

Progress of Human Rights Due Diligence FYE2024

ITOCHU Group is involved in a diverse range of business activities in various regions around the world. This makes ensuring due respect and consideration of human rights a critical issue for our group.

In FYE 2024, with the cooperation of G3 Good Governance Group (G3), we conducted a human rights due diligence process for the General Products & Realty Company, which deals in timber products, wood chips, pulp, and natural rubber, selecting products that may have a real or potential negative impact on the human rights of stakeholders.

■ Human Rights Due Diligence Overview

◇ Implementation Procedures:

- ① Within the business activities of the General Products & Realty Company and based on various document reviews and interviews with sales departments, etc., identify commercial materials and the countries from which they are sourced that may have a real or potential negative impact on the human rights of stakeholders, and select suppliers for priority investigations. (First Screening)
- ② Conduct a survey of suppliers selected in the first screening. Based on the results of the responses to the survey as well as additional investigation by G3, select suppliers whose specific human rights risk status requires confirmation as engagement targets for a more detailed investigation. (Second Screening)
- ③ On-site visit and interviews with the targets of engagement.
- ④ Based on the results of the above investigations and interviews, ascertain the current human rights risk status and discuss future action plans.

◇ Scope:

Target	Number of Indicators and Companies
Human rights risk indicators investigated (Note 1)	Child labor, Forced labor, Safe and healthy work environment, Freedom of association and collective bargaining, Discrimination, Punishment, Working hours, Compensation, Impact on communities and residents
Target products	Timber products, chips, pulp, natural rubber
Basis for selection for survey	Trade volume, country location
Survey subject	64 companies (Note 2)
Additional investigation by consultant	31 companies
On-site visit/interview	3 companies

(Note 1) Elements that are directly linked to human rights risks are taken from items required by international standards such as Social Accountability International's SA8000

workplace evaluation standard and the ILO Declaration on Fundamental Principles and Rights at Work.

The five human rights issues listed in bold are items related to core labor standards set out in the ILO Declaration on Fundamental Principles and Rights at Work.

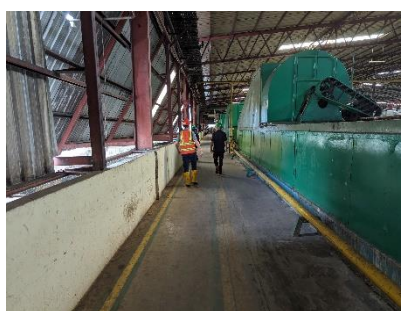
(Note 2) Covers approximately 70% of target product suppliers (60% of natural rubber) on a trade volume basis.

■ On-site visit/interview survey items

Action Items	Contents
Briefing	Explanation of reason for audit, confirmation of progress schedule, confirmation of submitted documents
Manager Interview	Confirm status of operations from a management perspective
Factory Audit	Health and safety status check
Employee Interviews	Multiple interviews with employees with different job types and genders
Wrap-up	Feedback on key findings



(Left) Management Interview



(Center) Factory audit



(Right) Employee interview

■ Survey Implementation Status and Identified Issues

- Our human rights due diligence process did not identify any 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, the following three findings could possibly develop into human rights issues in the future (response and monitoring recommended).
 - (1) Occupational safety

Although there were no violations of local fire codes, response recommended regarding installation of fire detection equipment, expansion of fire alarms, dispersed placement of fire extinguishers, and creation of manuals on safely handling gasoline.
 - (2) Health and sanitation at employee living quarters and factories

Although there were no violations of local law, in light of international standards, response recommended regarding improvement of company dormitories and shared areas, privacy, noise prevention, and regular cleaning, maintenance, and privacy improvements for factory toilets.
 - (3) Establishment/increased awareness of anonymous grievance mechanisms

Although no cases of harassment were discovered, response recommended to

establish and/or increase employee awareness of existing mechanism in the event of a future case.

■ Our Way Forward

In order to identify human rights issues as early as possible and respond to them seriously, we will continue to include the companies above that were subject to the human rights due diligence process in future supply chain sustainability investigations.

In addition, we will regularly provide opportunities for sustainability-related dialogue and cooperate with suppliers through ongoing communication in order to encourage each supplier to properly address human rights issues.

Furthermore, by continuing to implement initiatives and improvements in accordance with the human rights due diligence process on a regular basis, we will prevent, mitigate and remedy any real or potential negative impact on human rights. By implementing and strengthening initiatives that respect human rights together with related companies, including suppliers, we aim to build a resilient value chain and achieve sustainable growth.