

Meiji Group Modern Slavery Act Transparency Statement (Consolidated Fiscal Year 2021)

This Statement sets out:

- (i) The steps Meiji Holdings Co., Ltd. (“Meiji HD”) has taken during the consolidated fiscal year 2021 (April 1, 2021 to March 31, 2022) 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 fiscal year relating to section 54(1) of the UK Modern Slavery Act 2015 (the “Act”);
- (ii) The steps Medreich Limited has taken during the fiscal year 2021 (April 1, 2021 to March 31, 2022) 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 fiscal year made pursuant to section 54(1) of the Act: and
- (iii) The steps Medreich Plc has taken during the fiscal year 2021 (April 1, 2021 to March 31, 2022) 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 fiscal year made pursuant to section 54(1) of the Act.

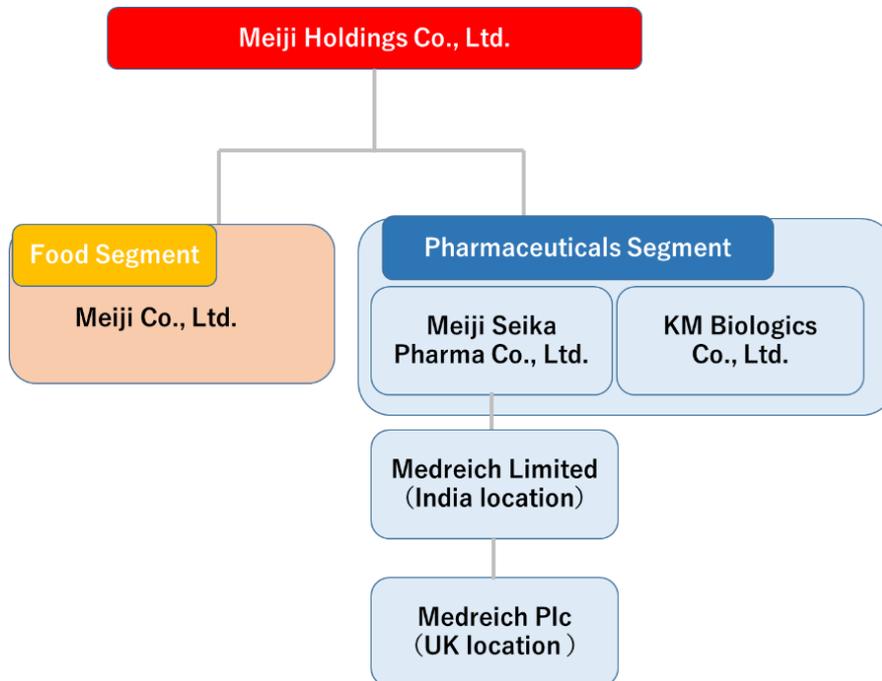
1. Business Structure

We, at the Meiji Group, eager 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, the Meiji Group also conducts its business in the U.S., Europe, Asia and Oceania, and employs more than 17,000 persons around the world. One of the Group companies, Medreich Plc runs our pharmaceuticals sales business in the United Kingdom.

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

The Meiji Group conducts its business mainly in the fields of food and pharmaceuticals in approximately 200 countries and regions around the world. In the food business, Meiji Co., Ltd. (“Meiji”), one of the subsidiaries of Meiji HD, manufactures and sells milk and dairy products, processed foods, confectioneries, nutritional products and more. Meiji owns 21 Group companies and 26 production plants in Japan, while overseas it has 16 Group companies in such places as China, Thailand, Singapore, and the U.S. In the pharmaceuticals business, Meiji HD’s two subsidiaries, Meiji Seika Pharma Co., Ltd. (“Meiji Seika Pharma”) and KM Biologics Co., Ltd. (“KM Bio”) lead the business. Meiji Seika Pharma manufactures and sells ethical pharmaceuticals, human vaccines, and veterinary drugs. It has four Group companies and two production plants in Japan and in addition 17 Group companies overseas including in China,

Indonesia, Thailand, India, and Spain. KM Bio manufactures and sells human vaccines, blood plasma products, and veterinary vaccines. It has four 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) and Contract Development Manufacturing Organization (CDMO) business of pharmaceutical preparations in various dosage forms catering to diverse therapeutic categories. Medreich Limited manufactures such products for multinational companies (MNC) and various customers across 55 countries in key markets of Europe, Australia & New Zealand, Canada, Japan, Far East Asia, GCC, Africa, LATAM, and CIS. Medreich Limited has more than 2,400 employees (direct and indirect) distributed across five manufacturing sites in India and its corporate head office.

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

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 the European Union. Medreich Plc currently has 21 employees based in the United Kingdom, and reports to Medreich Limited.

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

2. Person Responsible for Enacting Measures

In the Meiji Group, the Chief Sustainability Officer (“CSO”) at Meiji HD is responsible, under instructions by the President & the Chief Executive Officer (“CEO”) at Meiji HD, for enacting Meiji Group measures against slave labor and human trafficking.

3. Supply Chain Overview

The Meiji Group procures product raw materials and the like from suppliers around the world (“Suppliers”). Meiji, Meiji Seika Pharma and KM Bio deal directly with approximately 650 primary suppliers. In the consolidated fiscal year 2020, the Meiji Group established the Meiji Group Supplier Code of Conduct (as stated below) to ensure that we are working with suppliers to fulfill our social responsibility, including the prohibition of slave labor and human trafficking pursuant to the Meiji Group Procurement Policy (as stated below).

4. Relevant Charter and Policies

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

(i) Meiji Group Corporate Behavior Charter

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

(ii) Meiji Group Policy on Human Rights

This Policy, based on the concept of respect for human rights as outlined in the 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.

(iii) Meiji Group Procurement Policy

This Policy prescribes that we be constantly alert to comply with the law, practice fairness and transparency, and prevent corruption. We, together with our Suppliers, practice procurement that is mindful of our social responsibility to protect human rights, the environment, and 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 four types of raw materials: cocoa, palm oil, paper and raw milk.

(iv) Meiji Group Supplier Code of Conduct

In June 2020, the Meiji Group established the Meiji Group Supplier Code of Conduct to build a responsible supply chain, pursuant to the Meiji Group Procurement Policy. This Code stipulates initiatives expected of business partners in the areas of human rights and labor, safe and healthy working environments, and establishment of grievance mechanisms.

The 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 the Executive Committee at Meiji HD, as the committee supervising the Meiji Group's sustainability actions as a whole including the protection of human rights.

The Meiji Group has established the Group Human Rights Conference to enable the Meiji Group to respond concretely to the wide range of human rights issues. Participants include Meiji HD Sustainability Department (the department supervising the sustainability activities), other related departments and external experts. Under the Group Human Rights Conference, we have established theme-specific subcommittees for studying 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 appropriately respond to the variety of human rights issues in Japan and abroad.

The Meiji Group publicly discloses the 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.

The Meiji Group has established a whistle-blower system, accepting reports and consultations through a variety of methods, including telephones, postal mails and e-mails. Internal rules stipulate that the privacy of reporting or consulting persons must be protected and that they must not be punished due to use of the whistle-blower system. Medreich Limited and Medreich Plc have also established similar whistle-blower systems.

6. Human Rights Risk Assessments

The Meiji Group works to catch potential and manifested human rights issues in each value chain with reference to the advice of external experts and to survey reports and relevant guidelines from various national governments and Non-Governmental Organizations (NGOs). For identifying human rights risks, Group Human Rights Conference 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. Salient Human Rights Issues

After identifying human rights risks in each value chain and assessing their impact, the Meiji Group then identified the following as salient human rights issues in the fiscal year 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. Human Rights Due Diligence

In the consolidated fiscal year 2021, given the salient human rights issues as described in Section 7 above, we have taken three different actions as specified below. In addition, as a member of the Consumer Goods Forum ("CGF"), the Meiji Group works with reference to industry best practices, such as in the areas of human rights due diligence and sustainable palm oil procurement.

8.1 Sustainability Assessments of Group Companies in Japan and Overseas

In the fiscal year 2021, we conducted sustainability assessments of Meiji Group domestic and overseas Group companies using the EcoVadis evaluation system. Through these assessments, we confirmed the status of human rights and labor-related initiatives within the Meiji Group. For the two Group companies that did not meet determined assessment levels, we plan to implement corrective measures and reevaluate within one year. During the consolidated fiscal year 2022, we intend to expand the number of companies subject to assessment.

Japanese Group companies: 22 companies assessed

Overseas Group companies: 3 companies assessed (including Medreich Limited and Medreich Plc)

8.2. Supplier Human Rights Issues in Raw Materials Procurement

(1) Formulation of the Supplier Code of Conduct and Implementation of Sustainable Procurement Questionnaires

In the consolidated fiscal year 2020, the Meiji Group launched the Sustainable Procurement Questionnaire for the Meiji Group business partners. The questionnaire uses a mix of an evaluation system designed by EcoVadis and a Meiji-original edition. By conducting this questionnaire, we will understand if there are any human rights or environment-related issues present in the supply chain; in the event there are any issues discovered, the Meiji Group will act to remedy these in cooperation with our business partners.

<Initiatives in the Consolidated Fiscal Year 2021>

During the consolidated fiscal year 2021, we expanded the number of companies subject to assessment as primary suppliers, in addition to expanding the scope of the Sustainable Procurement Questionnaire to include Meiji's contract suppliers.

<p>April to June 2021</p>	<ul style="list-style-type: none"> • Feedback of analysis results to suppliers surveyed during the consolidated fiscal year 2020 • Request that suppliers considered in need of stronger initiatives or improvements submit a response report (measures to be taken and timing of implementation) <Companies Asked to Submit a Response Report> EcoVadis questionnaire: 12 companies less than standard score Meiji's original questionnaire: 28 companies scoring below average • Conducted dialogues on response measures for two suppliers requiring individual dialogues
<p>July to December 2021</p>	<ul style="list-style-type: none"> • Held study sessions for personnel in charge of procurement, production, marketing, and group company management departments of the Meiji Group in preparation for questionnaire implementation (approximately 60 participants) • Held briefing sessions for Sustainable Procurement Questionnaire implementation for the following companies <Companies Subject to Questionnaire> Meiji's contract suppliers: 46 companies (breakdown) EcoVadis questionnaire: 14 companies, Meiji's original questionnaire: 32 companies
<p>January to March 2022</p>	<ul style="list-style-type: none"> • Held study sessions for personnel in charge of procurement for the Meiji Group in preparation for questionnaire implementation (approximately 17 participants) • Performed analysis of survey responses from questionnaire conducted between June and December 2021 • Expanded selected primary suppliers to 31 companies, and held briefing sessions for Sustainable Procurement Questionnaire implementation (January 2022)

(2) Initiatives for Various Raw Materials

We are monitoring the trades in the following six raw materials and consider countermeasures.

Raw Milk:

Meiji promotes its independent initiative, entitled Meiji Dairy Advisory (MDA), to support management at producers. In the interest of achieving sustainable dairy farming management, this initiative is designed to support building an environment at each farm where everyone can enjoy fair treatment and a sense of motivation in their work. Beginning in the consolidated fiscal year 2021, we set a new KPI to strengthen these activities further, aiming to conduct more than 400 annual meetings and a cumulative total of more than 2,150 meetings by the fiscal year 2023.

In addition, in partnership with industry groups and dairy producers in Japan, Meiji participates in study sessions and information exchange meetings on the theme of promoting sustainability in the dairy farming industry. As a member of the Global Dairy Platform (GDP), an international dairy organization, we pursue industry-wide contributions to the SDGs and human rights initiatives, encouraging the appropriate consumption of nutritious dairy products and spreading awareness of sustainable practices in the dairy industry.

Cocoa:

About 42% of the cocoa beans sourced in the consolidated fiscal year 2021 from Ghana and South and Central America were sustainably procured, meaning that we can trace through the entire supply chain to where they were originally produced. By continuing Meiji Cocoa Support, a program to support cocoa farmers, that has continued since its founding in 2006, we aim to bring our sustainable cocoa procurement rate to 100% by the consolidated fiscal year 2026, and as a result of these initiatives, we will respond to human rights issues. In October 2021, we signed a partnership agreement with the International Cocoa Initiative, a non-profit organization that conducts activities to eradicate child labor in cocoa production regions.

Palm Oil:

The Meiji Group joined the Roundtable on Sustainable Palm Oil (“RSPO”) in 2016, and by March 2022, 19 factories in Japan and two overseas factories had obtained RSPO Supply Chain Certification. We continue to acquire certifications at Meiji Group factories, aiming to increase the ratio of RSPO-certified palm oil to 100% by the consolidated fiscal year 2023. In the consolidated fiscal year 2021, 84% of the palm oil we procured was RSPO-certified palm oil.

Paper:

Presently, we are switching to certified or recycled paper for product packaging materials, publications, and office paper. In the consolidated fiscal year 2023, 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. In the consolidated fiscal year 2021, 98% of the paper we procured was forest-certified paper.

Soy:

We have made a list of producers of soy protein, soy lecithin, and soybean oil raw materials carrying a strong possibility of risk and have sent surveys on soybean raw materials to the companies who supply about 90% of our trade volume in these materials, checking the certification status of their raw goods. During the consolidated fiscal year 2022, we will consider formulating procurement guidelines, referencing the results of the Sustainable Procurement Questionnaire conducted for major suppliers.

Sugar:

Among crops grown in Japan, we use beets from Hokkaido and sugarcane from Okinawa and Kagoshima. During the consolidated fiscal year 2022, we will consider formulating procurement guidelines for raw sugar refined in Japan and granulated sugar purchased overseas, referencing the results of the Sustainable Procurement Questionnaire.

8.3. Human Rights Issues Relating to Foreign Workers

We implemented the following two initiatives during the consolidated fiscal year 2021.

(1) Ascertaining the Status of Foreign Workers at Directly-Operated Factories in Japan

In February 2020, we conducted a questionnaire on the presence of foreign workers at Meiji and Meiji Seika Pharma domestic directly-operated factories and research institutes, confirming that there is no issue regarding employment contracts or labor management for directly hired foreign workers. During the consolidated fiscal year 2021, we conducted interviews regarding indirectly employed foreign workers at 12 business locations. These interviews did not uncover any labor management issues.

(2) Implementing Follow-Up Interviews at Group Companies in Japan

Referencing the foreign workers working condition survey in the consolidated fiscal year 2019, we plan to compile the Guidelines for Employment of Foreign Workers in the consolidated fiscal year 2022 to provide a better workplace environment for foreign workers, and to communicate these guidelines to relevant persons within the Group.

9. Human Rights Training System

The Meiji Group is endeavoring, based on the Meiji Group Policy on Human Rights, to raise awareness about respecting basic human rights; prohibiting discrimination, harassment, forced labor, and child labor; considering safety and health; respecting the basic rights of employees; and the like. During the consolidated fiscal year 2021, we provided e-learning on the topic of business and human rights to approximately 12,000 employees in Japan and conducted human rights education for around 770 employees overseas (including 320 employees of Medreich Limited and Medreich Plc).

<KPIs on Human Rights Education>

- Human rights education (including e-learning) is provided to all Group employees in Japan at least once a year
- Human rights education (including e-learning) is provided to all overseas Group employees at least once by the consolidated fiscal year 2023

This Statement was approved by the Board of Directors of Meiji HD on August 9, 2022 and by the Board of Directors of Medreich Limited on July 22, 2022 and by the Board of Directors of Medreich plc on August 5, 2022. This Statement is signed by duly authorized Representative of each company.

August 9, 2022



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

Now ideas for wellness

meiji



Pankaj Garg
Managing Director
Medreich Limited



Pankaj Garg
Director
Medreich Plc