

## 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 2023 results.
- We will disclose all palm oil refineries and mills except we are requested by our customers and suppliers.

- Traceability to mill **100%** (PO 100%, PKO 100%)
- 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>&lt;RSPO&amp;NDPE&gt; All of the ITOCHU direct suppliers (refineries) join RSPO (releasing ACOP on the website of RSPO) and have sustainable policy including "NDPE Policy". ITOCHU is one of the leading members of THE JAPAN OIL &amp; FAT IMPORTERS &amp; EXPORTERS ASSOCIATION ("JOFIEA"). JOFIEA imports more than 80% of palm products into the Japan market for food. JOFIEA promotes sustainable palm oil to the Japanese market together with the 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. JOPA and JOFIEA have been involved in the progress of Malaysia Sustainable Palm Oil (MSPO) and Indonesia Sustainable Palm Oil (ISPO) to improve the standard of the sustainable palm oil industries in Malaysia and Indonesia, the main suppliers to the Japanese market.</p> |
| 2 | Landbank, maps and traceability      | <p>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, 100% of palm kernel oil to mill level in 2021. We understand the importance of spreading traceability to the plantation. We are currently under discussion on setting up a time-bound commitment to target "Traceable to the Plantations".</p>   |
| 3 | Deforestation and biodiversity       | <p>ITOCHU has an 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 2030 avoiding the palm products coming from illegal/non-compliant deforestation areas. 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>&lt;HCV, HCS&gt; ITOCHU will request the suppliers to have the assessment results of HCV and HCS. Most of our suppliers issue the results on their own websites.</p>  |
| 5 | Peat, fire and GHGs                  | <p>ITOCHU has confirmed all of our suppliers have an NDPE policy, and will keep aligning the sustainable supply chain.</p>   |

|    | Category                            | Policy & Practice   |
|----|-------------------------------------|---|
| 6  | Water, chemical and pest management | ITOCHU understands that in the palm oil operation, use of chemicals should be minimized 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.  |
| 7  | Community, land and labor rights    | ITOCHU follows UN Guiding Principles on Business and Human Rights, and supports small holders and inclusion of women in the palm oil supply chain.  |
| 8  | Certification standards             | ITOCHU became an RSPO member in 2006 and procures palm products from suppliers who own RSPO member status. ITOCHU trades RSPO MB grade by 2018, and in 2019 ITOCHU purchased RSPO SG grade as well. ITOCHU is ready to sell MSPO MB to Japan. Since one of our main suppliers is ready to supply MSPO MB oil to Japan.  |
| 9  | Smallholders and suppliers          | <Supplier's Assessment> ITOCHU has sent 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 the NDPE policy. ITOCHU will ask the suppliers to conduct due diligence to avoid risks against the NDPE policy for small holders as well. |
| 10 | Governance and grievances           | ITOCHU commits to ethical/fair conduct and prohibition of corruption.   |