

Sustainability Management

Through sustainability management that aligns with its various business activities, ITOCHU makes a concerted effort to address issues related to human rights, labor rights, and the environment in its supply chains and business investments.

Human Rights Due Diligence

The ITOCHU Group is fulfilling its responsibility to respect human rights based on The ITOCHU Group Human Rights Policy established in April 2019. Specifically, we identify and evaluate the negative impact from the corporate activities of the ITOCHU Group on human rights that may affect society. We then work to prevent and mitigate such impact by taking the appropriate steps.

In FYE 2020 and FYE 2021, ITOCHU identified palm oil, coffee beans, and pineapples in the Food Company as products subject to human rights due diligence assessments. In FYE 2022, we identified coal, aluminum, iron ore, platinum, nickel, and silicon metal in the Metals & Minerals Company as subjects for human rights due diligence. The Company discloses information about its progress on and results, etc., of this due diligence process. Regarding issues that come up when conducting human rights due diligence, ITOCHU engages with its suppliers through interviews and additional surveys, discusses response measures to be implemented going forward, and requests rectification. Furthermore, the Company monitors progress at these suppliers through the annual supply chain sustainability surveys, etc. Going forward, upon identifying products that should be assessed with priority, ITOCHU will quickly move to analyze potential risks related to products in all business domains.

Human Rights Due Diligence Flow Chart



Division Company	Product	Target Country or Region	Human Rights Issues Indicated as Survey Targets	No. of Companies in Survey	No. of Companies Subject to Engagement	Issues
Food	Palm oil	Malaysia Indonesia	<ul style="list-style-type: none"> Child labor Fair wages Fair work hours Workplace discrimination Forced labor 	First-tier suppliers: 12 companies Second- / third-tier suppliers: 19 companies	2 companies	Regarding palm oil and coffee beans, continue to monitor operations of grievance mechanism at farms, and improvement in ways to spread awareness
	Coffee beans	Brazil Guatemala Mexico Colombia, etc.	<ul style="list-style-type: none"> Freedom of association and right to organized negotiations Migrant worker rights Health and safety Status of establishing and operating a complaint help desk, etc. 	First-tier suppliers: 18 companies Second- / third-tier suppliers: 49 companies	5 companies	
	Pineapples	Sierra Leone	<ul style="list-style-type: none"> Forced labor Child labor Discrimination Freedom of association and right to organized negotiations Land use Working hours and wages Health and safety Community impact (include infringement of indigenous people right, etc.) Water and hygiene, etc. 	Contractors: 3 companies	—	
Metals & Minerals	Project (coal, aluminum, iron ore, platinum, nickel)	Southeast Asia South America South Africa	<ul style="list-style-type: none"> Forced labor Child labor Discrimination Freedom of association and right to organized negotiations Land use Working hours and wages Health and safety Community impact (include infringement of indigenous people right, etc.) Water and hygiene, etc. 	Suppliers: 19 companies	4 companies	Continue to monitor overtime work during busy periods, set up and operation of grievance mechanism for local residents through supply chain sustainability survey
	Trade (coal, silicon metal, etc.)	Asia region	<ul style="list-style-type: none"> Forced labor Child labor Discrimination Freedom of association and right to organized negotiations Land use Working hours and wages Health and safety Community impact (include infringement of indigenous people right, etc.) Water and hygiene, etc. 	Suppliers: 19 companies	4 companies	

Supply Chain Sustainability Survey

Prior to commencing business with a supplier, ITOCHU notifies all of its suppliers of its Sustainability Action Guidelines for Supply Chains. After commencement of business, it conducts sustainability surveys every year as a means of enhancing communications about its sustainability policies.

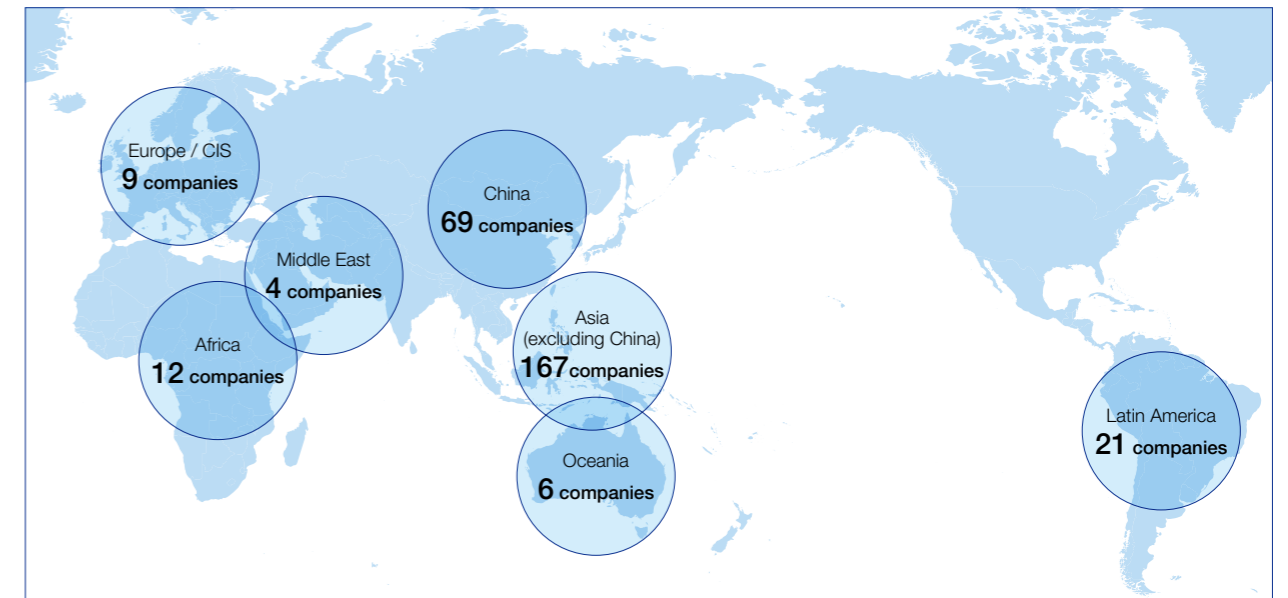
This survey contains questions based on the seven core subjects* of ISO26000 that must be answered. ITOCHU selects important suppliers based on guidelines regarding high-risk countries, handled products, and handled monetary amounts, for example. After obtaining answers to survey questions from these suppliers, sales representatives from each Division Company and sales representatives from overseas affiliates and Group companies meet with suppliers and conduct hearings (approximately 300 suppliers every year) based on their answers to the survey.

Based on the outcomes of these interviews, if violations of the Sustainability Action Guidelines for Supply Chains are discovered and verified, the offending supplier is asked to take corrective action. At the same time, if deemed necessary, the Company conducts an on-site inspection of the supplier and provides instructions while supporting their efforts to improve.

By conducting these surveys and reviews, etc., ITOCHU aims to assess the state of affairs and to prevent problems from occurring.

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

Number of Surveys Conducted, by Region, in FYE 2022



Please see ITOCHU's website for more information about the supply chain sustainability survey.

https://www.itochu.co.jp/en/csr/society/value_chain/system/

Formulation of Procurement Policies for Individual Product Type

Based on The ITOCHU Group Sustainability Policy and Sustainability Action Guidelines for Supply Chains, ITOCHU endeavors to sustainably procure raw materials and products. For the sake of responsible procurement, the Company has formulated the following procurement policies for individual products and engages in activities based on these policies.

Sustainable Procurement Policy on Natural Forests and Forest Resources	Natural Rubber Procurement Policy	Sustainable Palm Oil Procurement Policy	Cocoa Bean Procurement Policy
Coffee Bean Procurement Policy	Raw Material Tuna Procurement Policy	Commitment of Protecting Forests through Material Sourcing of MMCF	

Please see ITOCHU's website for more information about procurement policies for each product.

https://www.itochu.co.jp/en/csr/society/value_chain/activity/