

Progress of Human Rights Due Diligence FYE 2025

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 2025, with the cooperation of Owls Consulting Group, we conducted a human rights due diligence process for the 8th Company's key convenience store business (FamilyMart Co., Ltd.). We updated FamilyMart's human rights risk mapping, identifying risks which could have a real or potential impact on the human rights of stakeholders, and conducted on-site visits to assess human rights risks for domestic stores, manufacturers of ready-to-eat food ingredients, and ready-to-eat food manufacturers, as well as Taiwan FamilyMart stores and ready-to-eat food manufacturers.

■ Human Rights Due Diligence Overview

◇ Identification of Salient Human Rights Risks (Updated Risk Mapping)

As part of our FYE 2025 human rights due diligence process, we updated FamilyMart's human rights risk mapping based on characteristics of the industry's human rights risks indicated by international organizations and NGOs, actual examples of human rights risks in the industry, and information on the content of FamilyMart's business operations; salient human rights risks for the convenience store business (severity taking precedence over likelihood) were outlined as per the below:

Chart: Salient Human Rights Risks for the Convenience Store Business

Human rights risk	Rightsholder			
	HQ employees	Store employees	Supplier employees	Community/consumers
Internal harassment (abusive workplace, sexual harassment)	●	●		
Abusive behavior by customers	●	●		
Working hours	●	●		
Discriminatory response		●		●
Unpaid or insufficient wages		●		
Occupational health and safety			●	
Forced labor			●	
Child labor (including late-night work at stores)		●	●	

●: Priority human rights focus area (not necessarily an indication of actual human rights incidents)

In addition, based on the salient human rights risks identified above, SA8000 and other international social audit standards' frameworks, and areas determined by Japan's Ministry of Agriculture, Forestry and Fisheries and Ministry of Health, Labour and Welfare, we conducted on-site visits to assess the situation at domestic stores/manufacturers of ready-to-eat food ingredients/ready-to-eat food manufacturers as well as international (Taiwan) stores and a ready-to-eat food manufacturer.

◇ Targets and Content of On-site Visits

Based on (1) interviews, (2) confirmation of relevant documents, and (3) on-site visits, these investigations confirmed the main human rights risks for company consideration.

For domestic stores operated by our Group, investigations were focused on three stores in major urban areas such that interviews could be conducted across a broad geographic region (Tokyo, Aichi Prefecture, Fukuoka Prefecture); stores were selected based on standards such as store size, operating hours, and ability of the person-in-charge (store or group manager) to participate.

Manufacturers of ready-to-eat food ingredients, as well as manufacturers of original ready-to-eat products (ready-to-eat food manufacturers), were selected based on the results of self-assessment questionnaires as well as their product lines and business situations.

Abroad, we investigated FamilyMart Taiwan's headquarters, two directly-managed stores in Taipei, and a ready-to-eat food manufacturer.

For stores, interviews and on-site visits were conducted on the following schedule:

Investigation Schedule for Stores

Item	Details
Opening	Explanation of investigation purpose and elements
Interview pt. 1	Interview with store manager
Site visit	Inspection within/around store, confirmation of documents
Interview pt. 2	Interviews with employees (1-3)
Closing	Communication of investigation's main findings

For manufacturers of ready-to-eat food ingredients/ready-to-eat food manufacturers, interviews and on-site inspections were conducted on the following schedule, with the cooperation of TUV Rheinland Japan Ltd.

Investigation Schedule for Manufacturers of Ready-to-Eat Food Ingredients/Ready-to-Eat Food Manufacturers

Item	Details
Opening	Explanation of investigation purpose and elements
Interview pt. 1	Interview with factory manager(s)
Site visit	Inspection of production line, exterior factory area, warehouses, processing area, company housing
Interview pt. 2	Interviews with employees
Closing	Communication of investigation's main findings



(Manufacturer investigation)



(Store investigation)



(Taiwan investigation)

■ Items and Issues Identified via Process

The results of our human rights due diligence investigation process for domestic and international stores did not confirm any items of concern for immediate risk or serious negative impacts on human rights. However, the following are the primary findings identified as requiring confirmation and response, together with strengthened and expanded efforts to reduce potential human rights risks as much as possible:

◇ **Occupational Health and Safety**

➤ **Enhanced everyday awareness and training for employees regarding disaster response (fires, earthquakes, etc.) (domestic stores)**

In order to strengthen disaster response in stores, we confirmed the need for store managers and employees to undertake/participate in fire and disaster prevention training, for store managers to inform employees of the content of the training, and to ensure that emergency evacuation areas and disaster response manuals are clearly posted. In addition to promoting initiatives in directly-managed stores, we will in turn also request that franchise stores promote the abovementioned efforts.

➤ **Strengthened measures to prevent accidents in backroom areas (domestic stores)**

In order to prevent accidents such as stock falling in stores' small backroom areas, we confirmed the need to set standards for the height of stock piles, etc., and ensure awareness of safety measures. We will continue to strengthen our efforts to prevent accidents in directly-managed stores and franchise stores.

➤ **Regular confirmation of incorporation of disaster prevention perspectives in working spaces (ready-to-eat food manufacturers)**

We confirmed several areas requiring revision and increased effectiveness of evacuation routes, such as obstructions of evacuation routes, internal pathways, and fire equipment installations. We will encourage improvements through regular inspections.

◇ **Risk Management**

➤ **Risk management concerning organizations dispatching and receiving foreign technical interns (ready-to-eat food manufacturers)**

We confirmed the need to request the establishment of measures in advance to anticipate and address any instances where there is determined to have been wrongdoing by organizations dispatching or receiving foreign technical interns.

◇ **Abusive Behavior by Customers**

➤ **Ensure awareness among franchise stores of policy for responding to abusive behavior by customers (domestic stores)**

In addition to confirming cases where store employees were subjected to what likely constitutes abusive behavior by customers, we confirmed the possibility that stores may not be sufficiently aware of who to consult in such cases and how to respond. FamilyMart has set out a policy on abusive behavior by customers, and will further expand understanding and awareness of this policy.

■ Our Policy and Plan for Action Going Forward

Our Group will continue its measures to prevent and remedy the human rights risks identified through these efforts. FamilyMart headquarters will continue to implement its existing training on business and human rights, and will expand awareness and education on its human rights policies in stores. Going forward, we will continue to regularly ascertain

conditions in each of our business areas based on our Group's human rights due diligence process, and will work to prevent, mitigate, and remedy any negative impacts.