

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.


Supply Chain Sustainability Surveys

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

The survey contains questions based on the seven core subjects* of ISO 26000, the international standard for organizational social responsibility, that must be answered. ITOCHU selects important suppliers based on guidelines such as high-risk countries, handled products, and handled monetary amounts. After obtaining answers to the questions from these suppliers, sales managers from each Division Company and sales managers from overseas offices and Group companies visit approximately 300 suppliers every year and conduct investigative interviews based on their answers to the survey. If any violations of Sustainability Action Guidelines for Supply Chains are identified during the interview, we require corrective actions from the relevant suppliers. Additionally, we conduct on-site investigations and provide guidance and support for improvement as needed.

In FYE 2024, we conducted 305 surveys and conducted additional confirmation of 34 suppliers. No serious problems requiring immediate action were found. For concerns raised during the surveys, the implementation of prompt remedial measures and countermeasures has been confirmed. Through such efforts as reviews and the aforementioned surveys, ITOCHU will endeavor 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



For details on supply chain sustainability surveys, please visit ITOCHU's website.
The website discloses additional survey items specific to divisions in charge and products handled as well as details of the FYE 2024 survey.
https://www.itochu.co.jp/en/csr/society/value_chain/system/

Number of Suppliers Surveyed, by Region, in FYE 2024

Europe / CIS	Africa	Middle East	China	Asia (excluding China)	Oceania	North America	Latin America	Japan
5 companies	7 companies	9 companies	56 companies	169 companies	5 companies	3 companies	22 companies	29 companies

Visiting the Production Sites of the PROJECT TREE Sustainable Natural Rubber Value Chain

Natural rubber is widely used for daily necessities and industrial rubber products, such as tires. Most of this rubber is produced in Southeast Asia. The raw material for natural rubber is sap from the para rubber tree, which is collected by millions of smallholders (small-scale farmers). However, there are many problems associated with natural rubber, including illegal logging of natural forests, poverty among smallholders, and a lack of sophisticated agricultural technology. Together with other companies in the tire value chain, we are promoting PROJECT TREE, a scheme in which natural rubber that has origin information is procured, sold to tire manufacturers, and a portion of the sales of tires produced by participating companies that use the rubber is returned to smallholders.


A team of dedicated personnel from PT. Aneka Bumi Pratama, a natural rubber processing company in Indonesia, visits production sites scattered throughout the country on a daily basis to provide smallholders with assistance in inputting production site data, conducting on-site audits, and offering training activities aimed at enhancing the efficiency of raw material production. During the training, the team uses illustrations to communicate the challenges of the natural rubber industry in an easy-to-understand manner and explains ways of enhancing productivity, such as the height, angle, and frequency of cutting when collecting raw material sap. The content of the training often prompts a lively flurry of questions from participants. By increasing the number of smallholders participating in the project, we aim to realize a sustainable natural rubber industry.



Identifying production areas by using GPS



Conducting training on productivity enhancement

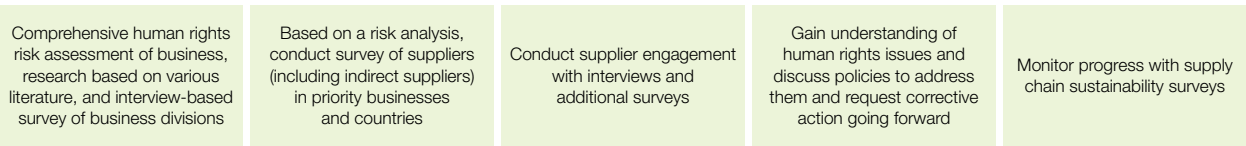



For details on PROJECT TREE, please visit the project website.
<https://project-tree-natural-rubber.com/>

Human Rights Due Diligence

The ITOCHU Group considers respect and consideration for human rights on a global scale to be an important issue. Based on the ITOCHU Group Human Rights Policy formulated in April 2019, we conduct annual human rights due diligence for each business field (Division Company) to prevent and mitigate negative impacts on the human rights of our stakeholders. With the cooperation of external experts, we are building a human rights due diligence system in accordance with the procedures detailed in the United Nations Guiding Principles on Business and Human Rights. In conducting surveys and on-site audits, we focus on fields and products with relatively high human rights risks and refer to international standards, such as the SA8000 labor environment assessment standard and five of the core labor standards of the ILO Declaration on Fundamental Principles and Rights at Work.

Human Rights Due Diligence Flow Chart





Please visit ITOCHU's website for more information about human rights due diligence.
https://www.itochu.co.jp/en/csr/society/human_rights/

Every year since FYE 2021, we have been conducting human rights due diligence for one Division Company. To date, we have conducted due diligence for the Food Company, Metals & Minerals Company, Textile Company, and General Products & Realty Company. An overview of the human rights due diligence conducted for the General Products & Realty Company in FYE 2024 is shown below. In FYE 2025, we are conducting human rights due diligence for The 8th Company. Going forward, we intend to conduct due diligence for other business fields.

Overview of Human Rights Due Diligence in the General Products & Realty Company (FYE 2024)

Subjects	Details	Issues and Discovered Items
Issues covered by the survey	Child labor, forced labor, safe and healthy workplace environment, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and impact on local communities and residents	Human rights issues: None identified
Products covered	Timber products, wood chips, pulp, natural rubber	Discovered items: Implementation and dissemination of information on measures for occupational safety; health and hygiene; and reporting systems. We will recommend measures in relation to the above items and continue monitoring the progress of measures through supply chain and sustainability surveys.
Selection criteria for survey targets	Transaction value and country of origin (Covering 60% of natural rubber, 70% of others)	
Questionnaire survey	64 companies	
Additional investigation by consultant	31 companies	
Site visits and interviews	3 companies	

In FYE 2024, ITOCHU conducted surveys on the timber products, wood chips, pulp, and natural rubber handled by the General Products & Realty Company, as described in the above Human Rights Due Diligence Flow Chart. With respect to the topics of the survey, there were no items indicating human rights infringements or adverse impacts on human health and safety that had already occurred, or where there is imminent concern that they will occur. However, investigative interviews with management team members and employees, which were held during on-site audits conducted with external experts, discovered companies that had room for improvement in the dissemination of information about occupational safety, health and hygiene in employee living quarters and factories, and the establishment of anonymous grievance mechanism. We asked these companies to implement improvement measures and report back. We will continuously monitor the progress of measures by including said companies in our annual supply chain sustainability surveys.



Interviewing management team members



Auditing a plant