

## Meiji Group Modern Slavery Act Transparency Statement (Consolidated Fiscal Year 2020)

This Statement sets out:

- (i) the steps Meiji Holdings Co., Ltd. (“Meiji HD”) has taken during the consolidated fiscal year 2020 (April 1, 2020 to March 31, 2021) 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 2020 (April 1, 2020 to March 31, 2021) 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 2020 (April 1, 2020 to March 31, 2021) 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 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, the Meiji Group also does business in the U.S., Europe, Asia, and Oceania and employs more than 17,000 persons around the globe. A Group company Medreich Plc runs our pharmaceuticals sales business in the United Kingdom.

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

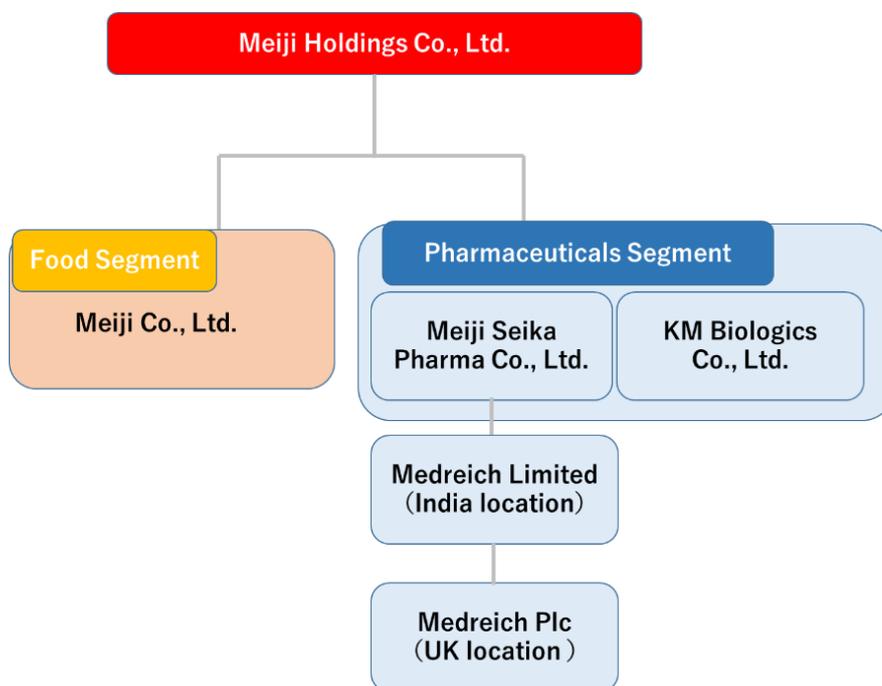
The Meiji Group conducts business mainly in the fields of food and pharmaceuticals in about 200 countries and regions around the world.

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 24 Group companies and 26 production plants in Japan, while overseas it has 15 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 the 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 17 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, and New Zealand. 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.

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 the 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**

The 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 283 companies supplying raw materials and 64 procurement contractors. In addition, first-tier Suppliers of Pharma and KM Bio include 46 companies supplying bulk drug substances, 253 companies supplying raw materials, and 52 procurement contractors.

In consolidated FY2020, the Meiji Group established the 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 the Meiji Group Procurement Policy.

## **4. Relevant Charter and Policies**

The 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 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 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 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.
- **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 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. The Code of Conduct 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 our Management Conference, as the organization charged with supervising the Meiji Group's sustainability actions as a whole, including the protection of human rights.

We have established the Group Human Rights Meeting 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 this area), other related departments, and experts outside of the company. Within the Group Human Rights Meeting, we have established theme-specific subcommittees who study human rights issues, propose countermeasures, and work to

prevent problems. Through initiatives like these, we aim to raise human rights awareness within the Meiji Group and put mechanisms in place that we might 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 telephone, postal mail, and e-mail. 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. 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. 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 FY2019.

- 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 consolidated FY2020, we took action as follows given the aforementioned salient human rights issues. 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. Supplier Human Rights Issues in Raw Materials Procurement

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

In June 2020, the Meiji Group established the Meiji Group Supplier Code of Conduct in order to achieve responsible procurement activities that consider human rights and the environment throughout the supply chain. The Code of Conduct includes a number of requirements regarding our desired state in the interest of achieving sustainable procurement activities. In these activities, suppliers should always be aware of the need for legal compliance, fairness, transparency, and the prevention of corruption in keeping with the Meiji Group Procurement Policy. As such, we have worked with our suppliers to ensure that these activities consider human rights, the environment, and other aspects of social responsibility.

In October 2020, we also 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 Consolidated FY2020>

- |              |  |
|--------------|--|
| June 2020    | <ul style="list-style-type: none"> <li>- Formulated the Meiji Group Supplier Code of Conduct</li> <li>- Distributed Code of Conduct booklets to 563 of Meiji, Pharma, and KM Bio's business partners</li> </ul>  |
| October 2020 | <ul style="list-style-type: none"> <li>- Held a supplier briefing ahead of implementation of the Sustainable Procurement Questionnaire (Participating companies: 74)</li> <li>- Surveyed 74 of Meiji, Pharma, and KM Bio's business partners in the Sustainable Procurement Questionnaire</li> </ul> |

January-March 2021 - Companies responding via the EcoVadis questionnaire: 35  
 Companies responding via the Meiji-original questionnaire: 39  
 Analyzed questionnaire responses

Since April 2021, we have provided feedback to our business partners regarding the results of the questionnaire analysis. For items needing remedies, we strive to make improvements while promoting cooperation and dialogue with our business partners.

Going forward, we plan to broaden the scope of our questionnaire, asking for cooperation from more of our business partners. Using tools like these questionnaires, we will strive to build a stronger and more responsible supply chain through dialogue with our business partners.

## (2) Initiatives for Various Raw Materials

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. 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. From consolidated FY 2021, we have added new KPIs in this area to further strengthen activities. Also, 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. Furthermore, as a member of the international Global Dairy Platform (GDP), we promote appropriate consumption of highly-nutritious dairy products and work to raise awareness for initiatives toward sustainability in the dairy farming industry, promoting industry-wide SDG contributions and initiatives to consider human rights.
- **Cocoa:** About 40% of the cocoa beans sourced in consolidated FY2020 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. 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 FY2026. Through these initiatives, we will respond to human rights issues.
- **Palm Oil:** The Meiji Group joined the Roundtable on Sustainable Palm Oil (RSPO) in 2016, and by March 2021, 13 factories in Japan and two overseas factories had obtained RSPO Supply Chain Certification. Going forward, we will continue to work toward more certifications for the Meiji Group factories, aiming to increase the proportion of RSPO-certified palm oil procured to 100% by consolidated FY2023. In January 2021, we revised our Palm Oil Procurement Guideline to support No Deforestation, No Peat, No Exploitation (NDPE) policy,

and stipulated that we will work together with business partners to procure palm oil in a socially-responsible way based on the Meiji Group Procurement Policy.

- **Paper:** Presently, we are switching to certified or recycled paper for product packaging materials, publications, and office paper. In consolidated FY2023, 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 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. In addition, in consolidated FY2020, we conducted Sustainable Procurement Questionnaires for major suppliers to gain a more detailed understanding of the current situation.
- **Sugar:** Among crops grown in Japan, we use beets from Hokkaido and sugarcane from Okinawa and Kagoshima. Going forward, we plan to also use our Sustainable Procurement Questionnaire to understand detailed situations for raw sugar refined in Japan and granular sugar purchased in other countries.

## 8.2. Human Rights Issues Relating to Foreign Workers

In consolidated FY2020, we implemented the following two initiatives for directly-operated factories and Group companies in Japan.

### (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 Pharma's directly-operated factories and research institutes in Japan, confirming that there are no issues regarding employment contracts or labor management for directly hired foreign workers. Going forward, for the seven manufacturing contractor business locations where foreign workers are employed, we plan to check details about their Japanese language proficiency, the presence of any technical trainees, task contents, and chain of command.

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

Based on the results of the questionnaire on foreign workers conducted in consolidated FY2019, we are proceeding with on-site interviews with Group companies that employ foreign workers. In consolidated FY2020, only one company was interviewed due to COVID-19 impact; however, in FY2021, we plan to conduct interviews with the other six companies via web conferencing.

### 8.3. Human Rights Issues Relating to COVID-19

The Meiji Group is continuously implementing measures, including in the areas of occupational safety and health and support for infected persons, so that the spread of COVID-19 will not adversely affect the human rights of employees or others. In addition, we confirmed that the following countermeasures and initiatives have been implemented at the Meiji Group (including Medreich Limited and Medreich Plc) with regard to addressing human rights issues relating to COVID-19.

#### <Major Initiatives>

- Health and safety in the workplace: Ensured social distance by implementing and expanding telecommuting systems, used protective equipment and mitigated crowding at production bases, and implemented employee awareness programs regarding safety and health
- Workers' rights: Implemented systems allowing infected persons to take paid leave and protected infected persons' privacy
- Relationships with suppliers: Maintained contracts with suppliers and made payment without delay

### 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. 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.

In consolidated FY2020, we conducted e-learning programs on the topic of business and human rights for approximately 9,000 employees in Japan. Additionally, in consolidated FY2021, we plan to conduct human rights education programs for Group companies outside Japan as well.

#### <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 consolidated FY2023

This Statement was approved by the Board of Directors of Meiji HD on August 12, 2021 and by the Board of Directors of Medreich Limited on July 29, 2021 and by the Board of Directors of

Medreich plc on August 10, 2021. This Statement is signed by duly authorized Representative of each company.

August 12, 2021



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



**Pankaj Garg**  
Managing Director  
Medreich Limited



**Pankaj Garg**  
Director  
Medreich plc