

ITOCHU Prominent USA LLC's **Modern Slavery Act Report for 2023 Financial Year**

ABOUT THIS REPORT

ITOCHU Prominent USA LLC has prepared this report (the "**Report**") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year that ended March 31, 2024. All references in this Report to "**IPU**", "**we**", "**us**", or "**our**" refer to ITOCHU Prominent USA LLC unless otherwise indicated. This Report constitutes the first report prepared by ITOCHU Prominent USA LLC pursuant to the Act. This Report has not been externally assured.

This Report describes the steps taken to enhance transparency in our supply chains by outlining the steps taken during the 2023 financial year to prevent and reduce the risk that forced labour or child labour ("**Modern Slavery**") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

ITOCHU Prominent USA LLC does not report under similar legislation in any other jurisdiction.

INTRODUCTION

As a member of the ITOCHU Group, we are guided by our corporate mission, *Sampo-yoshi* (Japanese for "good for all three sides": good for the seller, good for the buyer, and good for society). In accordance with *Sampo-yoshi*, we are committed to serving all stakeholders – including respecting human rights and adhering to all laws and regulations governing human rights (including prohibitions on the use of Modern Slavery). We support international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at work, and the United Nations Global Compact, which ITOCHU has been a signatory to since 2009. We aim to comply with all laws and regulations of the countries in which we perform our business activities, and if there are any contradictions between internationally recognized human rights and the laws and ordinances of a country or region, we will pursue a method to maximize respect for international human rights principles.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Company Structure

IPU is a privately held limited liability company headquartered in New York, New York that has some operations in Canada. ITOCHU Prominent USA LLC is located at 500 7th Avenue, 11th Floor, Building B, New York, NY 10018 with United States tax identification Employer Identification Number (EIN) of 13-3744967. IPU designs and manufactures apparel, accessories, and unique textiles.

IPU imports and stores product in Canada for sale to Canadian customers. It also operates a US based website that delivers products directly to consumers in Canada.

IPU is owned by ITOCHU International Inc., which is a subsidiary of the ITOCHU Corporation ("ITOCHU"). ITOCHU Corporation is a publicly traded company headquartered in Tokyo and Osaka, Japan. ITOCHU is listed on the Tokyo Stock Exchange (Ticker Symbol: TYO 8001) and specializes in trading of various products, including textiles, machinery, chemicals, food, IT, and realty.

IPU employs approximately 42 people, all of which are located in the United States.

Activities and Operations

IPU designs and manufactures apparel, accessories, and unique textiles. We develop a wide range of products from raw materials to finished products, and from fashion to non-fiber materials. Using ITOCHU's global network to source and manufacture oversea products of the highest quality, IPU is continuously striving to become a comprehensive consumer marketing, distribution, and licensing company while maintaining our focus on the fashion industry.

Our Supply Chains

IPU prides itself in being a responsible global citizen in many aspects of its business operations. IPU promotes Corporate Social Responsibility ("**CSR**") throughout its business activities and has established its CSR Action Guidelines for Supply Chains ("**Guidelines**"). After reviewing our program with our suppliers, we ask them to commit to certain goals and code of conduct (which includes respect for human rights and other sustainable measures), sign our vendor agreement, acknowledge or sign our mission statement, and complete a vendor profile.

IPU's vendor certification process highlights our due diligence efforts and commitment to human rights and other sustainable measures. In addition, IPU performs site visits for major vendors utilized within our supply chain. IPU's vendors are located in the following countries (which is a non-exhaustive list): Japan, China, Indonesia, Thailand, United States, and Italy.

POLICIES AND DUE DILIGENCE

It is our goal to provide a positive work environment and a solid economic foundation upon which all employees may build a future. This is solidified in the policies applicable to IPU including our Code of Conduct and Human Rights Policy, set out in further details below.

Code of Conduct

As a member of the ITOCHU Group, we embrace and support the ITOCHU Group's mission and goals, such as embracing a wide range of social responsibilities including legal compliance and implementing corporate ethics through our practices and policies. IPU's Code of Conduct (the "**Code**") solidifies this commitment. We expect all employees, including management, to execute business with a thorough comprehension of our Code and underlying corporate mission. Further, all employees and officers are expected to read, understand and abide by the Code, as well as IPU's other policies and applicable laws and regulations.

Our Code solidifies our commitment to respecting human rights and all laws and regulations governing human rights (including prohibitions on the use of Modern Slavery). We aim to promote full and productive employment, in accordance with the ITOCHU Group's Human Rights Policy,

as described in more detail below. Where appropriate, we also ask our business partners to abide by this Policy and cooperate with us to conduct human rights due diligence.

At IPU, safe and respectful workplaces are a priority. As such, we seek to maintain diverse workplaces that are discrimination and harassment-free, and provide a safe working environment that protecting the health and safety of our employees.

ITOCHU Group Human Rights Policy

The ITOCHU Group Human Rights Policy (the "**Human Rights Policy**") is applicable to IPU as it is imposed upon and adopted by ITOCHU's subsidiaries in various regions around the world, including IPU.

Under the Human Rights Policy we support international agreements on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, which ITOCHU has been a signatory to since 2009. We comply with all laws and regulations of the countries in which we perform our business activities, and if there are any contradictions between internationally recognized human rights and the laws and ordinances of a country or region, we will seek to maximize respect for international human rights principles.

Due Diligence

As part of our due diligence efforts, IPU has embedded responsible business conduct (RBC) into its policies and management systems. IPU performs site visits for major vendors utilized within our supply chain, and has adopted the Guidelines as part of its supplier onboarding process. Moreover, by entering into standard terms and conditions or other contractual agreements with IPU, including through our Guidelines, suppliers accept the terms and affirm compliance with its requirements. IPU's Guidelines set minimum expectations and guidelines for suppliers and obligates them to comply with regulations related to forced and child labour. The Guidelines focus on worker rights and protections, with particular emphasis on prohibiting child, forced and trafficked labour, as well as any discrimination, abuse, harassment or violence against these workers.

Compliance Hotline

Any action that may conflict with our Code or other internal policies will promptly be reported to the Chief Compliance Officer, the Legal & Compliance Division, or other available resources through IPU's Compliance Hotline (the "**Hotline**"). The Hotline can be accessed online or by phone 24 hours a day, seven days a week.

IPU will not engage in or permit retaliation of any kind against any person who seeks legal or ethical advice, reports known or suspected misconduct in good faith or cooperates in an investigation. IPU will investigate all claims of retaliation and take appropriate corrective action.

POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

IPU aims to take every precaution to research and identify issues while vetting potential vendors before introducing them into our supply chain. Site visits and utilization of global databases

specializing in risk detection further strengthen our efforts to avoid any incidents of forced or child labor.

Potential Risks in Our Operations

IPU takes every precaution to research and identify issues while vetting potential vendors before introducing them into the supply chain. Site visits and utilization of global databases specializing in risk detection further strengthen our efforts to avoid any incidents of forced or child labor.

Potential Risks in Our Supply Chains

We understand that geographic considerations, the nature of some of the raw material and particular industries can carry a higher risk of Modern Slavery. There are also risks linked to certain industries even in countries considered to have lower risks of Modern Slavery.

IPU acknowledges that cotton or textile products produced in or originating from Uzbekistan, Turkmenistan, and the Xinjiang Uyghur Autonomous Region (XUAR) of China pose a higher risk of forced and child labour due to widespread evidence of forced and child labour in their cotton harvests. IPU aims to take every precaution to research and identify issues while vetting potential vendors before introducing them into our supply chain, including taking measures to identify cotton or textile supplies from any high-risk areas. Site visits and utilization of global databases specializing in risk detection further strengthen our efforts to avoid any incidents of forced or child labor.

Under the Human Rights Policy, if any of our business activities induce a negative impact on human rights or if involvement of such becomes clear, we strive to remedy and rectify the situation through appropriate procedures and dialogue. However, through our assessment of our operations and supply chains regarding the risk of Modern Slavery being used, we did not identify any instances of Modern Slavery. Accordingly, no steps were required to remediate Modern Slavery, or the loss of income associated with remediation efforts.

Management and Mitigation of Potential Risks

Our Guidelines and onboarding process, Code of Conduct, Compliance Hotline, and other due diligence measures offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns. In accordance with our principles and policies, in the event that we receive reports of or identify any forced or child labour through our supply chain partners, site visits, or any other manner, IPU will work to develop and implement a corrective plan to improve and remedy the situation. In addition, to date there have been no identified or reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

TRAINING

IPU employees receive regular training on various ethical topics and internal policies. A benefit to being part of the ITOCHU family, our employees receive training from ITOCHU on the Human Rights Policy in order to raise human rights awareness and incorporate and implement the Human Rights Policy in our business activities. Presidents, directors, and employees are expected to submit written confirmations declaring that they have reviewed and shall "observe laws and internal rules" annually.

ASSESSING EFFECTIVENESS

We intend to continue to reevaluate the need to implement measure to assess the effectiveness of the processes we have in place based on the evaluation of our risks as described in this Report.

APPROVAL & ATTESTATION

This Report was approved pursuant to Section 11(4)(a) by the Board of Directors of IPU on May 29, 2024.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



I have the authority to bind ITOCHU Prominent USA LLC
Masayuki Watanabe, President & CEO
ITOCHU Prominent USA LLC
May 29, 2024