

Meiji Group Supplier Code of Conduct

Introduction

We, Meiji Group, are aware of the need for legal compliance, fairness, transparency, and the prevention of corruption, etc. in keeping with Meiji Group Procurement Policy. As such, we have worked with our suppliers to ensure that our procurement initiatives consider human rights, the environment, and other aspects of social responsibility.

Meiji Group has now established Meiji Group Supplier Code of Conduct. It is designed to ensure greater certainty that we and our suppliers are fulfilling our responsibilities in the raw materials and services, etc. supply chains we have built together. Our aim is to work more closely with our suppliers in line with this Code of Conduct to ensure solid supply chains that consider our social responsibility and to continue working for a sustainable society.

1. Human Rights and Labor

a. Respect for International Standards on Human Rights and Labor

Suppliers shall respect international standards on human rights and labor. They shall do so in light of Guiding Principles on Business and Human Rights, adopted by the United Nations as the global standard that all nations, regions, and businesses should respect.

b. Respect for Employees' Rights

Suppliers shall respect and protect their employees' legal and contractual rights.

"Employees" in this usage refers to regular employees, contract employees, and part-time employees.

c. Prohibition of Forced Labor, Etc.

- Suppliers shall not make employees perform forced labor, slave labor, or indentured labor. "Slave labor" in this usage refers to labor that a worker is forced to provide and which disregards the worker's personhood; "indentured labor" is labor that a worker provides without pay for a set period of time.
- Suppliers shall ensure that employment conditions follow all labor laws and ordinances that apply in the country or region where business is conducted and shall spell out employment conditions to employees in document form in a language understood by the employees.

d. Prohibition of Child Labor

Suppliers shall not hire children as employees. "Children" in this usage refers to persons who have not reached the minimum employment age as prescribed by law.

e. Prohibition of Discrimination and Harassment

- Suppliers shall comply with the laws and regulations of each country or region, and respect local cultures, and have zero tolerance for discrimination based on ethnicity, gender, sexual orientation, gender identity, age, nationality, language, religion, disability, place of origin, property, or any other personal status.
- Suppliers shall not issue any statements or conduct any acts that violate human rights, including sexual harassment, power harassment, etc.

f. Fair Treatment

Suppliers shall treat employees fairly based on appropriate personnel evaluations.

g. Respect for Freedom of Association and Collective Bargaining Rights

Suppliers shall respect employees' freedom of association and collective bargaining rights and shall practice appropriate communication with employees to resolve problems relating to the workplace and employment conditions.

h. Payment of Wages

- Suppliers shall pay employees at least the minimum wage as well as overtime wages and other extra pay in keeping with the wage laws and ordinances that apply in each country or region.
- Suppliers shall enable employees to know the rules concerning their own wages.

i. Compensation of Foreign Workers

As far as it is reasonable to do so, suppliers shall treat foreign workers the same as other employees in each country or region.

2. Safe and Healthy Working Environment

a. Protection of Employees

- Suppliers shall identify and assess sources of danger in the workplace and in any home the supplier provides to the employee, and endeavor to eliminate or reduce risks to prevent work-related accidents.
- Suppliers shall endeavor to protect employees from too much hard physical work. In addition, suppliers shall provide employees with access to safe drinking water.

b. Ensuring Safety of Work Processes

Suppliers shall ensure the safety of employees by identifying and assessing risks in work processes and taking preventive measures so those risks do not materialize.

c. Preparing for and Responding to Emergencies

Suppliers shall identify and assess potential emergencies, such as fire or natural disaster, etc. in the workplace and in any home the supplier provides to the employee, and minimize the impact of such emergencies by preparing emergency plans and response procedures.

d. Sharing of Hazard Information

Suppliers shall conduct trainings and drills to protect employees from occupational accidents and other dangers.

3. Fairness

a. Prevention of Corruption

- Suppliers shall not engage in or allow unlawful behavior, including bribery and the use of antisocial forces.
- Suppliers shall not give or accept improper benefits (money, gifts, entertainment, or other property benefits of value) beyond a scope deemed proper according to social convention.

- Suppliers shall not maintain relationships with antisocial forces that threaten the order and safety of civil society.

b. Fair trade

Suppliers shall comply with the relevant laws and ordinances in business activities and shall not practice unfair and uncompetitive trade, such as dumping, demanding unfairly low prices, or collusion, etc.

c. Disclosure of Conflict of Interest

Suppliers shall disclose to Meiji Group any situation appearing to be a conflict of interest in their relations with us. Suppliers shall also disclose any interest relating to Meiji Group officers or employees or their family members.

d. Protection of Intellectual Property Rights, Confidential Information, and Personal Information

- Suppliers shall not violate the intellectual property rights of Meiji Group or of third parties.
- Suppliers shall appropriately manage any inside information handled by the supplier or Meiji Group and confidential information and personal information learned in the course of operating activities and shall not use such information for any illicit purpose.

e. Animal Welfare

Suppliers shall aim to realize the “five freedoms” basic principle of the World Organisation for Animal Health (OIE).

4. Consideration of the Environment

a. Compliance with Environment-related Laws and Regulations and Operation of Environmental Management System

- Suppliers shall comply with environment-related laws and regulations.
- Suppliers shall prepare appropriate environmental management schemes and take initiatives to protect the environment.

b. Maximizing Resource Efficiency by Using Resources Effectively

Suppliers shall endeavor to efficiently use and recycle resources, energy, and water.

c. Reducing Environmental Impact by Reducing Greenhouse Gas Emissions

Suppliers shall endeavor to reduce emissions of CO₂ and use renewable energy; shall set targets for reducing emissions of greenhouse gases like CO₂ as required by the Paris Agreement and other covenants; and shall take initiatives to reduce emissions accordingly.

d. Reducing of Environmental Impact by Reducing Fluorocarbons (CFCs, HCFCs, HFCs, etc) Emissions

Suppliers shall endeavor to protect the ozone layer and help prevent global warming by reducing usage and limiting leaks of fluorocarbons (CFCs, HCFCs, HFCs, etc).

e. Effective Use and Proper Management of Water Resources

- Suppliers shall endeavor to use water efficiently and reduce water usage.
- Suppliers shall endeavor to manage water intakes and discharges appropriately and to reduce the environmental impact of the same.

f. Proper Handling of Wastes and Hazardous and Dangerous Substances

- Suppliers shall endeavor to handle waste appropriately, limit how much waste is generated, and reuse and recycle it.
- When disposing of hazardous and dangerous substances with the potential for environmental harm, or when emitting such substances to the atmosphere or as drainage, suppliers shall endeavor to control and treat such substances properly and limit their emissions.

g. Development and Use of Eco-Friendly Containers and Packaging

- Suppliers shall endeavor to minimize packaging and shipping materials such as product containers and packaging, boxes in which products are packed, and shipping pallets, for example by redesigning them.
- Suppliers shall endeavor to reuse containers and packaging and use easily recycled containers, packaging, and packing and shipping materials.

h. Biodiversity Conservation

Suppliers shall pursue biodiversity conservation by protecting ecosystems in all business activities.

5. Sustainable Procurement

a. Consideration of the Environment When Procuring Raw Materials

Suppliers shall endeavor to learn the impacts of raw materials procurement on local people, the environment, and ecosystems, and shall use no illegally extracted or cultivated biological resources.

b. Procurement of Paper That Considers Sustainability

Suppliers shall endeavor to support the elimination of forest destruction and prioritize use of environmentally friendly forest certified and/or recycled paper.

c. Procurement of Agricultural, Livestock, and Marine Products That Consider Sustainability

Suppliers shall take initiatives to procure agricultural, livestock, and marine products that consider social responsibility. In addition, if there is a certification system for environmental or human rights concerns, suppliers shall endeavor to prioritize use of products with such certification.

d. Prohibiting Violation of Indigenous People's Rights

- Suppliers' business activities shall respect the land rights, cultures, customs, and religions of indigenous people. In addition, suppliers shall respect rights relating to indigenous people's traditional knowledge and genetic resources, and shall endeavor to avoid actions that are a one-way exploitation of the benefits of such knowledge and resources. "Genetic resources" in this usage refers to biologically derived materials with genetic functions.
- Suppliers shall not violate indigenous people's healthy lifestyles and access to water.

e. Prohibiting Use of Conflict Minerals, Etc.

In procuring raw materials, etc., suppliers shall not use anything that could potentially be involved in conflict or crime, such as by providing funds for armed groups or criminal organizations.

6. Maintaining Remedy and Prohibiting Retaliation

- Suppliers shall maintain systems for taking complaints and reports from employees; suppliers shall protect employees from the threat of retaliation from those they are reporting on and shall take appropriate actions to remedy employees' complaints while protecting their privacy.
- If Meiji Group receives a complaint or report, it will ask the supplier to provide information if necessary to ascertain the facts and may in addition conduct investigations or audits.

<For Pharmaceutical Businesses>

a. Compliance with Pharmaceutical Laws, Etc.

Because pharmaceuticals are so important to life, suppliers shall endeavor to comply with individual countries' pharmaceutical and health laws and regulations and always provide high-quality drug substances and raw materials.

b. Patient Safety and Access to Information

Suppliers shall minimize the risk of adverse impacts to the rights of patients, test subjects, and donors, including the right to access information directly through a control system.

c. Animal Welfares in Animal Testing

When suppliers conduct animal testing, such testing shall consider the three Rs: replace animal testing with alternative techniques, reduce the number of animals used, and reduce pain.

In Closing

We, Meiji Group, aim to work with our suppliers to establish socially responsible supply chains based on this Code of Conduct.

As our suppliers, we ask that you begin by understanding this Code of Conduct. Then educate your own staff, practice compliance, and work with your own suppliers to support this Code of Conduct. If you discover any issues in light of this Code of Conduct, we would like to work with you to solve them.

Established in July 2020

Amended in December 2021

Meiji Group policies (Meiji Group Procurement Policy, etc.):

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