

Meiji Group Modern Slavery Act Transparency Statement (Consolidated Financial Year 2019)

This Statement sets out:

- (i) the steps Meiji Holdings Co., Ltd. (“Meiji HD”) has taken during the consolidated financial year 2019 (April 1, 2019 to March 31, 2020) to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business (this statement constitutes its voluntary modern slavery act transparency statement for the financial year relating to section 54(1) of the UK Modern Slavery Act 2015(the “Act”))
- (ii) the steps Medreich Limited has taken during the financial year 2019 (April 1, 2019 to March 31, 2020) to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business (this statement constitutes its modern slavery act transparency statement for the financial year made pursuant to section 54(1) of the Act)
- (iii) the steps Medreich Plc has taken during the financial year 2019 (April 1, 2019 to March 31, 2020) to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business (this statement constitutes its modern slavery act transparency statement for the financial year made pursuant to section 54(1) of the Act)

1. Business structure

We at Meiji Group seek to be a corporate group that widens the world of *Tastiness and Enjoyment*, meets consumers’ expectations regarding *Health and Reassurance*, and makes a positive contribution to the lives of people around the world by offering products and services in a wide range of fields to every generation, from infants to seniors. Based in Japan, Meiji Group also does business in the U.S., Europe, Asia, and Oceania and employs more than 17,000 persons around the globe. Group company Medreich Plc runs our pharmaceuticals sales business in the United Kingdom.

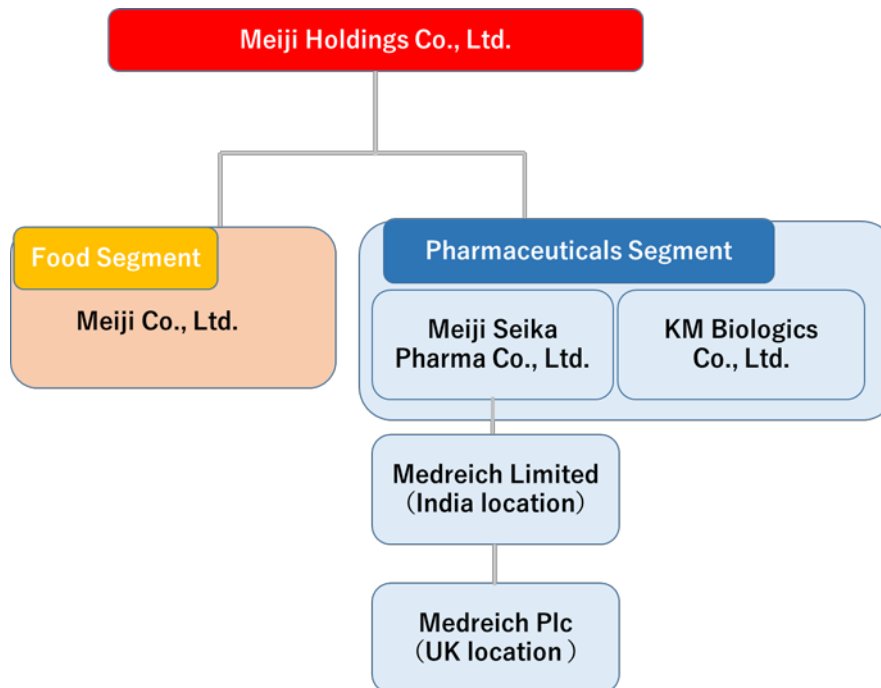
Meiji Group Profile : <https://www.meiji.com/global/about-us/corporate-profile/>

Meiji Group conducts business mainly in the fields of food and pharmaceuticals in about 200 countries and regions around the world.

In the food business, Meiji HD subsidiary Meiji Co., Ltd. (“Meiji”) manufactures and sells milk and dairy products, processed foods, confectioneries, nutritional products, and more. Meiji has 27 Group companies and 27 production plants in Japan, while overseas it has 12 Group companies in such places as China, Thailand, Singapore, and the U.S.

Meiji HD subsidiaries Meiji Seika Pharma Co., Ltd. (“Pharma”) and KM Biologics Co., Ltd. (“KM Bio”) lead Meiji Group’s pharmaceuticals business. Pharma manufactures and sells ethical pharmaceuticals, human vaccines, agricultural chemicals and veterinary drugs. It has 4 Group companies and 2 production plants in Japan and in addition 18 Group companies overseas including in China, South Korea, Indonesia, Thailand, India, and Spain.

KM Bio manufactures and sells human vaccines, blood plasma products, and veterinary vaccines. It has 4 production plants in Japan.



Medreich Limited, based in Bengaluru, India, is a fully integrated pharmaceutical company with an established presence across the globe. Medreich Limited is involved in the Contract Manufacturing Organization (CMO) & Contract Development Manufacturing Organization (CDMO) business of pharmaceutical preparations in various dosage forms catering to diverse therapeutic categories and manufacturing such products for MNC and many customers across 55 countries in key markets of Europe, Australia & New Zealand, Canada, Japan, Far East Asia, GCC, Africa, LATAM and CIS.

Medreich Group has more than 3,200 employees (direct and indirect) of its entities in United Kingdom, India, Australia, Hong Kong, Singapore and New Zealand. They are employed in accordance with the local laws and regulations of the countries they operate within, including, but not limited to, ensuring minimum living wages are paid, and employees can operate in a safe environment.

Medreich Limited employees more than 2,300 people (direct and indirect) distributed across 5 manufacturing sites in India and its corporate head office.

Medreich Plc, our wholly-owned subsidiary, is a pharmaceutical company engaged in the finishing of medicinal products, for distribution and sale in the United Kingdom and European Union. Medreich Plc currently has 61 employees based in the United Kingdom, and reports to Medreich Limited.

Medreich Limited Website : <https://www.medreich.com/>

2. Person responsible for enacting measures

In Meiji Group, Meiji HD CSO(Chief Sustainability Officer) is responsible, as ordered by the President & CEO (Chief Executive Officer) of Meiji HD, for enacting Group measures against slave labor and human trafficking.

3. Supply chain overview

Meiji Group procures product raw materials and the like from suppliers around the world (“Suppliers”). Our first-tier Suppliers, those with whom Meiji trades directly, include 302 companies supplying raw materials and 66 procurement contractors. In addition, first-tier Suppliers of Pharma and KM Bio include 41 companies supplying bulk drug substances, 227 companies supplying raw materials, and 88 procurement contractors.

In consolidated financial year 2020, Meiji Group will establish Meiji Group Supplier Code of Conduct to ensure that we are working with Suppliers to fulfill our social responsibility, including the prohibition of slave labor and human trafficking pursuant to Meiji Group Procurement Policy. Additionally, in future, we plan to ask not only our first-tier Suppliers but all Suppliers through to the producers of raw materials to abide by this Code of Conduct.

4. Relevant charter and policies

Meiji Group, following deliberation by Meiji HD Board of Directors or Executive Committee, has established the following charter and policies to prevent slave labor and human trafficking within our own business and in our supply chains.

- **Meiji Group Corporate Behavior Charter**

This document, in which we recognize the heaviness of our responsibilities, prescribes the conduct that each person working at Meiji Group, as someone concerned with the business of food and health, is to practice to ensure continual fulfillment of our obligations to society.

- **Meiji Group Policy on Human Rights**

This document, based on the concept of respect for human rights as outlined in Meiji Group Corporate Behavior Charter, prescribes that we constantly recognize that all persons are free by nature and equal in terms of dignity and rights and that we conduct our business activities fairly and sincerely.

- **Meiji Group Procurement Policy**

This document prescribes that we be constantly alert to comply with the law, practice fairness and transparency, and prevent corruption and that we, together with our Suppliers, practice procurement that is mindful of our social responsibility to protect human rights, the environment, etc., to ensure we supply our customers with high-quality products and services that are safe and offer peace of mind. Based on this Policy, we have also established and follow separate Procurement Guidelines for 4 types of raw materials: cocoa, palm oil, paper, and raw milk.

Meiji Group Policies : <https://www.meiji.com/global/sustainability/policies/>

5. Operating system and permeation of relevant policies

Meiji HD has established Group Sustainability Committee, which answers to our Management Conference, as the organization charged with supervising Meiji Group's sustainability actions as a whole, including the protection of human rights.

We have established Group Human Rights Meeting to enable Meiji Group to respond concretely to the wide range of human rights issues. Participants include Meiji HD Sustainability Department (the department supervising this area), other related departments, and outside experts. Within Group Human Rights Meeting, we have established theme-specific subcommittee who study human rights issues, propose countermeasures, and work to prevent problems. Through initiatives like these, we aim to raise human rights awareness within Meiji Group and put mechanisms in place that we might appropriately respond to the variety of human rights issues in Japan and abroad.

Meiji Group publicly discloses Meiji Group Policy on Human Rights on our website. We continually train our executive officers and employees on the subject of human rights to ensure that our policies, etc., become firmly embedded in our business activities and are implemented effectively. We also notify our Suppliers of requirements as appropriate.

We operate an internal reporting system and respond to claims received, striving to prevent violations of human rights, detect any violations in the early stages, and prevent any recurrence.

6. Human rights risk assessments

Meiji Group works to catch potential and manifested human rights issues in each value chain. In doing so, we refer to the advice of outside experts and to survey reports and relevant guidelines from various national governments and NGOs. To identify human rights risks, Group Human Rights Meeting assesses individual risks by the seriousness of their impact on human rights and the relative potential of each risk to occur. We take initiatives to prevent or mitigate identified risks. If any negative impacts to human rights do occur, we endeavor to prevent their recurrence through appropriate measures.

7. Notable human rights issues

After identifying human rights risks in each value chain and assessing their impact, Meiji Group then identified the following as notable human rights issues in July 2019.

- Discrimination
- Harassment
- Child labor

- Slave (forced) labor and human trafficking
- Violation of freedom of association and collective bargaining rights
- Unfair labor conditions and wages
- Occupational safety and health
- Working hours
- Violation of foreign workers' rights
- Negative impacts on healthy lifestyles and access to water for local people
- Negative impacts on children because of marketing
- Negative impacts on customers' health
- Access to information
- Privacy protection

8. Due diligence on human rights

In light of the notable human rights issues listed in Part 7 above, Meiji Group prioritizes working on the following 3 human rights themes.

- a. Food business supplier human rights issues
- b. Pharmaceuticals business supplier human rights issues
- c. Human rights issues relating to foreign workers in Japan

- a. Food business supplier human rights issues

We monitor trade in the following 6 raw materials and consider countermeasures.

- Raw milk

Meiji promotes its independent initiative, entitled Meiji Dairy Advisory (MDA), to support management at producers. Also, in partnership with industry groups and dairy industry producers in Japan, Meiji has held 5 liaison committee meetings on the theme of promoting sustainability in the dairy farming industry. Going forward, we will consider promoting initiatives for the industry as a whole to contribute to the SDGs and work for human rights.
- Cocoa

About 30% of the cocoa beans sourced from Ghana and South and Central America are sustainably procured, meaning that we can identify all the way through to the area where the beans are produced. Meiji Cocoa Support, a program to support cocoa farmers, has continued since its founding in 2006. Meanwhile, we aim to bring our sustainable cocoa procurement rate to 100% by consolidated financial year 2026. Through these initiatives, we will respond to human rights issues.
- Palm oil

Presently, we are in the process of switching to RSPO-certified oil. The requirements for this certification of palm oil and palm kernel oil (which are among the fats used as raw materials in products) include respecting human rights. We will be switching to 100% certified palm oil globally by consolidated financial year 2023.
- Paper

Presently, we are switching to certified or recycled paper for product packaging materials, publications, and office paper. In consolidated financial year 2020, we will work to use 100% forest-certified (FSC[®], PEFC) paper (the requirements for such certification include respecting human rights) and paper raw material that contains post-consumer paper.
- Soy

We made a list of producers of soy protein, soy lecithin, and soybean oil raw materials where there is a strong possibility of risk. We sent a soybean raw materials survey to the companies who supply about 90% of our trade volume in these materials. Going forward, we will be analyzing the survey results and instructing our Suppliers to promote better understanding of Meiji's sustainable procurement initiatives.

● Sugar

Among crops grown in Japan, we use beets from Hokkaido and sugarcane from Okinawa and Kagoshima. Going forward, we will plan a Supplier survey on raw sugar that gets refined in Japan and on granular sugar that we purchase in other countries.

b. Pharmaceuticals business supplier human rights issues

Pharma started sending EHS (environmental, health, and safety) surveys to raw materials producers in 2019. Going forward, in addition to EHS, our surveys will also ask questions about human rights.

c. Human rights issues relating to foreign workers in Japan

We sent questionnaires to 8 of Meiji's Japanese subsidiaries to learn more about their current status. Subsequently, accompanied by outside experts, we visited the production plants and interviewed personnel there. In places, slight improvements were needed. We will be responding rapidly in those cases. We will continue to conduct surveys with a special focus on production plants as we aim to provide an environment where the human rights of foreign workers are honored and these individuals can work comfortably.

In addition, Meiji Group will take a new initiative in consolidated financial year 2020. In the first half of the financial year, Meiji Group and its suppliers will be working together to ensure supply chains protect both human rights and the environment. To that end, we will establish Meiji Group Supplier Code of Conduct that spells out the aims we are endeavoring to achieve. In the second half, after sharing Code of Conduct with our first-tier suppliers, we will send them a questionnaire survey, analyze their answers, and assess risks.

9. Human rights training system

Meiji Group is endeavoring, based on Meiji Group Policy on Human Rights, to raise awareness about respecting basic human rights; prohibiting discrimination, forced labor, child labor, and harassment; considering safety and health; respecting the basic rights of employees; and the like. In Japan, we use educational settings like new-employee training and training for those newly promoted to management as opportunities to teach trainees about our sustainability initiatives and human rights. Going forward, we will be using web-based courses to further the understanding of human rights.

Additionally, in consolidated financial year 2020, we plan to conduct activities to raise awareness on respecting human rights at Meiji Group companies outside Japan.

This Statement was approved by the Board of Directors of Meiji HD on August 12, 2020 and by the Board of Directors of Medreich Limited on July 28, 2020 and by the Board of Directors of Medreich Plc on August 4, 2020. This Statement is signed by signed by duly authorized Representative of each company.

August 12, 2020

Signed by:

Meiji Holdings Co., Ltd.
President and Representative Director, CEO
Kazuo Kawamura

Medreich Limited
Managing Director
Pankaj Garg

Medreich Plc
Managing Director
John McCullough