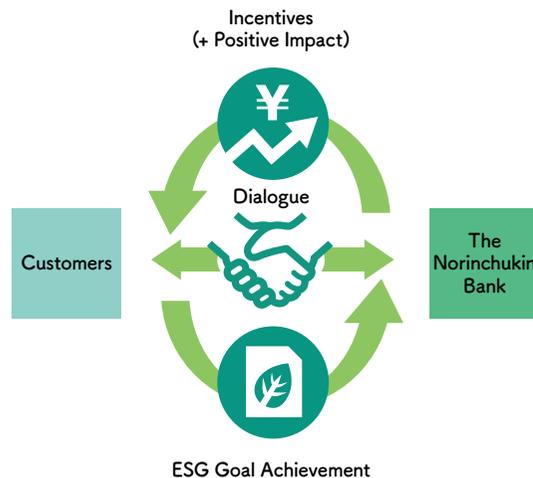
Experts say that public funds will not be sufficient to achieve the SDGs and that considerable private funds will be needed. We believe investing in the World Bank Sustainable Development Bonds is a unique contribution that the Norinchukin Bank can make as one of the world's leading institutional investors. This investment features a balance between solving social issues and securing investment returns. To solve issues sustainably, rather than treating sustainability as a temporary fad, we must avoid a stoppage in the flow of funds along the way. At the same time, we cannot give short shrift to profits if we are to engage seriously with sustainability.

One of the major topics addressed by the Sustainable Development Bonds is food loss. The issue of food loss is related closely to the issue of greenhouse gas emissions. Climate change caused by greenhouse gases ripples outward, manifesting in impact across national borders. We believe that solving the global food loss problem will mitigate climate change and contribute significantly to Japan's agriculture, fishery and forestry industries, which are sensitive to changes in the environment. We will continue striving for sustainability through the work of the Norinchukin Bank and the organizations in our cooperative system.

Sustainability Linked Loans

We began handling sustainability linked loans in May 2020. Here, our objective is to advance initiatives for solving the environmental and social issues faced by customers from a strategic approach. At the same time, we support the improvement of our own medium- and long-term corporate value.

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. Here, our aim is to support the sustainable business activities and growth of our customers in terms of the environment and society.



Topics

Sustainability Linked Loan No.1

In May 2020, the Norinchukin Bank executed a sustainability linked loan with Mitsubishi Estate Co., Ltd. This was the first sustainability linked loan funding a project in Japan’s real estate industry, as well as the first sustainability linked loan by the Norinchukin Bank.

The loan was executed under SPTs to reduce CO₂ emissions (35% reduction by 2030 compared to 2017) and increase the ratio of renewable electricity (25% by 2030), based on the goals identified in the *Mitsubishi Estate Group SDGs 2030*. The Mitsubishi Estate Group plans to use a portion of the funds to increase the use of renewable electricity and reduce CO₂, which we expect will contribute to solving climate change issues.

In concluding the loan agreement, we sought a third-party opinion from Japan Credit Rating Agency, Ltd. regarding compliance with the principles of sustainability linked loans and the rationale behind the SPTs involved.

Through this loan, we will support the Mitsubishi Estate Group’s efforts toward creating a sustainable society.



From the Front Lines

Sales Section No.2 Assistant Senior Manger

Ryosuke Ito



We collaborated with Dai Maru Yu SDGs ACT5, an organization promoting activities that cross corporate borders in the Otemachi, Marunouchi, and Yurakucho districts of Tokyo. Our efforts here provided an opportunity to understand the Mitsubishi Estate’s sustainability initiatives. The Norinchukin Bank began our own sustainability-oriented management in 2019, and our affinity with the long-term view of Mitsubishi Estate’s philosophies and goals led to the execution of the sustainability-linked loan. The long-term loan period of 11 years and 3 months was a product of our mutual understanding. I also think this project raised awareness of new work and corporate sales styles, as we conducted communications mainly online in this time of the COVID-19 pandemic. Sustainability linked loans are very interesting in that they allow both business profits and social sustainability, while creating the potential for open innovation in partnership with other companies. I hope to continue gathering like-minded people both within and outside the bank, finding rewarding projects and creating new outcomes.

JA Bank Efforts Toward Renewable Energy Demand

The ratio of renewable energy in Japan's power supply compositions is roughly 16% currently, 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 May 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

Partnering With Four Renewable Energy Construction and Sales Companies

The Norinchukin Bank has set our sights on strengthening financial support for renewable energy generation, particularly in the field of solar power generation. Here, we launched a partnership with four companies having a national track record in low-voltage solar power generation: West Energy Solution Inc., Eco Style Co., Ltd., Kyocera Corporation, and Sanix Incorporated. Under this partnership, we aim to improve the incomes of the members of JA and JF in every prefecture.



From the Front Lines

JA Bank
System Retail
Innovation
Consulting &
Practive Div.

Yudai
Yamaguchi



Our department is responsible for credit business planning and practice, leveraging the nationwide economic foundation and resources of the JA Group. The JA Group members of JA and JF have an important role to play in local economies. At the same time, agriculture, which is the foundation of our business, is affected significantly by climate change. For this reason, we believe that encouraging the spread of renewable energy is one of our responsibilities.

Here, one of our major characteristics is how we promote solar sharing. For example, if an installed panel is expected to generate sellable electricity for 20 years, careful research must be conducted as to whether farming activities can be performed under these panels throughout that same time period. I believe the JA Group has particular strengths in this aspect of the business. One major feature of the solar sharing that we encourage at Norinchukin Bank is that we provide construction companies access to untapped areas of farmland, which improves the income of members of JA and JF and allows JA the potential to grow its loan base. For us, this is a *sanpo yoshi* (three-way good) for all involved.

Solar sharing is a new initiative, which makes it a bit difficult to popularize across Japan. Our first order of business is to help others learn about the benefits of this system.

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. We must assess and manage environmental and social risks when assess transactions with investment and finance customers and related projects. In addition to the evaluation and judgment of environmental and social risks on investment and financing front, we are building an environmental and social risk management (ESRM) framework to escalate decisions when necessary in response to checks by the risk management department or judgments by management. We will work on sophisticating of our ESRM framework in stages, aiming to incorporate the framework into integrated risk management.

From the Front Lines

Risk Management Division
Senior Manager

Hirokazu Masuoka

We launched the new ESRM system in collaboration with many other related departments. I think this system will play an important role when we respond to changes surrounding environmental and social challenges. At the same time, in response to the TCFD recommendations, we began conducting scenario analyses related to transition risk associated with climate change. Through the expansion and advancement of these initiatives, we want to provide information that serves as a compass for management to lead the bank. Addressing sustainability is about solving issues necessary to meet our needs without placing a burden on future generations. Through my work, I hope to contribute to the sustainable development of the world, the communities of Japan, and the agriculture, fishery and forestry industries.



Specific ESRM Initiatives of the Norinchukin Bank

The Norinchukin Bank established our Environmental Policy and Human Rights Policy in November 2019 as basic policies to solve environmental and social challenges. We engage in appropriate risk management according to priority and based on these policies for topics and sectors recognized as having a strong potential for significant negative impact on the environment and society.

Investment and financing sector policy

We prohibit and restrict transactions in sectors that have the strong potential for significant negative impact on the environment and society. We confirm the response to and consideration for environmental and social issues when we consider an investment and financing project in these restricted sectors. We then determine whether to provide financing to the client after discussions at management level. At present, we have set a policy for investment and financing in the following sectors, and we will work on extending the list of restricted sectors.

Restricted sectors under control of the investment and financing policy

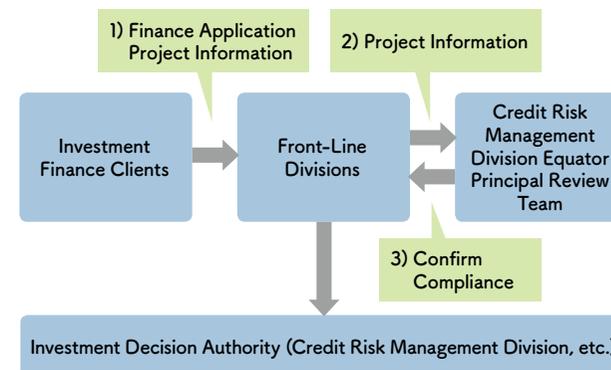
- Cluster munitions
- Coal-fired thermal power plant
- Palm oil plantation/oil extraction
- Deforestation

ESG integration in risk management

The risk management department evaluates environmental and social risks for investment and finance clients and serves as a second line of support for ESG integration conducted by the front-line departments.

Equator Principles

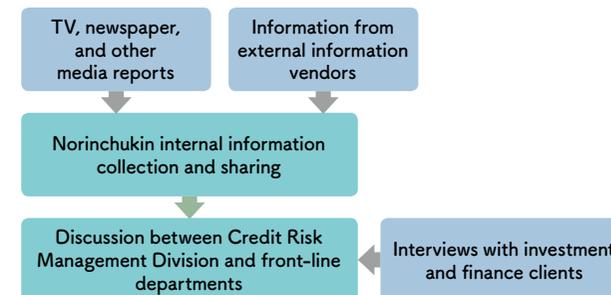
We confirm compliance with the Equator Principles and monitor compliance with the covenants.



Responding to environmental and social incidents

By 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. We perform regular monitoring of investment and finance clients covered by the investment and financing sector policy.

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



Contribution to Climate Change Mitigation and Adaption

The agriculture and fisheries industries are prone to the impacts of climate change and, at the same time, have the potential of amplifying climate change.

We think the response to climate change is important for the development of the agriculture, fishery and forestry industries, which is the mission of the Norinchukin Bank.

We promote efforts to mitigate and adapt to climate change through our business activities, focusing on capturing business opportunities related to climate change and risk management.

As part of our efforts, we expressed support in April 2019 for the TCFD recommendations established by the Financial Stability Board (FSB).

We are properly addressing the impact and risks of climate change on our business, engaging in initiatives and expanding our disclosures based on the TCFD recommendations.

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 details of the conference/meeting are reported to the board of directors and the Supervisory Committee as needed. In fiscal 2019, we discussed establishing an Environmental Policy (basic policies for solving environmental issues) and creating an environmental and social risk management system, including improvements to managing our Investment and Financing Sector Policy. These discussions were reported to the board of directors subsequently.

Opportunities Related to Climate Change

We support the transition to a decarbonized society through our business activities through financing services.

● Initiatives through sustainable financing

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

We support offshore wind electricity production overseas through project financing.

→ P35



● 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.

→ P24



● 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.

→ P20



● Agriculture, Fishery and Forestry Environmental Rating

We have adopted a system that incorporates our own unique assessment checklist to evaluate our investments and financing.

Climate Change-Related Risks

We recognize transition and physical risks that are related to the transition to a decarbonized society and climate change. We are engaged in conducting risk evaluation through scenario analysis, etc., and manage these climate change-related risks appropriately under an integrated risk management framework.

● Transition risk

Stranded asset risk and impact on the credit risk of investment and finance clients due to changes government policies, legal regulations, technologies, markets, etc., associated with initiatives to mitigate and adapt to climate change.

● Physical risk

Risk of an increase in financial damage through physical damage to our assets and the assets of investment and finance clients caused by climate change-related natural disasters and extreme weather events.



Topics

The TCFD Consortium was established in May 2019 as a platform in which the government and private sectors discuss initiatives for corporations to disclose information effectively and for financial institutions, etc., to utilize this information for investment decisions.

We have declared our support for and participation in the consortium.



Impact Analysis of Climate Change-Related Risk

We began conducting scenario analyses to understand the impact of climate-related risks on our credit portfolio. We evaluate the financial impacts of transition risks on investments and financing in the energy utility sector based on the Sustainable Development Scenario published by the International Energy Agency (IEA). Our scenario analysis is 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. Through scenario analysis, we evaluate medium- and long-term changes in credit costs caused by the progress of decarbonization. We will also utilize the results of the scenario analysis for engagement with our investment and finance clients. We will also strive to understand the impact on sectors that are prone to the impact of climate change, including the beverage and food industries that form the food and agriculture value chain. We plan to conduct studies regarding physical risk impact

Carbon-related assets (as of end of March 2020) *1

| Sector | Ratio of the carbon-related assets to the total financed amount |
|-----------|---|
| Energy | 2.0% |
| Utilities | 1.9% |
| Total | 3.9% |

Financed amount: 19.8 trillion yen (as of end of March 2020)

*1 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.

analysis.

In addition to the initiatives above, we participate in the research project on the Evaluation of the Impacts of Climate-related Risks on the Financial Institutions in Japan sponsored by the Financial Services Agency. Through participation in the project, we aim to refine our analysis methodology by utilizing the Paris Agreement Capital Transition Assessment, which is a climate-related risk analysis model for portfolios developed by French think tank 2 Degrees Investing Initiative (2DII).

Managing Climate Change-Related Risks

We adopted an environmental and social risk management 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 November 2019, we established the Environmental Policy as a basic policy to solve environmental issues. In April 2020, we established a new policy for deforestation and palm oil farm development, which are regarded as environmental and social problems that also impact climate change. When considering an investment and finance client who conducts business in plantation and oil expression for palm oil production, we confirm that the client has a Roundtable on Sustainable Palm Oil (RSPO) certificate.

When considering a client who conducts deforestation business in an emerging country, we confirm that the client has Forest Stewardship Council® (FSC®) or Program for the Endorsement of Forest Certification Schemes (PEFC®) certifications, both recognized internationally.

In July 2020, we tightened our policy for the coal-fired thermal power generation sector based on the demands of the international community for the progress of initiatives to achieve a decarbonized society. As a result, we decided not to finance a new coal-fired thermal plant project. However, we will continue supporting technologies and initiatives that contribute

to the transition to a decarbonized society. Such projects include carbon capture and storage technology (CCS) that helps reduce greenhouse gas emissions. We conduct due diligence on large-scale development projects based on the Equator Principles.

Reducing Greenhouse Gas Emissions Through Business Activities

We are engaged in understanding greenhouse gas emissions, striving to reduce the environmental burden through our business activities.

Unit: tCO₂

| Measurement item | | FY2018 |
|------------------|-----------------------------|--------|
| Scope1 | Direct emissions | 2,063 |
| Scope2 | Indirect emissions | 25,247 |
| Scope3 | Other indirect emissions | |
| | 3 Energy-related activities | 858 |
| | 6 Business travel | 455 |
| Total | | 28,623 |

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 from the perspective of global warming prevention. Based on the Paris Agreement, and as one of the initiatives to reduce greenhouse gas emissions under the United Nations Framework Convention on Climate Change, Japan aims to promote initiatives to prevent global warming. These initiatives include forest absorption source measures through proper maintenance and conservation of forests, for example, by thinning the trees at an annual average of 0.52-million hectares from FY2013 to FY2020.



The Norinchukin Bank/JForest Association Initiatives

| | |
|---|---|
| <p>Nochu Potential Forest Productivity Fund</p> | <p>This fund was established in 2005 (the former fund until 2013) and subsidized 99 projects nationwide over a total of 17,700 hectares valued at ¥1.95 billion as of the end of fiscal 2019. This fund contributes to the regeneration of devastated private-owned forests by subsidizing projects that aim to maintain the public benefits and multiple functions of forests in a sustainable manner.</p> |
| <p>Forestry Labor Safety Improvement Measures</p> | <p>The annual death/injury rate per 1,000 workers in the forest industry is about 10 times the average of all industries. It is urgent to improve the labor safety in the forest industry. This project subsidizes the purchase of safety equipment, etc., for forestry work, which is granted to forest owners' cooperatives, forest owners who cut trees in their forests, and volunteer or part-time students (2,149 cases/400 million yen from FY2015 to FY2019). A new initiative, Forestry Safety Education 360 Degree VR, was added to the project in fiscal 2020. → P25</p> |
| <p>Low-Cost Forest Replanting Measures</p> <p>A new initiative launched in fiscal 2020</p> | <p>Forest replanting activities to cut, replant, and grow trees are inactive mainly due to low timber prices. To overcome the current situation, we started a new initiative called the Low-cost Forest Replanting Project (a proof-of-concept test in a model management area) in fiscal 2020. We carry out the project in cooperation with JForest Moriren (Prefectural Federations of Forestry Cooperatives) nationwide, aiming to reduce costs (by using a large container nursery tree, low-density planting), shorten the cutting cycle (from 50 years to 30 years by using fast-growing trees), and find new distribution channels. We will carry out the initiative to achieve circular forest and forestry management.</p> |
| <p>Export Support</p> | <p>Wood exports from Japan are on the rise (34.6 billion yen in fiscal 2019), mainly due to a growing demand for wood overseas. We support exports through timber intensification in cooperation with a network of forest owners' cooperatives, and we are exploring new demands for Japanese timber overseas.</p> |
| <p>Wood Solution Network (WSN)</p> | <p>→ P25</p> |
| <p>Spreading wood use education and expanding the utilization of wood products nationwide</p> | <p>As part of the efforts to expand the utilization of Japanese wood, we cooperate with a network of forest owners' cooperatives nationwide to promote education by using wood products in events sponsored by government, schools, etc., nationwide. We also participate in activities to donate wood products.</p> |

Topics

Wood Solution Network to Expand the Utilization of Japanese Wood

To solve the issues facing the forestry industry in Japan, we must create a platform by which various companies and organizations (from upstream forest owners' cooperatives to midstream lumber, processing, and distribution companies, and finally to the downstream nearest end users) come together to solve issues. In 2016, we established the Wood Solution Network (WSN) to expand the utilization of wood, focusing on Japanese wood. A total of 31 companies and organizations involved in wood participate in the WSN (as of June 2020). These entities include forestry producer's groups, lumber companies involved in wood processing and distribution, trading companies, general contractors, and housing manufacturers. We have established a wood value chain to create added value in wood, from logging and transport, through lumber processing and distribution, and finally to consumption. Our aim here is to expand demand for wood and revitalize the forestry and related industries, as well as promote regional development.



We put together the results of the activities and published them in an approach book.



Satoshi Iwaso, Norinchukin's managing executive officer (left) and Asako Nagano, division director, Forestry Agency (right)

Forestry Safety Education 360 Degree VR that improves the labor safety of forestry

In fiscal 2020, we expanded the Forest Labor Safety Measures and added an educational tool called Forestry Safety Education 360 Degree VR. Labor safety can be improved by experiencing various dangers at forestry sites in a virtual world.



What is VR?

VR is an abbreviation for virtual reality. A landscape totally different from that seen up until now appears before the user due to the user wearing VR goggles, enabling the user to experience the landscape as though really there.



VR Screen Images



People cannot normally experience a life-threatening dangerous experience in which they are hit by a tree felled by another person. VR allows users to receive training safely by repeating the experience until they understand why the tree fell toward them and where things went wrong in the procedure.

From the Front Lines

Food & Agriculture Business Planning Division Forest Group

Kaho Oyobe



The main feature of our Forest Group is to be engaged in solving issues for expanding the utilization of wood and creating new added value downstream in cooperation with industrial and academic communities, focused on maintaining the forest and forestry cycle of cutting → planting → growing trees in mountains. I expect the WSN to be a platform that solves issues. I am convinced that, through active discussion and activities of more than 30 wood-related companies and organizations with high aspirations and deep knowledge that participate in the network, a chemical reaction will happen. This reaction cannot be achieved by a single company, but only achieved through a network. Improving the labor safety of forestry in sustainable forest management is another important issue. There are many dangerous tasks at forestry sites. My hope is that we can contribute to safety through subsidies and educational tools. We actively promote new initiatives, such as the Forestry Safety Education 360 Degree VR tool, utilizing the latest technologies. We are committed to preserving the rich natural environment of mountains and forests, beautiful water sources, and clean air. We are also committed to passing these natural gifts to future generations by combining our expertise and knowledge with external resources.

[Reference] Declaring 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.



Column

Initiatives Against COVID-19

Demand for agriculture, fishery and forestry products has sharply declined due to COVID-19, greatly affecting the management foundations of the agriculture, fishery, and forestry 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 agriculture, fishery, and forestry industries and to secure their stable management foundations.

Establishment of the COVID-19 Emergency Fund

We have created and launched operations for the following fund to help our customers who have been affected by the outbreak of COVID-19.

| | |
|-----------------------|---|
| Fund Name | COVID-19 Emergency Fund |
| Eligible Recipients | Corporations operating in the agriculture, fishery and forestry 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 |
| Lending 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.

Actions at JA Bank

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

If users cannot get support at their usual JA Bank branch, they are asked to use the contact information provided in JA Bank Disaster Consultation Line, below.

A Bank Disaster Consultation Line

<https://www.nochubank.or.jp/consult/urgency/jabank.html>
(Japanese only)

Financial Support for Customer Fiscal Stability

We use investments to provide fiscal help to our customers who have been affected by the outbreak of COVID-19.

| | |
|---------------------------|---|
| Eligible Recipients | Corporations operating in the agriculture, fishery and forestry 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, the 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. Please contact your nearest JA Bank for details.

Actions at JF Marine Bank

Within the JF Marine Bank (JF/Shingyoren/the Norinchukin Bank), JF Marine Bank branches offer consultations about lending and other services for branch users who have been affected by the spread of COVID-19. If users cannot get support at their usual JF Marine Bank branch, they are asked to use the contact information provided in JF Marine Bank Disaster Consultation Line, below.

JF Marine Bank Disaster Consultation Line

<https://www.nochubank.or.jp/consult/urgency/jfmarinebank.html>
(Japanese only)

Support for Japan's Flower Producers During the Corona Crisis

In collaboration with HIBIYA-KADAN FLORAL CO., LTD., the Norinchukin Bank has distributed individually-wrapped, fresh flowers at Tokyo Midtown Hibiya every Friday and Saturday of the months of June and July in 2020. This was done to support producers of flowers across Japan and stimulate demand for flowers during the corona crisis.

With ongoing suspension and postponements of events such as weddings and graduation ceremonies, demand for flowers throughout the country has sharply declined. In order to support these flower producers, we made purchases for flowers such as the rose, gerbera daisy, and carnation from producers all over Japan. For distribution, we hired helpers such as university students said to be suffering from poverty due to business closures at their part-time jobs.



Photo: Helpers distributing flowers

Focus Area 1

Creating positive impact on the agriculture, fishery and forestry 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 agriculture, fishery and forestry industries into sustainable growth industries.

| Topics | | Medium-Term Goals |
|-----------|--|---|
| Topic 1-1 | Contribute to sustainable agriculture, fishery and forestry industries | Through initiatives in the Food and Agriculture Business and collaboration with stakeholders, we contribute to the realization of sustainable agriculture, fishery and forestry 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 agriculture, fishery and forestry industries. |
| Topic 1-4 | Conserve the natural environment as a foundation of the agriculture, fishery and forestry industries | We contribute to conserving the natural environment, such as soil, forests, rivers, and oceans, which are fundamental for the sustainable development of the agriculture, fishery and forestry industries. |
| Topic 1-5 | Create business innovation | We contribute to the sustainable development of the agriculture, fishery and forestry 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 agriculture, fishery and forestry industries and help revitalize industries and help revitalize local communities via the Agriculture, Fishery and Forestry 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 agriculture, fishery and forestry industries

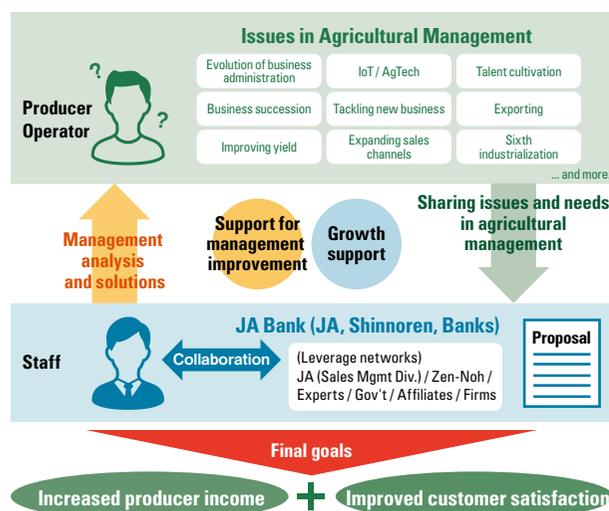
Provide financial support and solutions to management issues for the agriculture, fishery and forestry industries

Example Initiative in Agriculture

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 Japanese agriculture. We do this through striving to provide unimpeded financing and multifaceted solutions in fields related to food and agriculture.

One specific initiative is our 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).

Example Initiative in Fisheries

As a member of the JF Group, the Norinchukin Bank is coordinating with fishery operators and people in coastal areas to protect the seas and the lives of community residents. For example, in the Kesenuma area of Miyagi Prefecture, coastal tuna longline fishing has supported the foundation of the fishery industry for many years. However, the 2011 Great East Japan Earthquake disrupted processing and distribution, leading to a prolonged severe business environment. Six local fishery companies then decided to work together to resolve this issue. The Norinchukin Bank, along with the Japan Finance Corporation, helped these fishermen with management support and financing, aiding them in becoming a joint stock company and building replacement ships. In October 2018, the Kesenuma Kanae Fisheries Company Co., Ltd. was established. Vessels were transferred successfully to each company, and in September 2019 the company brought its first catch to market. That same year, the 149-ton *Kanae-maru* ship was completed. These achievements served as contributions to rejuvenating the local fishery industry.



The Kesenuma fishing port enjoys naturally favorable conditions for ships. Its fishermen bring large catches of bonito, tuna, marlin, saury, and shark.

Example Initiatives in Forestry

See pages 24 and 25 for details.

Contributing to a Safe and Secure Food Supply

Supporting the Redistribution of Excess Food Inventory to Reduce Food Loss

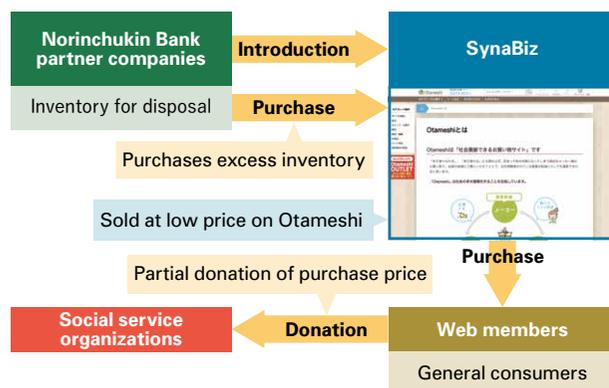
In Japan, the amount of *food loss*, food that could otherwise be eaten but is thrown away, instead, is 6.12 million tons per year (2017 estimate by the Ministry of Agriculture, Forestry and Fisheries).

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 December 2019. Through the bank, SynaBiz is introduced to companies facing concerns over dealing with food inventory, when ordinary distribution is made difficult due to seasonal products, packaging changes, and other factors, 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



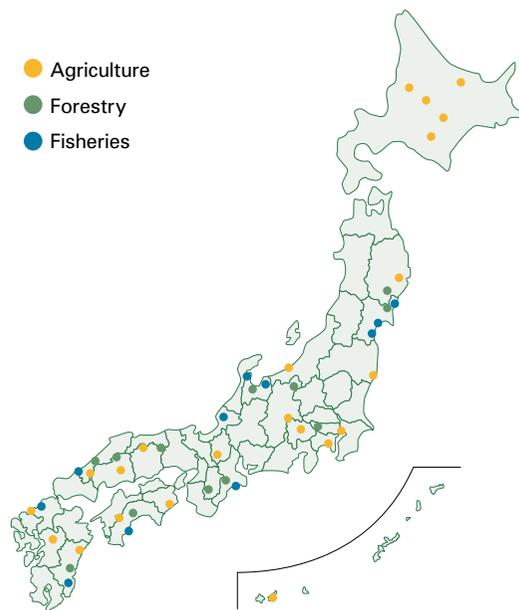
Contributing to Sustainable Local Communities

The Agricultural, Forestry, and Fisheries Future Fund, Supporting Local Agriculture, Fishery and Forestry Organizations

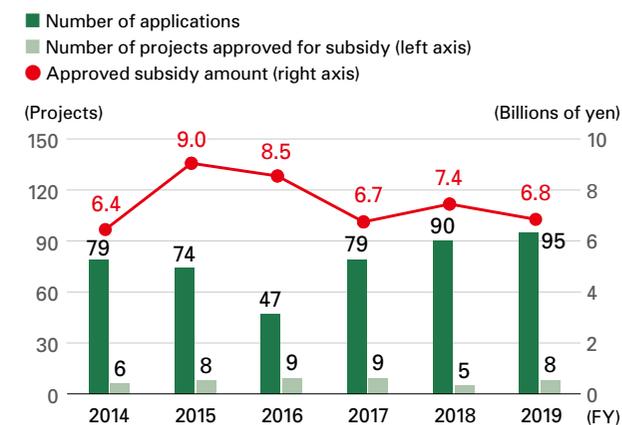
The Agricultural, Forestry, and Fisheries Future Fund was established in 2014 by the Norinchukin Bank, a member of the JA Group, JF Group, and JForest Group, with a ¥20.0 billion contribution. This fund seeks to support initiatives to nurture leaders who drive the sustainable development of the agriculture, fishery and forestry industries, strengthen the revenue base of these industries, and revitalize local communities based on the agriculture, fishery and forestry 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 fiscal 2019, approximately 1.31 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, 2020

| | Total graduates (86) | No. Choosing Farming | No. Choosing Non-Farming |
|----------------------|----------------------|----------------------|--------------------------|
| At family farms* | 48 | 45 | 3 |
| At farming companies | 26 | 12 | 14 |
| Independent farmers | 9 | 0 | 9 |
| Other | 3 | 1 | 2 |

*Family farms include those owned by grandparents, relatives



First Generation of Graduates: Employed in Nakano City, Nagano

Mr. Hiroki Abe

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

Farmstay Partnership Members

JA Group Farmstay Organizations (Affiliated Business Associations)



JA Zen-Noh

Develops farmstay platform, supports farmstay promotion for JAs leveraging economic business infrastructure



Nokyo Tourist Corporation

Supports farmstay promotion using rural networks, farmstay consulting function



農林中央金庫

Supports farmstay promotion leveraging relations with domestic and foreign companies, JA Bank infrastructure



Japan Countryside Stay Association

Supports farmstay promotion leveraging farmstay organization networks, private accommodation expertise, etc.

Conserving the Natural Environment as a Foundation of the Agriculture, Fishery and Forestry Industries

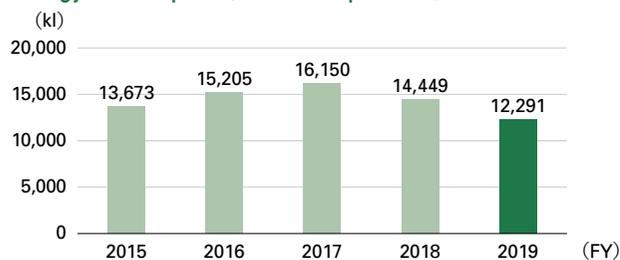
Energy-saving and resource-saving initiatives

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.

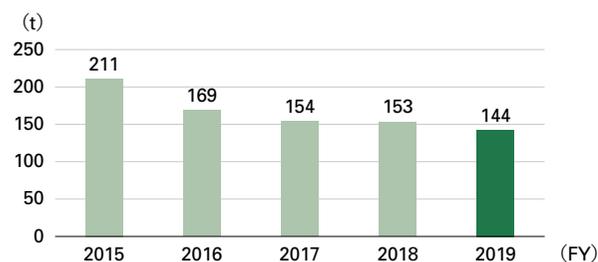
We also continue efforts to save resources such as shifting to paperless methods.

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



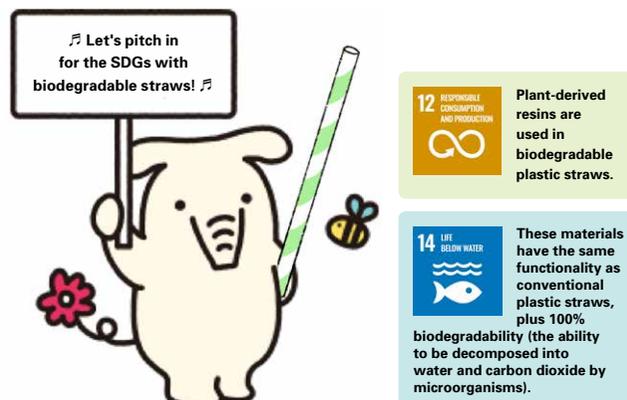
Volume of paper waste over time (head office)



Initiative to Reduce Waste in Lounge Rooms

In October 2019, we introduced biodegradable plastic straws in lounge rooms that provide drinks to visitors and staff. Since the head office used around 130,000 plastic straws annually, switching to biodegradable plastic straws contributes to the serious global issue of reducing plastic waste.

In addition, employees are encouraged to bring their own drink tumblers when using lounges. This contributes to a reduction in paper and plastic waste, including lids and straws.



© Yorizo (JA Bank Mascot)

Donation of Credits (Excess CO₂ Reductions) to Tokyo

The Tokyo Metropolitan Government is aiming to become *Zero Emission Tokyo*, a sustainable city without CO₂ emissions. In support of this initiative, we donated 3,150 tons of credits* to Tokyo, our portion of excess reduction in CO₂ emissions under the Tokyo Cap-and-Trade Program.

* The Tokyo Cap-and-Trade Program is a system established under the Tokyo Metropolitan Government's Environmental Security Ordinance that imposes CO₂ emissions reduction requirements on large-scale facilities (facilities that consume more than the equivalent of 1,500kL in crude oil per year averaged over three consecutive fiscal years). Facilities succeeding in reducing more CO₂ than their requirements may convert these into credits.

Initiative to Reduce Food Loss at Cafeteria Facilities

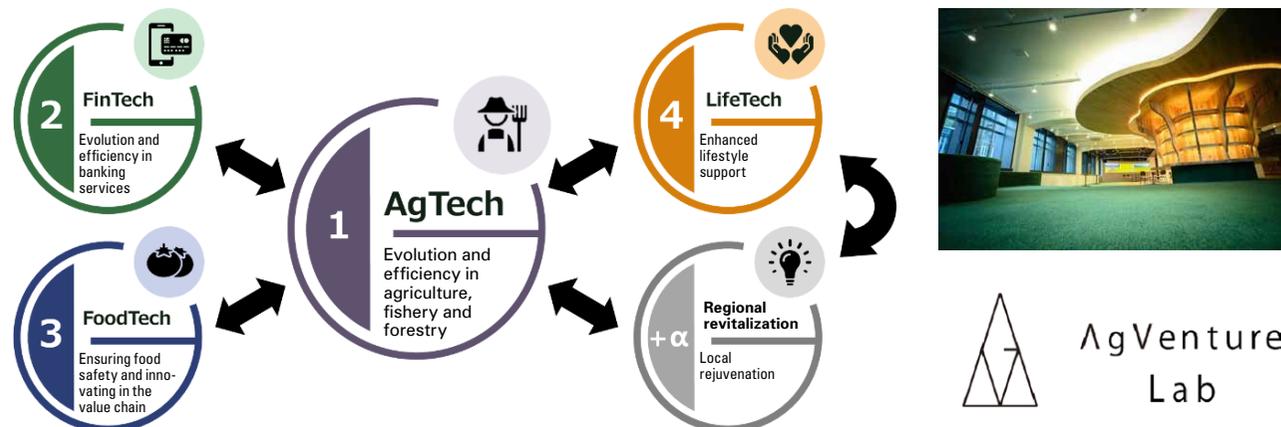
The Act on Promotion of Food Loss and Waste Reduction came into effect in October 2019, and JAs across the country are working to reduce food loss. We are also engaged in similar initiatives. Since April 2020, we have been reducing food loss by improving the accuracy of our user count forecasts and rethinking 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.

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 2019, we held a business plan contest to select companies that would participate in the JA Accelerator Program. In this contest, seven 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



FY2019 JA Accelerator Participating Companies

<Business Plan Contest Award for Excellence>

| | |
|------------------------|---|
| Ac-Planta Inc. | Develops, manufactures, and sells <i>Skeepon</i> , a material harnessing the power of acetic acid to protect plants from environmental stresses |
| AgroDesign Studio Inc. | Researches and develops new pesticides (new pesticide pipeline type) |
| inaho Co., Ltd. | Deploys a Robot-as-a-Service subscription model for automated crop harvesting robots |
| ACMS Consortium | Develops/sells an innovative fish counting system for tuna farming |
| OsidOri.Inc | Develops/provides a household management application for dual-income couples |
| Otetsutabi Co., Ltd. | Generates local fans (affiliates) through labor matching between students in metropolitan areas and farmers suffering from labor shortages |
| MiRaY School inc. | Provides agricultural experience programs for parents and children through <i>Gifte!</i> , an experience-based learning business |

<Business Plan Contest Special Award>

Companies granted the right to use the AgVenture Lab

| | |
|------------------|--|
| Sunshine Delight | Sells sunscreen products and educational materials to kindergartens and preschools for protecting children from UV |
|------------------|--|

Focus Area 2

Promoting Responsible Finance food and local communities

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 agriculture, fishery, and forestry industries.

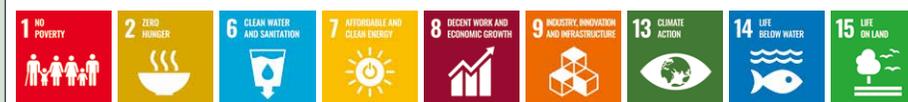
In addition, we conduct business activities aiming for sustainable energy utilization.

| 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 agriculture, fishery and forestry industries.

As the basic principles for fulfilling these missions, we have formulated the Basic policy on FinanceBasic Policy for Investment and Loans.

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.

he 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 21 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.

Based on the increasing public awareness of environmental and social issues and society’s expectations of financial institutions, we adopted the Equator Principles in May 2017 from the viewpoint of realizing a higher level of consideration toward the upkeep of a sustainable environment. Specifically, based on the Basic policy on Finance, we have 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 the World Bank's Sustainable Development Bonds

The Norinchukin Bank is in agreement with the World Bank's (official name: International Bank for Reconstruction and Development, or IBRD) efforts to promote measures against the global issue of food loss, and we have invested US\$1.15 billion in Sustainable Development Bonds issued by the World Bank. This investment not only solves a variety of issues, such as food loss in developing countries, but also contributes to taking action against climate change by reducing greenhouse gas emissions. In addition, we believe that it will contribute to securing stable profits through internationally diversified investment, and that it will be in line with our philosophy of Sustainability Management.

Development of and Investment in ESG-themed J-REIT Investment Vehicles

The Norinchukin Bank and Norinchukin Zenkyoren Asset Management Co., Ltd. (hereafter NZAM) have jointly developed investment vehicles specialized in J-REITs^{*1} and leveraging the GRESB^{*2} real estate benchmark in its stock selection process. We invested ¥10 billion into these vehicles. These vehicles not only carry strong evaluations of J-REITs that proactively work in consideration of the environment, health, comfort, and other items, but also contribute to the spread of green buildings and, in turn, contribute to action against climate change through reducing greenhouse gas emissions. In the future, we are considering increasing this investment depending on market conditions. Also, through NZAM, we will strive to increase penetration of institutional and individual investors.

^{*1} GRESB: Formerly the Global Real Estate Sustainability Benchmark, this global-standard annual benchmark evaluation measures environmental, social, and governance (ESG) consideration in the real estate sector. Founded in 2009 in Europe with a focus on major European pension funds, it currently has participants from primarily European and American, but also global, institutional investors. NZAM was the third Japanese investor member company to join.
^{*2} J-REIT: Short for Japan Real Estate Investment Trust, a J-REIT is a financial instrument taking funds collected from investors and purchasing office buildings, commercial facilities, condominiums, logistics facilities, and other real estate, and distributing leasing income and sale profit to investors.
 A real estate investment trust may be bought and sold like ordinary equity and other financial instruments.

Contributing to Sustainable Energy Utilization

Providing Financial Services Assuming the Expansion of Demand for Renewable Energy

For details on our efforts related to renewable energy, please refer to project finance examples and JA Bank initiatives (page 20).

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: ¥128.1 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: ¥110.7 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: ¥408.0 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, 2020

Realizing Financing for Everybody

Improving Financial Access in Each and Every Location Throughout Japan Using a Variety of Channels

The Norinchukin Bank aims to realize financing for everybody in order to promote responsible finance.

Promoting the implementation of mobile branches

Maintaining financial services has become an issue in mountainous regions facing ongoing depopulation. JA Bank is promoting the implementation of mobile branches equipped with financial and ATM services for all JAs nationwide (as of the end of fiscal 2019, 92 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.



Topics

Mobile branches offer consultation functions in areas hit by typhoons in 2019

JA Miyagi Sennan took flood damage during Typhoon No. 19 of 2019; mobile branches owned by JAs in neighboring prefectures were dispatched to assist. In the Marumori area, which was severely damaged by flooding, even terminal equipment was unusable from water damage. Further, in order to support members who had lost the ability to travel long distances due to losing cars to flood waters and other issues, JA Miyagi Sennan was able to set up a daily rotating schedule of temporary financial consultation windows at nine locations within former JA facilities. This was thanks to support from JA Yamagata and JA Shin-Iwate, which dispatched mobile branches to the site. The local JA was able to provide the necessary daily financial services to its members, like quick deposits and withdrawals, payment of taxes, and more.

In the cooperative organizational spirit of mutual assistance, JA Group colleagues worked together to aid in reconstruction of disaster areas and support of users in those locations.

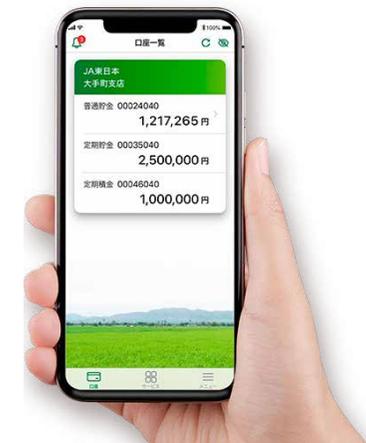


Mobile branch sent from JA Yamagata to JA Miyagi Sennan

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. 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

Using 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

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 agriculture, fishery and forestry industries), partner companies in deposits, savings, and loans (e.g. companies affiliated with the agriculture, fishery, and forestry 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.

Dialogue With Experts

In February 2019, we held a dialogue session attended by three sustainability experts and bank directors and employees. Each of the three experts delivered a lecture on a different topic. Mr. Takejiro Sueyoshi, Special Advisor to the United Nations Environment Programme Finance Initiative, spoke on trends in ESG investment. Ms. Kaori Kuroda, Co-Chair of the Japan Civil Society Network on SDGs, spoke on how to deal with human rights issues. Dr. Norichika Kanie, Professor of the Graduate School of Media and Governance at Keio University, spoke on how to deal with the SDGs. The exchange of opinions was centered on initiatives expected of the bank. Their valued opinions have been utilized in studying a variety of policies, and can be seen in the November 2019 formulation of the Bank's Environmental Policy and Human Rights Policy. Please see page 11 for details on the 2020 expert dialogue session.



Pictured: 2019 expert dialogue session

Initiatives in Sustainable Finance

Through dialogue with investees and borrowers, we will support their sustainability efforts and create business opportunities. For details on ESG Integration, please see pages 18 and 21. For more on Sustainability Linked Loans, please see page 19.

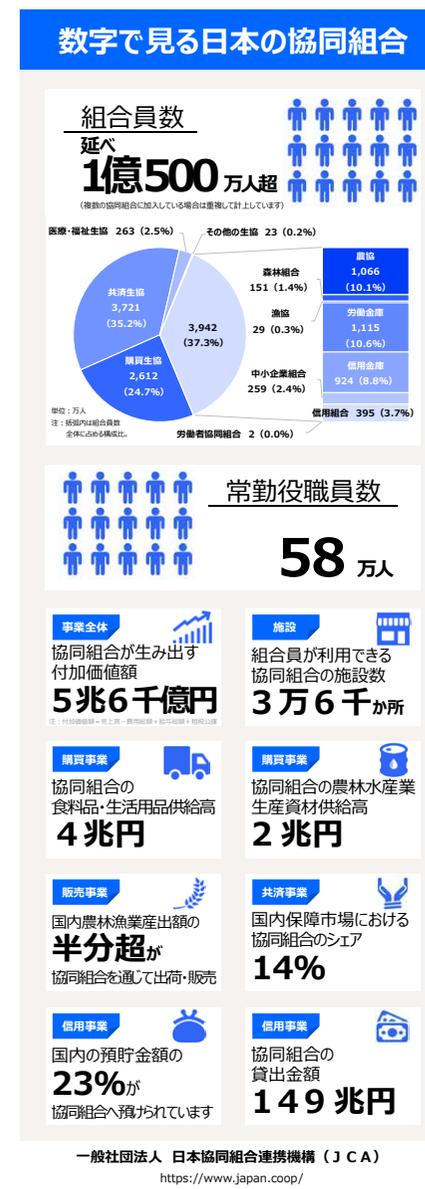
Alliances with Cooperative Organizations

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.



Excerpt from JCA Website

Focus Area 4

Securing Highly Capable Human Resources

In this focus area, to ensure the growth and sustainability of the agriculture, fishery and forestry 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 agriculture, fishery and forestry 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 director seminars as an opportunity for employees to talk with directors. Specifically in these seminars, we set up forums for open discussion with directors, 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

We are engaged in a variety of activities to prevent harassment at the workplace, including sexual harassment, power harassment, and harassment on the basis of pregnancy, childbirth, and childcare and nursing care leave. These activities include providing e-learning and position-by-position education, guidance and consultation by managers and staff charged with human rights responsibilities at each branch, and external contacts for consultation.

We have established and operate a harassment hotline that offers private consultations with employees. We are working to ensure 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.

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 finance-related 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 Norinchukin 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 fiscal 2019, 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.

Results of Workstyle Reforms

| | FY2017 | FY2018 | FY2019 |
|--------------------------|--------|--------|--------|
| Actual Work Hours | 1,931 | 1,882 | 1,854 |
| Average Overtime Hours | | | |
| All Employees | 15.1 | 11.6 | 11.0 |
| Career Track | 22.2 | 15.2 | 14.6 |
| Regional | 8.6 | 7.0 | 6.7 |
| Rate of Paid Leave Taken | 61.9% | 71.9% | 72.7% |

Major Workstyle Reform Systems

- **Half-day paid leave acquisition system**

→System allowing annual paid leave to be taken in half-day 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

- **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

| | FY2017 | FY2018 | FY2019 |
|--------------------------|--------|--------|--------|
| Ratio of Women Hired | | | |
| Career Track | 22% | 25% | 26% |
| Specified Roles | 56% | 60% | 100% |
| Regional | 83% | 82% | 75% |
| Share of Women Employees | 33.2% | 33.9% | 34.2% |
| Share of Women Managers | 5.1% | 5.9% | 6.2% |
| Share of Women Directors | 0.0% | 4.0% | 4.7% |

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

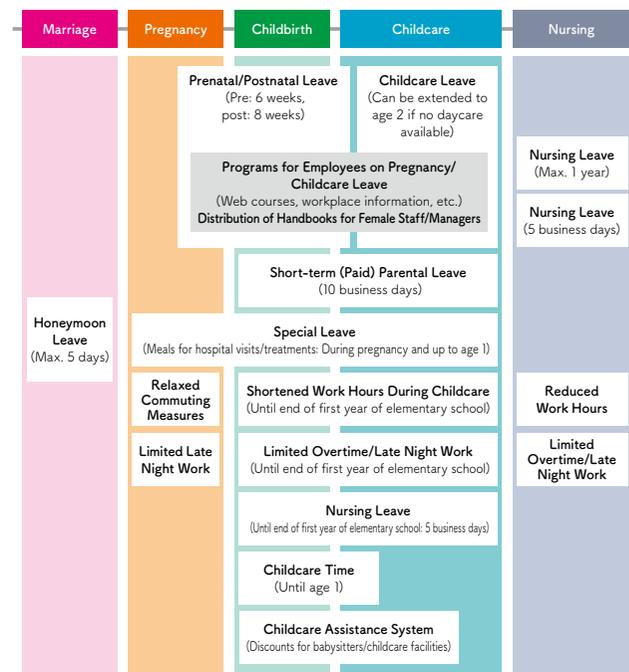
Childcare Support

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 further. 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.



Kurumi Certified



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 agriculture, fishery and forestry 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 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, 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.

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 July 2019, Mr. Kenji Fuma, representative of Neural Inc., joined us as a lecturer for a workshop held for all bank directors and employees and broadcast live to all bank locations, including those overseas. This workshop's theme was The Agriculture, Fishery and Forestry Industries and Sustainability Management. Participants offered a variety of opinions, such as "I came to recognize the reality that the agriculture, fishery, and forestry industries put a burden on the environment," and "I would like to think about initiatives that would be unique to the Norinchukin Bank."

Going forward, we plan to hold more workshops on sustainability with the aim of raising awareness among directors and employees.



Mr. Fuma delivers a lecture at the Sustainability Workshop

e-Learning Course

In order to improve knowledge and foster awareness about sustainability among directors and employees, we held an e-Learning course in November 2019 for all directors and employees themed on sustainability management.

The course consisted of ten questions ranging from basic knowledge to recent trends and bank efforts, and was designed for participants to deepen understanding through repeating the course until reaching the criteria to pass.

We plan to hold e-Learning courses annually in fiscal 2020 and beyond.

e-Learning Example Questions

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

| | FY2017 | FY2018 | FY2019 |
|---|--------|--------|--------|
| No. of Employees | 3,646 | 3,659 | 3,645 |
| Men | 2,436 | 2,417 | 2,398 |
| Women | 1,210 | 1,242 | 1,247 |
| No. of Non-core Employees | 462 | 500 | 540 |
| No. of New Graduate Hires | 153 | 188 | 125 |
| Men | 78 | 97 | 64 |
| Women | 75 | 91 | 61 |
| No. of Mid-career Hires | 54 | 27 | 34 |
| Men | 42 | 22 | 29 |
| Women | 12 | 5 | 5 |
| Share of Employees Retained for 10 Consecutive Years of Service (%) ^{*1} | | | |
| Men | 84.7 | 85.9 | 82.5 |
| Women | 58.4 | 57.8 | 57.2 |
| Employee Turnover Ratio | 1% | 2% | 2% |
| | FY2017 | FY2018 | FY2019 |
| Share of Disabled Persons Hired (%) ^{*2} | 2.23 | 2.56 | 2.71 |

Childcare/Nursing-Related Data

| | FY2017 | FY2018 | FY2019 |
|--|--------|--------|--------|
| No. of Employees Taking Childcare Leave | | | |
| Men | 78 | 57 | 78 |
| Women | 35 | 43 | 35 |
| Share of Employees Taking Childcare Leave | | | |
| Men ^{*3} | 57% | 51% | 61% |
| Women ^{*4} | 100% | 100% | 113% |
| Share of Employees Returning After Childcare Leave ^{*5} | 100% | 98% | 97% |
| Days of Nursing Leave Taken | 305.0 | 366.5 | 459.5 |

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

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

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

*4 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)

*5 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 ● Protect 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

We provide compliance seminars to all employees to raise compliance awareness and promote ethical practices in business activities. In fiscal 2019, we invited a specialist from the law firm in charge of our Compliance Hotline to reinforce employee understanding of whistle-blower protection regarding our Compliance Hotline. We continue to place the highest priority on whistle-blower protection to ensure that all employees feel safe and secure in using the hotline whenever they recognize any issues relating to compliance.

Prohibiting Relations With Anti-Social Forces

The Norinchukin 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 front office (branches in charge of business transactions), middle offices (Management and Compliance Divisions), and back offices (Internal Audit division).

Prevention of Unfair Use of Financial Institutions

We have a unified structure to prevent the unfair use of financial institutions, including business transactions with anti-social forces, money laundering, and the financing of terrorism. 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, contributing to the establishment of a safe and secure society.

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 ensconce 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.

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.

Environmental Policy, Human Rights Policy

We established and released our Environmental Policy and Human Rights Policy on November 1, 2019. In accordance with these policies, the bank continues to improve awareness and action regarding environmental and human rights 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

Our business operations are supported by our 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 our 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 Promotion Council.

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.

Human Rights Seminars

The Norinchukin 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 fiscal 2019, we provided 15 seminars, 14 of which were delivered to all business sites via 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 agriculture, fishery and forestry 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 2020: P4 Annual Report 2020: P201 Value Report 2019: P51 Web: Corporate Outline |
| 102-2 | Activities, brands, products, and services | Sustainability Report 2020: P5 Annual Report 2020: P9, P48-51 Value Report 2019: P22-23 Web: Our Businesses |
| 102-3 | Location of headquarters | Annual Report 2020: P201 |
| 102-4 | Location of operations | Annual Report 2020: P193 |
| 102-5 | Ownership and legal form | Sustainability Report 2020: P4 Annual Report 2020: P201 Web: Corporate Outline |
| 102-6 | Markets served | Sustainability Report 2020: P4 Annual Report 2020: P4-5 Web: Our Businesses |
| 102-7 | Scale of the organization | Sustainability Report 2020: P4 Annual Report 2020: P201 |
| 102-8 | Information on employees and other workers | Sustainability Report 2020: P49 Annual Report 2020: P191 |
| 102-9 | Supply chain | Value Report 2019: P22-23 |
| 102-10 | Significant changes to the organization and its supply chain | Annual Report 2020: P61 |
| 102-11 | Precautionary Principle or approach | Sustainability Report 2020: P17, P21-23, P35, P39, P51, P53 Annual Report 2020: P17-18, P22, P27-28, P39-46 Web: Business Management |
| 102-12 | External initiatives | Sustainability Report 2020: P10 Annual Report 2020: P7 Web: Business Management |
| 102-13 | Membership of associations | Sustainability Report 2020: P10 |
| 2. Strategy | | |
| 102-14 | Statement from senior decision-maker | Sustainability Report 2020: P2-3 Annual Report 2020: P2-7 |
| 102-15 | Key impacts, risks, and opportunities | Sustainability Report 2020: P16, P23 Annual Report 2020: P29 |
| 3. Ethics and integrity | | |
| 102-16 | Values, principles, standards, and norms of behavior | Sustainability Report 2020: P6-7, P51 Annual Report 2020: P29 |
| 102-17 | Mechanisms for advice and concerns about ethics | Sustainability Report 2020: P54 Annual Report 2020: P29-32 Web: Business Management |
| 4. Governance | | |
| 102-18 | Governance structure | Sustainability Report 2020: P9, P39 Annual Report 2020: P20-21, P188-189 Web: Business Management |
| 102-19 | Delegating authority | Sustainability Report 2020: P9 Annual Report 2020: P20 Web: Business Management, Disclosure based on the Corporate Governance Code |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | Sustainability Report 2020: P9 |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | Sustainability Report 2020: P8, P9, P11-14, P39 Annual Report 2020: P6 |
| 102-22 | Composition of the highest governance body and its committees | Annual Report 2020: P20-21, P188-189 Web: Business Management |
| 102-23 | Chair of the highest governance body | Annual Report 2020: P20-21, P188-189 Web: Business Management |
| 102-24 | Nominating and selecting the highest governance body | Annual Report 2020: P20-21 Web: Business Management, Disclosure based on the Corporate Governance Code |

| | | |
|--------|--|--|
| 102-25 | Conflicts of interest | Annual Report 2020: P20-21, P188-189 Web: Business Management |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | Annual Report 2020: P20 Web: Business Management |
| 102-27 | Collective knowledge of highest governance body | Annual Report 2020: P20 |
| 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 2020: P8, P9, P15-16, P17, P21-23, P35, P39, P53 Annual Report 2020: P6-7 |
| 102-30 | Effectiveness of risk management processes | Sustainability Report 2020: P9, P21 Annual Report 2020: P39-46 |
| 102-31 | Review of economic, environmental, and social topics | Sustainability Report 2020: P9 Annual Report 2020: P7 |
| 102-32 | Highest governance body's role in sustainability reporting | Sustainability Report 2020: P9 Annual Report 2020: P20 Web: Business Management, Disclosure based on the Corporate Governance Code |
| 102-33 | Communicating critical concerns | Sustainability Report 2020: P9 Annual Report 2020: P20 Web: Business Management |
| 102-34 | Nature and total number of critical concerns | – |
| 102-35 | Remuneration policies | Annual Report 2020: P178-181 Web: Business Management, Disclosure based on the Corporate Governance Code |
| 102-36 | Process for determining remuneration | Annual Report 2020: P178-181 Web: Business Management, Disclosure based on the Corporate Governance Code |
| 102-37 | Stakeholders' involvement in remuneration | Annual Report 2020: P178-181 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 2020: P39 |
| 102-41 | Collective bargaining agreements | Sustainability Report 2020: P45 |
| 102-42 | Identifying and selecting stakeholders | Sustainability Report 2020: P39 |
| 102-43 | Approach to stakeholder engagement | Sustainability Report 2020: P11-14, P39-40 |
| 102-44 | Key topics and concerns raised | Sustainability Report 2020: P11-14 Value Report 2019: P49 |
| 6. Reporting practice | | |
| 102-45 | Entities included in the consolidated financial statements | Annual Report 2020: P52-54, P192 |
| 102-46 | Defining report content and topic Boundaries | Sustainability Report 2020: P6, P8, P15 |
| 102-47 | List of material topics | Sustainability Report 2020: P8, P15, P28, P34, P38, P41, P50 |
| 102-48 | Restatements of information | Not applicable |
| 102-49 | Changes in reporting | Not applicable |
| 102-50 | Reporting period | Sustainability Report 2020: P1 |
| 102-51 | Date of most recent report | Sustainability Report 2020: P1 |
| 102-52 | Reporting cycle | Sustainability Report 2020: P1 |
| 102-53 | Contact point for questions regarding the report | Sustainability Report 2020: P1 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Sustainability Report 2020: P1, P55-57 |
| 102-55 | GRI content index | Sustainability Report 2020: P55-57 |
| 102-56 | External assurance | – |

| GRI 201: Economic Performance | | |
|------------------------------------|--|---|
| | Management approach disclosures | Annual Report 2020: P56-77 |
| 201-1 | Direct economic value generated and distributed | Annual Report 2020: P56-77 Web: Financial Information |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Sustainability Report 2020: P22-23 Annual Report 2020: P7 |
| 201-3 | Defined benefit plan obligations and other retirement plans | Annual Report 2020: P64-65 |
| GRI 203: Indirect Economic Impacts | | |
| | Management approach disclosures | Annual Report 2020: P33-35 |
| 203-2 | Significant indirect economic impacts | Sustainability Report 2020: P24, P30 Annual Report 2020: P33-35 Value Report 2019: P30-37 Web: Initiatives |
| GRI 205: Anti-corruption | | |
| | Management approach disclosures | Sustainability Report 2020: P35 |
| GRI 302: Energy | | |
| | Management approach disclosures | Sustainability Report 2020: P32 |
| 302-1 | Energy consumption within the organization | Sustainability Report 2020: P32 |

| GRI 401: Employment | | |
|--|--|--|
| | Management approach disclosures | Sustainability Report 2020: P42 |
| 401-1 | New employee hires and employee turnover | Sustainability Report 2020: P49 |
| 401-3 | Parental leave | Sustainability Report 2020: P44, P49 |
| GRI 402: Labor/Management Relations | | |
| | Management approach disclosures | Sustainability Report 2020: P45 |
| GRI 403: Occupational Health and Safety | | |
| | Management approach disclosures | Sustainability Report 2020: P45 |
| 403-3 | Occupational health services | Sustainability Report 2020: P45 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Sustainability Report 2020: P45 |
| 403-6 | Promotion of worker health | Sustainability Report 2020: P45 |
| GRI 404: Training and Education | | |
| | Management approach disclosures | Sustainability Report 2020: P46 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Sustainability Report 2020: P46-47 Annual Report 2020: P36-37 |
| GRI 405: Diversity and Equal Opportunity | | |
| | Management approach disclosures | Sustainability Report 2020: P42 |
| 405-1 | Diversity of governance bodies and employees | Sustainability Report 2020: P43-44, P49 |
| GRI 412: Human Rights Assessment | | |
| | Management approach disclosures | Sustainability Report 2020: P7, P52-53 |
| 412-2 | Employee training on human rights policies or procedures | Sustainability Report 2020: P53 |
| 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Sustainability Report 2020: P21 |

From the Experts



Norichika Kanie

Professor,
Graduate School of Media and
Governance, Keio University

Formerly of the Tokyo Institute of Technology
Director, Keio Research Institute at SFC xSDGLab
Norichika Kanie 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.

Having read through this report, I was impressed by the sense that the Norinchukin Bank is very familiar with the agriculture, fishery and forestry industries. As a financial institution based in the agriculture, fishery and forestry industries, the bank has significant strengths in helping achieve the SDGs. I was also very gratified to see the bank discuss its active response to responsible finance and how the bank creates positive impact and sustainable finance.

The Norinchukin Bank also discloses information related to securing human resources and encouraging the success of women in the workplace. Looking at the figures provided, I believe there is still room for improvement. However, the disclosure itself is another step toward improvement. I also believe this report offers a wealth of information on human rights initiatives. Society has emphasized human rights

initiatives in companies, particularly entities in the field of finance. In this sense, I appreciate the bank's focus on this area in their disclosures.

However, I would like to see more information about future initiatives related to climate change and the related issues in forestry and fisheries.

The number of weather-related disasters has been on the rise in recent years. These disasters are likely to cause significant damage to the agriculture, fishery and forestry industries over the medium and long term. I think the bank could explain these and other challenges of climate change from a broad and overarching perspective, delving into content that would enlighten and stimulate readers. The lack of forestry-related business structures in Japan have increased costs and prevented Japan from competing with overseas timber. Nurturing and revitalizing the forestry industry is extremely important for regional revitalization. This work also ties to the utilization of biomass and other renewable energy sources. I look forward to seeing even more financial initiatives in this area. I would like to see the bank continue efforts toward greater information disclosure, owing to the importance of protecting marine ecosystems (including measures against marine plastic waste) in maintaining a healthy fishery industry. I believe the business of the Norinchukin Bank business has a strong impact on Goals 13, 14 and 15 of the SDGs. The bank also possesses an extensive network. I look forward to the bank becoming a driving force for sustainable production and consumption described in Goal 12 by leading change through finance. In the with-COVID-19 and after-COVID-19 eras, it will be important to restructure production and consumption in Japan, rather than relying solely on global supply chains. The Norinchukin Bank has strengths in its reach throughout the entire agriculture, fishery and forestry industry supply chains, from upstream to down. I encourage the bank to leverage this strength toward integrated sustainability.

The Norinchukin Bank is involved directly in this aspect of the SDGs, which address economics and social issues, as well

as impact on the environment. The agriculture, fishery and forestry industries are connected closely to ecosystems and can be addressed from both macro and micro perspectives. I encourage the Norinchukin Bank to contribute to the creation of a sustainable society, pursuing initiatives that link the future of the agriculture, fishery and forestry industries to everyday issues.

Responding to the Experts

General Manager,
Corporate Planning
Division

Kenji Kawashima



I want to thank Prof. Kanie for his valuable opinions. I have been reminded of the need to strengthen our efforts and expand our disclosures not only for the agriculture industry, but also for the forest and fishery industries to secure sustainability in these industries that form the foundation of the Norinchukin Bank business. Many more issues remain for us to address, including our response to climate change. We will consider carefully Prof. Kanie's input as we continue to work toward more advanced sustainability-oriented management. We will also strive to provide enhanced information disclosures as the professor has suggested.