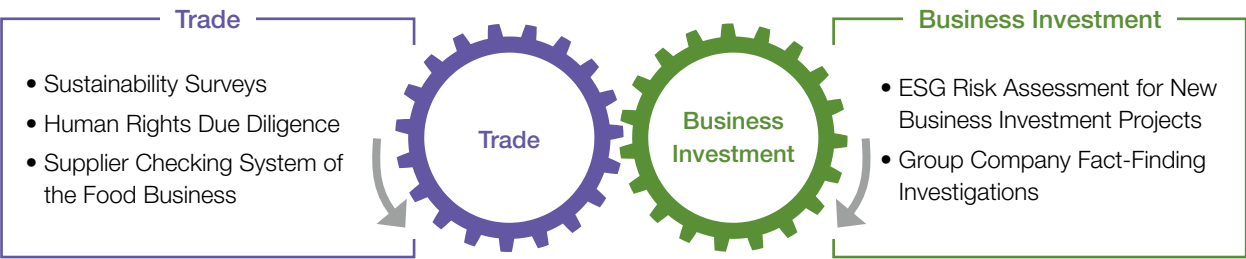


Sustainability Management Aligned with Our Business Activities

ITOCHU understands that in order to realize the stable and sustainable procurement and supply of raw materials, it must respond appropriately to environmental and human rights risks in its increasingly wide-ranging and complex supply chains.

We conduct sustainability management aligned with each of our business activities, including trade and business investment. Through supply chain sustainability surveys and ESG risk assessments for new business investment projects, etc., we enhance the transparency of not just the Group but the entire supply chain and promote initiatives with an awareness of human rights, labor, the environment, and more. In this way, we are building a sustainable value chain that will enhance the Group's competitiveness and corporate value.



ESG Risk Assessment for New Business Investment Projects

When making new business investments, we use the ESG checklist for investments to conduct a thorough due diligence on the status of the business investee's sustainability promotion system and policy, as well as the risks of significant effects on the environment, violations of laws and ordinances, and complaints, etc. This checklist consists of 33 check items, being conscious of the elements of the seven core subjects* in ISO 26000. With this checklist, the division making the application (business division) is required to refer to reviews based on risk analysis from Sustainability Management Division, and to request additional due diligence from external specialist organizations on areas of concern that require an expert opinion, such as soil pollution surveys for building construction. The project is then only undertaken upon confirming that there are no problems in those results.

* Organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development

Group Company Fact-Finding Investigations

We have continually conducted on-site investigations of Group companies since 2001 to prevent environmental pollution and other problems.

Although we temporarily halted on-site visits in FYE 2021 in accordance with COVID-19 prevention measures, we completed investigations into a cumulative total of 285 offices as of March 31, 2021.

In these investigations, we conduct wide-ranging inspections such as the factory and warehouse facilities, drainage to rivers, compliance with environmental laws and regulations, consideration for labor safety and human rights, and communication with the local community in addition to holding a Q&A session with management. We also identify problems and present preventative measures, and follow up to check whether the issues have been corrected.



Survey at Dole Thailand Ltd.

Sustainability Surveys and Human Rights Due Diligence

We notify all of our suppliers of the Sustainability Action Guidelines for Supply Chains before conducting business with them. We only begin business with them after thorough communication with them on our sustainability-related policies. In addition, we conduct a yearly sustainability survey of our main business partners to better understand their situation. (In FYE 2021, we surveyed 310 companies.)

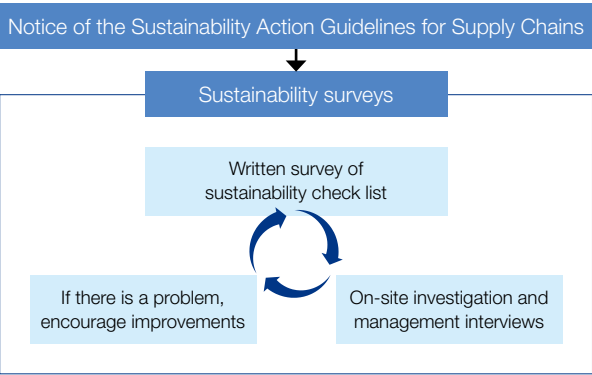
Furthermore, based on the Group's human rights policy, we began doing more thorough due diligence related to human rights. In FYE 2021, we conducted human rights due diligence in the Food Company and built a process for identifying and assessing risks and then taking corrective measures. The results are disclosed on ITOCHU's website. Going forward, we will continue to gradually expand the scope of human rights due diligence to encompass the scope of our other businesses.

Through these measures, we will fulfill our responsibility to provide a stable supply of goods to support people's lives while reducing risks in the supply chain related to human rights, labor, and the environment.

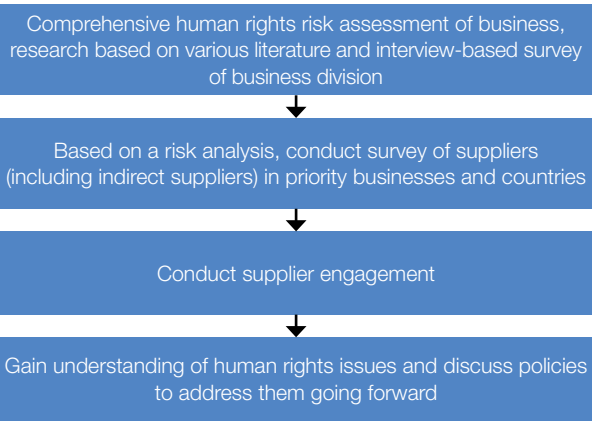
To see the progress of our human rights due diligence for 2020, please see ITOCHU's sustainability website.
https://www.itochu.co.jp/en/csr/society/human_rights/



Supply Chain Management Promotion



Human Rights Due Diligence Flow Chart




Supplier Checking System of the Food Business

In the Food Company, we have put a unique management system in place. We take a wide range of measures to ensure safety in the food business through checks of new suppliers' production management before beginning business, as well as periodic audits of suppliers. We conduct the periodic audits in line with ITOCHU's proprietary food safety management manual and with reference to international food safety standards. In addition, we established the Chinese Food Safety Management Team in China in order to build a management system of the same caliber as the one in Japan.

A sanitation management system based on a Hazard Analysis Critical Control Point (HACCP) is now mandated, following an amendment to the Food Sanitation Law. In accordance with the new law, we will further expand the businesses subject to on-site audits in the food supply chain.

Enhancing Traceability as a Business



ITOCHU is working to promote its traceability business as a new revenue stream. In the General Products & Realty Company, we have developed a traceability system for natural rubber and have begun to produce traceable natural rubber. (➡ Page 111 Procuring Natural Rubber from Sustainable Natural Resources) In the Food Company, in addition to expanding trade of third-party-certified products, such as vegetable oils, we invested in the coffee traceability and sustainability platform Farmer Connect SA.

By expanding the traceability business, we aim to increase our earning power while enhancing our contribution to and engagement with the SDGs.