

Fact Sheet on sustainable procurement of palm oil in ITOCHU Corporation

This information cover all of the company's supplying mills.

- Number of suppliers



[Refineries on google map](#) and [complete mill lists](#) also available.
 ITOCHU does not own refinery/mill, and sourcing from third party only.

Remark

- Third party mills are overlapped and total number may not match the sum reported from each refineries.
- The mill list is based on January-December 2018 results.
- We will disclose all palm oil refineries and mills except we are requested by our customers and suppliers.

- Traceability to mill **99.8%** (PO 100%, PKO 99.3%)
- Percentage of refinery (Direct supplier) with RSPO certification : **100%**
- Percentage of direct suppliers with NDPE Policy : **100%**

Other remarks by category

	category	Policy & Practice
1	Sustainability policy and leadership	<p><RSPO&NDPE>All of the ITOCHU direct suppliers (refineries) joins RSPO (releasing ACOP on Website on RSPO) and has sustainable policy including "NDPE Policy".</p> <p><Industrial Leadership>ITOCHU is one of the leading members of THE JAPAN OIL & FAT IMPORTERS & EXPORTERS ASSOCIATION ("JOFIEA"). JOFIEA imports more than 80 % of palm products into Japan market for the food. JOFIEA promotes the sustainable palm oil to Japanese market together with JAPAN OILSEED PROCESSORS ASSOCIATION (JOPA). ITOCHU became one of the committee members of Oils and Fat for the promotion of sustainable palm oil in JOFIEA.</p> <p><Collaboration>JOPA and JOFIEA have been involved in the progress of Malaysia Sustainable Palm Oil(MSPO) and Indonesia Sustainable Palm Oil(ISPO) in the past two years to improve the standard of the sustainable palm oil industries in Malaysia and in Indonesia, the main suppliers to Japanese market .</p>

2	Landbank, maps and traceability	<p><Traceable to the Mills> ITOCHU has the policy that all the suppliers of palm products will achieve 100% "Traceable To Mills" by the end of 2021. We achieved 100% of palm oil, 99.3% of palm kernel oil to keep the traceability to mill level in 2018.</p> <p><Traceable to the Plantations> We understand the importance of spreading traceability to the plantation. Once ITOCHU achieve 100% "Traceable to Mills", we will set up a time-bound commitment to target "Traceable to the Plantations".</p>
3	Deforestation and biodiversity	<p><NDPE Policy> ITOCHU has NDPE policy for the procurement of palm products and has reviewed the detail of criteria for defining deforestation through the suppliers' sustainable reports. Moreover, ITOCHU will trade all of the palm products, produced from the sustainable supply chains by 2025 avoiding the palm products coming from illegal/non-compliant deforestation area. The sustainable supply chain should be certified by RSPO, MSPO, ISPO and/or other reputable standards recommended by the customers.</p>
4	HCV, HCS and impact assessments	<p><HCV, HCS> ITOCHU will request the suppliers to have the assessment result of HCV and HCS from the next survey report. Most of our suppliers issue the result on their own website.</p>
5	Peat, fire and GHGs	<p><Peat> ITOCHU has confirmed all of our suppliers have NDPE policy, and will keep aligning the sustainable supply chain.</p>
6	Water, chemical and pest management	<p>ITOCHU understands in the palm oil operation, use of chemical should be minimum and use of paraquat, World Health Organization (WHO) Class 1A and 1B pesticides and chemicals listed under the Stockholm Convention and Rotterdam Convention should be banned.</p>
7	Community, land and labor rights	<p>ITOCHU follows UN Guiding Principles on Business and Human rights, and support small holders and inclusion of women in the palm oil supply chain.</p>
8	Certification standards	<p><RSPO> ITOCHU became RSPO member in 2006 and procure the palm products from the suppliers who owns RSPO member status. ITOCHU trades RSPO MB grade by 2018, and in 2019 ITOCHU purchased RSPO SG grade as well.</p> <p><MSPO> ITOCHU is ready to sell MSPO MB to Japan. Since one of our main suppliers are ready to supply MSPO MB oil to Japan.</p>

9	Smallholders and suppliers	<Supplier's Assessment> ITOCHU has sent the sustainability surveys to all the suppliers for palm oils every year. ITOCHU will request suppliers to improve their supply chains not to procure Palm products or ffb from suppliers that do not comply with NDPE policy. ITOCHU will ask the suppliers to have the due diligence to avoid the risks against NDPE policy for small holders as well.
10	Governance and grievances	ITOCHU commits to ethical/fair conduct and prohibition of corruption.