



Orange Bond Principles

External Review Form

August 2025



Introduction

To qualify as an Orange Bond, issuers are expected to align with three overarching Principles: (1) Gender-Positive Capital Allocation; (2) Gender-Lens Capacity and Diversity in Leadership; and (3) Transparency in the Investment Process and Reporting.

While issuers are required to align with all three of the Orange Bond Principles™, they are not required to comply with every sub-point under Principles 1 and 2, both of which provide issuers with the option to comply with only one (or more) sub-points to qualify as an Orange Bond. Principle 3, however, requires issuers to comply with all sub-points under it, in line with the Orange Bond Initiative’s commitment to creating transparent and transformative positive impact. Issuers will be required to provide investors with an overview of how they comply with the Principles and which of the sub-points they are in alignment with.

Orange Bond- External Review Form

Basic Information

Issuer Name: ITOCHU Corporation

Issuance Name: ITOCHU Corporation Orange Bond Framework

Independent External Review Provider’s Name: Impact Investment Exchange Pvt. Ltd. (IIX)

Form Completion Date: August 19th, 2025

Review Overview

SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the OBPs:

- | | |
|--|--|
| ✓ Principle 1 – Gender-Positive Capital Allocation | ✓ Principle 2 – Gender Lens Capacity and Diversity in Leadership |
| ✓ Principle 3 – Transparency in the Investment Process and Reporting | |



EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Impact Investment Exchange (IIX) is a licensed Orange Bond Verifier and verifies that ITOCHU Corporation's Orange Bond Framework is consistent with the Orange Bond Principles™. IIX has completed the review and confirmed that the Orange Bonds based on this framework will be in compliance with the Orange Bond Principles (OBP). ITOCHU Corporation's Orange Bond Framework aligns with the three principles: 1. Gender-Positive Capital Allocation; 2. Gender Lens Capacity and Diversity in Leadership; and 3. Transparency in the Investment Process and Reporting.

This opinion confirms the alignment with the following sub-principles:

Gender Positive Capital Allocation, subprinciple 1a, 1b, and 1d.

Gender-Lens Capacity and Diversity in Leadership, subprinciple 2b and 2c.

Transparency in the Investment Process and Reporting, subprinciple 3a, 3b, and 3c.

Detailed Review

Principle 1 Gender-Positive Capital Allocation

✓ 1a. Financing the development and/or provision of products and/or services that substantially and disproportionately benefit women, girls, or gender minorities including the LGBTQI+ community and other groups facing gender-based and intersectional discrimination.

✓ 1b. Financing projects or enterprises with a substantially gender diverse and equitable workforce, and/or gender-inclusive value chains, that ensure gender-pay equity and equal workplace and employment-related rights to all regardless of gender identity.

□ 1c. Financing enterprises or organizations that are founded by, are majority (i.e. >50%) owned by or whose senior leadership (e.g., C-suite executives, key decision-makers, and/or heads of departments) have >30% women or gender minorities.

✓ 1d. Financing other ESG or SDG-aligned projects or initiatives that are intentionally designed to substantially and disproportionately have a positive net impact on women, girls or gender minorities.

Additional recommendations:

- **Priority areas:** Issuers are encouraged to focus on mobilizing capital to increase women's agency, endowments, and opportunities in areas that provide long-term benefits for individuals, communities, economies, and the planet. Examples of areas with high potential for long-term benefits include, among others: livelihood development and integration into the formal workforce (particularly in light of COVID-recovery efforts), education, climate action, water and sanitation, maternal health, sustainable



agriculture, financial inclusion and literacy, and bridging the gender digital divide.

- **Flexibility:** Issuers can consider multiple ways to align with the gender-positive capital allocation requirements of Principle 1, including but not limited to (1) ring-fencing the majority (i.e. >50%) of the proceeds to support the development of gender-specific products, services, projects, etc.; (2) setting targets for the beneficiaries of the Orange Bond proceeds to exceed industry averages in sectors that are already gender- inclusive (e.g., sustainable agriculture, ready-made garments)⁴; and (3) where Orange Bond proceeds will be used to finance the activities of third parties, designing gender action plans in loan or other financing agreements to support entities to transition to meet specified gender-lens criteria over the life of the Orange Bond. Issuers are encouraged to describe these approaches, and how they align with Principle 1, in the upfront impact framework provided to investors pursuant to Principle 3.

- **Harmonization with other thematic bonds:** While the primary purpose of an Orange Bond is to advance gender equality, in many cases Orange Bond proceeds are expected to have additional co-benefits and positive impacts on climate action, social progress and sustainable development. As such, Orange Bonds can serve as a cross-cutting asset class that also qualifies as Green Bonds, Social Bonds, Sustainability Bonds, or Sustainability-Linked Bonds in line with the guidelines issued by the International Capital Markets Association (ICMA) for these other thematic asset classes.

Description of alignment with Principle 1:

In order to comply with the Orange Bond Principle 1, the framework must align with at least one sub-principle. The ITOCHU Corporation Orange Bond Framework satisfies this requirement by complying with three sub-principles, 1a, 1b, and 1d.

Alignment with Sub-principle 1a:

IIX confirms that the ITOCHU Corporation's Orange Bond Framework aligns with the OBP 1a as the framework states that more than 50% of the proceeds raised through these bonds will be allocated to gender-positive projects.

The framework has identified three categories of use of proceeds:

1. Fostering an inclusive work environment for employees.
2. Investments in and procurement from companies within ITOCHU's supply chain where women play an active role.
3. Investments in and procurement from companies that provide services or products that advance gender equality.



Use of Proceeds 1 - Eligible Projects:

The first category of eligible projects under this framework will directly benefit ITOCHU employees and their local communities to foster an inclusive workplace. These include external consultations and welfare expenses.

Concretely, under this framework, ITOCHU puts policies and facilities in place:

- welfare expenses;
- access to daycare facilities established to support new parents;
- access to subsidised egg-freezing, storage, and infertility treatments during overseas assignments;
- access to perinatal healthcare for employees and the communities in supply chain regions that have limited access to medical infrastructure.

An example of this effort that ITOCHU has done in the past is hosting information sessions to educate them on the concerns women face in the workplace. A similar event took place in August 2023¹ which highlighted a broader range of unique health issues that women face.

Use of Proceeds 2 - Eligible Projects:

Given ITOCHU's extensive and complex value chain as a trading company, the framework emphasized investments and procurement of goods and services from companies where women play a "significantly larger role than industry average," thus disproportionately benefiting women in their value chain.

The ITOCHU Corporation Orange Bond Framework states that they would prioritize procurement from companies within the supply chain where women play a significantly larger role than the industry average. IIX enquired with ITOCHU on their frame of reference for "industry average" which they illustrated with the example of their Guatemala-based coffee exporting subsidiary. They work with small and medium-scale farmers to process and export coffee beans. ITOCHU declared that approximately 30% of producers in the organization's value chain are women.

As mentioned before, the percentage of women at the subsidiary is approximately 30%, which they have indicated is high relative to other regional and industry averages. This was verified based on the following data points; the percentage of women among coffee producers in Guatemala is 19-22%² (2016/2017), and the percentage of women among workers in agriculture and related industries in Guatemala is 11.8%³ (2022). Based on this, IIX can confirm that ITOCHU's consideration of higher than industry average is aligned based on the time of publication of the external review.

The coffee bean production is in compliance with global standards and certifications, including the Rainforest Alliance and Starbucks' C.A.F.E. practices, demonstrating the commitment to working with the

¹ In [August 2023](#), ITOCHU held an internal event attended by 700 employees to promote the understanding and discussions around the unique issues that women face in the workplace.

² [IWCA Women in Coffee Paper](#)

³ [Food and Agriculture Organization of the United Nations - Statistical Year Book \(2024\)](#)



intention of creating balance and harmony amongst social, environmental, and economic factors in production and supply chains.

Use of Proceeds 3 - Eligible Projects:

The final category is investment in, and procurement from, businesses that provide services or products which contribute to gender equality. These include investments into Femtech products or businesses⁴.

ITOCHU stated that they will procure products that incorporate technology to address health challenges specific to women, thus catering to different needs and ages and fostering an inclusive work environment that allows women to make various choices throughout their careers.

Alignment with Sub-principle 1b:

Use of Proceeds 2 emphasizes investment in and procurement from companies in ITOCHU's value chain where women play a "significantly larger role than the industry standard", and "companies that actively support female producers and workers by embracing gender equality principles". This includes support in the form of embracing gender equality, offering relevant training, and similar initiatives. ITOCHU also emphasizes "equal pay for equal work" and is committed to working with overseas partners to adopt labor standards equivalent to its headquarters. Hence, IIX confirms that the ITOCHU Corporation Orange Bond Framework encourages financing of gender-inclusive enterprises in their value chain while ensuring gender-pay equity, and aligns with sub-principle 1b.

Alignment with Sub-principle 1d:

As a part of their ESG Risk Evaluation process, ITOCHU's Sustainability Committee created a 30-item ESG checklist that incorporates 7 core subjects of the ISO26000 standard, which suggests cross linkages between the "orange" or gender equity-related impact of their framework with the UN SDGs and other thematic areas. The ISO 26000 provides guidance on social responsibility and the measure of impact society contributes to sustainable development. This [ISO 26000 and the SDGs paper](#) provides evidence of the connection between the 7 core subjects and the alignment with the UN SDGs. The 7 core subjects are: Organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, community involvement and development across the 17 UN SDGs.

By embedding the ISO26000 standard into their ESG risk management approach, ITOCHU considers the UN SDGs throughout the evaluation of sustainability initiatives. ITOCHU Corporation's efforts towards SDG 5, includes promoting women's empowerment in the workplace, supporting initiatives that address gender disparities, and contributing to a sustainable society through its business activities. Alignment with the ITOCHU Corporation Orange Bond Framework ensures the proceeds of an eligible project have a substantial positive net impact on women and possibly finance SDG-aligned projects.

⁴ For this SPO, IIX refers to [ITOCHU's definition of Femtech](#) as: A coined term combining "Female" and "Technology". It refers to devices, products, apps, and services that use technology to address health issues unique to women.



ITOCHU explains the alignment between its materiality and SDGs goals in its Group Sustainability Policy: [Policy & Basic Approach | ITOCHU Corporation](#), where Fumihiko Kobayashi, Member of the Board, Executive Vice President, shares the company's commitment to the following:

1. Identification of Material Issues and Promotion of Businesses that Address the Social Issues
2. Establishment of Mutual Trust with Society
3. Strengthening Sustainable Supply Chain and Business Investment Management
4. Education and Awareness of Employees to Promote Sustainability

Do No Harm Approach & Sustainability Policies:

ITOCHU established a set of "Sustainability Action Guidelines for Supply Chains⁵" to collaborate with suppliers and implement relevant improvements. This process is guided by the Sustainability Committee and works in collaboration with other related committees. All reports are discussed during the annual meeting of the Board of Directors.

ESG risks are a core part of the investment process, and this involves assessing environmental and social risk factors based on a 30-item ESG checklist. Following the evaluation based on the checklist, on-site inspections are conducted. There is emphasis placed on suppliers that make up a higher share of products. ITOCHU works with them to identify priority areas for action. In order to grasp the status of suppliers, each company and applicable group company selects important suppliers based on certain guidelines, such as high-risk countries, products handled, and amounts handled. Representatives from each company that oversees subsidiaries visit suppliers and regularly conduct interviews and surveys of the Sustainability checklists since 2008. Key areas of focus for companies in the value chain include human rights, labor practices, and environmental risks.

For more high-risk industries and products, ITOCHU introduced specific policies, for example, the Coffee Bean Procurement Policy that aims to address existing human rights and environmental sustainability concerns relevant to this sector. Other sectors include natural rubber, natural forests and forest resources, sustainable palm oil, and raw material tuna.

In the interest of completing the SPO, however, we acknowledge ITOCHU Corporation's engagement on:

- (i) commitment to conduct regular interviews across its supplier monitoring system;
- (ii) absence of proof of violation of local laws and regulations as well as absence of controversies (or if any, presence of remedial action and/or compensation plan);
- (iii) commitment to comply with CSRD and CSDD Directive obligations where relevant;
- (iv) commitment to implement international standards and management systems (e.g. ISO);
- (v) contextual analysis assessing the relevance of a specific environmental risk considering among other things the scale and the nature of the issuer's activity/project/investment as well as the geography, the jurisdiction, and the sector in which it operates.

⁵ [ITOCHU Policy and Basic Concept: Sustainability Action Guidelines for Supply Chains](#)

**Framework and documents referenced:**

ITOCHU Corporation Orange Bond Framework

ITOCHU ESG Checklist for Investments

[ITOCHU Employment and Benefits Website](#)

[ITOCHU is Selected as a Health & Productivity Stock for 2024](#)

[ISO 26000 and UN SDGs Paper](#)

[Sustainable Procurement Policies](#)

Principle 2 Gender-Lens Capacity and Diversity in Leadership

☐ 2a. Over 30% of the leadership team (e.g., the Board, the officers, and/or the Investment Committee) are women and/or gender minorities.

✓ 2b. Over 30% of the team working on the core functions of the Orange Bond (e.g., structuring, due diligence, portfolio management, investor relations, and/or reporting) are women and/or gender minorities.

✓ 2c. The leadership team and/or team working on the core functions of the Orange Bond includes women and/or gender minorities from the same ethnicity as the target population in one or more regions where proceeds of the Orange Bonds will be allocated.

Additional recommendations/commentary:

- Issuers are encouraged to disclose their sustainability, human rights, and gender-inclusive policies that guide their approach to investment decision-making.
- Although the Initiative encourages diversity and gender equity across all ecosystem actors, the Principles do not place any gender or diversity targets, caps or floors on the leadership teams of other implementation partners of the Orange Bonds – e.g. investment banks, law firms, audit firms and accounting firms – that the issuer engages.



Description of alignment with Principle 2:

Alignment with Orange Bond Principle 2 requires confirmation of alignment with one sub-principle. IIX confirms that ITOCHU has aligned with OBP2 as they meet the requirements of OBP2b and 2c.

Table 1.1: Teams Involved in the Selection Process for Orange Bond Funds

| Gender | Position |
|---|--|
| Finance Division | |
| [M] | Director of the Finance Department (Executive Officer) |
| [M] | Head of the Corporate Finance Office |
| [F] | Corporate Finance Office |
| Sustainability Management Division | |
| [M] | Director of the Sustainability Promotion Department |
| [M] | Deputy Director of the Sustainability Promotion Department |
| Human Resources & General Affairs Division | |
| [M] | Director of the Human Resources & General Affairs Department (Executive Officer) |
| [M] | Head of the Recruitment & Human Resources Management Office |
| [F] | Recruitment & Human Resources Management Office |
| [F] | Recruitment & Human Resources Management Office |

Alignment with Sub-principle 2b:

The ITOCHU Corporation Orange Bond Framework clearly states that “women make up over 30% of the core decision-making members” of the core issuance team. The framework has identified the following teams as the relevant departments involved in the allocation of funds for Orange Bonds:

- Finance Division
- Sustainability Management Division
- Human Resources & General Affairs Division

Table 1.1 outlines the representation of male and female members. 3 out of the 9, or about 33%, of the members are female. IIX confirms ITOCHU meets the requirement to align with sub-principle 2b, subject



to the three core teams involved in the design of the ITOCHU Corporation Orange Bond Framework and allocation of the use of Orange Bond proceeds remaining unchanged.

IIX notes that ITOCHU has also committed to increasing the percentage of women in executive positions to [30% by 2030](#).

Alignment with Sub-principle 2c:

Sub-principle 2c outlines the requirement of leadership teams working on the core functions of the Orange bond to include women from the same ethnicity as the target population in one or more regions where proceeds of the Orange Bonds are allocated. Use of Proceeds 1 (UoP1) involves investing in creating an inclusive workplace for female employees at ITOCHU. Hence, IIX confirms representation of women of the same ethnicity as the target population that benefits from UoP1, as the core functions of the Orange Bond team in Table 1.1.

Framework and documents referenced:

ITochu Corporation Orange Bond Framework

[ITochu Women's Participation and Advancement Announcement Press Release](#)

Principle 3 Transparency in the Investment Process and Reporting

✓ 3a. Transparency in Investment Process

Information provided for investors at the *time of the issuance*:

To ensure a continued gender-lens approach is adopted in line with Principles 1 and 2, providing investors with an upfront framework *at the time of the issuance* of the Orange Bonds on:

1. The intended impact of the Orange Bonds
2. The process through which the projects, enterprises or other objectives for which the Orange Bond proceeds will be used were or will be selected, including how they were or will be evaluated for consistency with the Principles; and
3. How the use of proceeds of the Orange Bonds will be monitored over the life of the bonds for consistency with Principle 1, as well as the “do no significant harm” principle.

Specific Information provided for investors *at the time of the issuance* should include the following:

- Framework on the intended impact.
- Project evaluation and selection approach.
- Management of proceeds approach (application of ‘do no significant harm principle’ to ensure a continued gender lens approach)



✓ 3b. Transparency in Impact Measurement

Conduct an annual confirmation of the impact (output, outcomes, impact) achieved by the bonds through interviews, surveys, or other means of collecting data directly from a sample size of the target population of the bond's proceeds (i.e., women, girls, gender minorities, or other individuals experiencing gender equality related outcomes or impact).

✓ 3c. Transparency in Reporting

During the life of the Orange Bonds, provide investors with annual reports on:

- Gender-equality impact achieved using gender-disaggregated metrics (that is, metrics that are measured, tabulated and presented separately by gender);
- The substantial and intentional impact experienced by women, girls and gender minorities as a result of the application of the Orange Bond's proceeds.

Additional recommendations/commentary:

- Issuers are encouraged to provide investors and other partners with an external review (e.g. a second-party opinion) on compliance of the Orange Bond with the Orange Bond Principles™, particularly with Principle 3b
- Issuers are encouraged to report on alignment with other industry standards (e.g., ICMA Social/Green Bond Principles) or sector-specific standards (e.g., Client Protection Principles for Microfinance, Fair Trade Certification) that are relevant for sustainable debt transactions such as the Orange Bonds
- Issuers are encouraged to report on co-benefits of the Orange Bonds to the environment, human and State-level security, and the broader community as a ripple effect of advancing gender equality, if and when relevant and feasible.

Description of alignment with Principle 3:

Successful alignment with Orange Bond Principle 3 mandates that all three sub-principles are fulfilled by the framework. IIX confirms that the ITOCHU Corporation Orange Bond Framework aligns with all three sub-principles as detailed below.

Alignment with Sub-Principle 3a:

IIX confirms that this framework complies with OBP3a based on the following points.

Intended Impact

The ITOCHU Corporation Orange Bond Framework has outlined the intended impact of the bonds to create a workplace that embraces diversity, actively supports the economic advancement of female producers, and aims to address the increasingly well-understood complexity of health challenges faced by female workers. The framework also outlines initiatives to collaborate and invest in companies within ITOCHU's supply chain and outside that support gender equality.



Selection Process for Allocating Funds

The framework has clearly stated the following departments that will be involved in the identification and coordination of fund allocation with alignment with OBP 1.

- Finance Division
- Sustainability Management Division
- Human Resources & General Affairs Division

Fund Allocation Eligibility

The Finance Division will ensure that funds raised through the Orange Bonds comply with the OBP 1. This team will be responsible for verifying that over 50% of the proceeds raised through Orange Bonds are allocated to eligible assets. Should any gap be identified, relevant departments will collaborate to identify or propose alternative allocation options.

Monitoring of Use of Proceeds

To fully comply with the Orange Bond Principles, ITOCHU must commit to annual reporting of fund allocation and impact on its website until the maturity of the bond or completion of the eligible project.

Fund Allocation Reporting:

- Total allocated funds.
- Until the 50% threshold has been met, details regarding the amount and the management of the remaining unallocated funds will be provided.

Impact Reporting:

ITOCHU will report on the output, outcome, and impact of the projects they have invested in.

Monitoring of Do No Significant Harm Policies

It is implied that ITOCHU will ensure compliance with Do No Significant Harm requirements and monitor other ESG risks and controversies throughout the tenor of the Orange Bonds issued under the ITOCHU Corporation Orange Bond Framework.

Alignment with Sub-Principle 3b:

ITOCHU Corporation has agreed to sign a “Letter of Commitment” to utilize IIX Values™ to conduct a post-issuance last-mile impact confirmation survey to a pre-determined number of women beneficiaries of the use of proceeds.

Alignment with Sub-Principle 3c:

The framework has identified impact measurement parameters based on output, outcome, and impact reporting metrics for each use of proceeds category.

Use of Proceeds 1:

UoP1 is aimed at creating an environment to enable women to play a more active role in the workplace in the long term.

**Measurement:**

The output of these policies would include the expenses incurred when implementing the relevant initiatives, such as male parental leave uptake, support provided by Femtech initiatives, and the establishment of medical partnerships for organizations in the value chain.

The outcome would entail the percentage of female executives over time, the percentage of male employees taking parental leave, and the number of medical consultations and participants in medical personnel training.

The resulting impact would include creating a gender-equal environment and providing additional support for career development opportunities for women. ITOCHU also plays a role in advancing the economic empowerment of women for female producers in the value chain.

Use of Proceeds 2:

The second category for eligible projects is the investment and procurement of goods and services from companies supporting women's equality and health in supply chains through the women's support program implementation.

Measurement

This initiative will track the percentage of women producers in value chains and the value of the goods procured from women producers, the number of women's support programs held and attended, and the ratio of board members in partner and supplier organizations. This aims to track and promote the representation and activity of women in the supply chain.

Use of Proceeds 3:

UoP3 involves the investment in businesses that offer products that contribute to gender empowerment and procurement from companies that contribute to gender equality, such as the incorporation of technologies to address health challenges women face.

Measurement

The deliverable will include an overview of the investment targets and an overview of the beneficiaries who benefit from the services provided by the investment.

To comply with an additional recommendation, IIX notes that ITOCHU has also committed to procuring sustainable palm oil that complies with No Deforestation, No Expansion on Peat, and No Exploitation (NDPE) and Roundtable on Sustainable Palm Oil (RSPO) policy. ITOCHU is evidently working towards aligning with international supply chain standards over the next five years.

Post-issuance Impact Confirmation

IIX expects to conduct a post-issuance impact confirmation survey through IIX Values™ to be completed within 12 months. Following the IIX Values™ impact confirmation surveys, a supplementary report will be issued at the end of the year.

**Framework and documents referenced:**

ITOCHU Corporation Orange Bond Framework

[ITOCHU Coffee Bean Procurement Policy](#)

[ITOCHU Support for Sustainable Procurement of Palm Oil](#)