

# Respect for Human Rights is the Foundation of Business Activities



Amidst growing concern about human rights issues such as forced labor and discrimination occurring in the supply chain, the JFR Group, together with its business partners, aims to realize business activities that respect human rights by engaging in human rights due diligence based on the UN Guiding Principles on Business and Human Rights.

## Formulation of Human Rights Policy

In 2019, the JFR Group developed a human rights policy in accordance with international human rights guidelines.\* This policy, which is included in the JFR Principles of Action, sets forth the approach that all officers and employees should take to deepen their understanding of, and respond appropriately to, the various human rights issues that form the foundation of all our business activities.

\* [International Bill of Human Rights], [Guiding Principles on Business and Human Rights], [The ILO Declaration on Fundamental Principles and Rights at Work], [The Ten Principles of the UN Global Compact]

JFR Principles of Action JFR Principles of Action for Suppliers



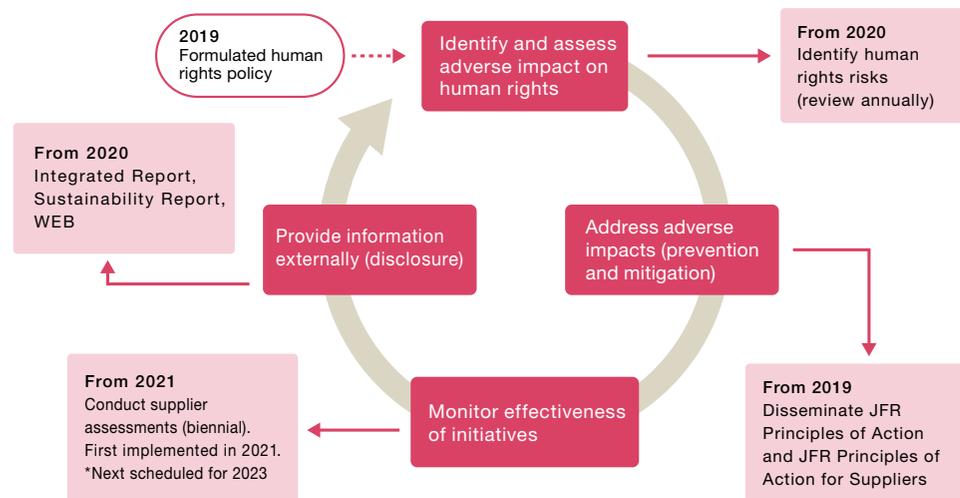
- ① Basic approach to human rights
- ② Stakeholders and human rights
- ③ Implementation of human rights due diligence
- ④ Fostering a corporate culture of respect for human rights
- ⑤ Dialogue with stakeholders



## Human Rights Due Diligence

The Group identifies and assesses human rights risks in its corporate activities and conducts human rights due diligence to prevent and mitigate such risks.

Human Rights Due Diligence Cycle



## ● Identification and assessment of human rights risks

The Group has identified and assessed the human rights risks (potential negative impact on human rights) of stakeholders who could be affected in relation to the Group's business activities. Through this process we were able to identify and assess more substantive human rights risks through the participation and reviews by external experts, including the divisions in charge of the operating companies and lawyers.

Organizing the entire business value chain and exhaustively identifying the human rights issues that can be anticipated for each business line

Evaluate the identified human rights issues in terms of depth (scale, scope, and difficulty of remedy) and likelihood of occurrence, and identify human rights risks that are of high importance to the Group

### Significant human rights risks

Value chain	Upstream (Procurement)	Midstream (JFR Group business activities)	Downstream (Use of goods and services)
Stakeholder	Employees of supplier companies, store operators, cooperating companies of business partners	Employees of the JFR Group (including part-time workers in stores and temporary workers dispatched by suppliers)	Customers and local residents
Details	Manufacturing, wholesales, provision of services, construction	Commercial facilities, store operations (including remodeling, advertising, facility management, sales promotion, etc.), sales (including e-commerce), planning and construction	Use of goods and services
Significant human rights risks related to the Group's business	Forced labor Child labor Foreign labor conditions Long working hours Low wages Right to access remedies Discrimination (gender, LGBTQ, etc.)	<ul style="list-style-type: none"> <li>•Harassment</li> <li>•Long working hours</li> <li>•Discrimination (gender, LGBTQ, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>•Violation of customer privacy (personal information and right of publicity)</li> <li>•Expressions of discrimination through advertisements</li> <li>•Health and safety</li> </ul>

## ● Monitoring (Supplier assessment)

In the first supplier assessment conducted in 2021, we checked the status of compliance (including compliance with the Human Rights Policy) for suppliers who endorsed the JFR Principles of Action for Suppliers, and held dialogues with those suppliers for improvement.

In the assessment scheduled for autumn 2023, we will closely examine the survey targets and review the questions to improve the effectiveness of the survey based on the human rights risks we have identified.

## Establishment of Harassment Consultation Desk and Whistleblowing System

### Harassment Consultation Desk

In 2020, the Group adopted a Declaration on the Elimination of Harassment to stop and prevent harassment. In addition, a Harassment Prevention Committee and a Harassment Consultation Desk are in place at each group company to take prompt action at the time of occurrence and prevent recurrence.

\*47 consultations in FY2022

### Whistleblowing System

The Group's Whistleblowing System allows all directors, officers, employees, and anyone working for the JFR Group (including part-time employees and temporary staff from suppliers) to directly notify the Compliance Committee of compliance-related problems, including human rights violations and corrupt practices within the JFR Group, and request corrective action. The Compliance Committee is a contact point for reporting compliance issues. In accordance with the Whistleblower Protection Act, the Group's internal regulations strictly stipulate protecting the confidentiality of whistleblowers and the prohibition of any prejudicial treatment of whistleblowers.

\*49 cases in FY2022