

# MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT for Financial Year 2022

## 1. Introduction

Hisamitsu Pharmaceutical Co., Inc. (“Hisamitsu”) is publishing a statement pursuant to section 54(1) of the UK Modern Slavery Act 2015, covering the period of March 1, 2022 to February 28, 2023. Hisamitsu is committed to respecting human rights internationally recognized, including prevention of slavery and human trafficking within business operations and supply chain.

## 2. Our Organization and Supply Chain

Hisamitsu’s corporate philosophy is “Delivering a Better QOL to the World.” Furthermore, so that it can properly respond to sudden changes and cater to diversifying customer needs, Hisamitsu has updated its company mission to the progressive “Promoting “TE-A-TE” Culture Worldwide,” and will actively expand its business activities from its established foundation in transdermal patch technology.

Hisamitsu has its head office in Japan, and its group companies conduct business in countries around the world including the UK and Europe, the USA, Vietnam, Indonesia, Malaysia, Brazil, and China, with over 2,700 consolidated employees.

In December 2021, Hisamitsu established the Sustainability Procurement Guidelines, stipulating the Sustainability Procurement Basic Policy, which presents the company’s procurement principles, and the Supplier Sustainability Procurement Standards, which the company calls for suppliers to observe. Hisamitsu has disseminated the guidelines extensively throughout its supply chain by posting them on its website so that all suppliers can check them.

Some of the raw materials for our pharmaceutical products contain natural raw material. These are originated from countries other than Japan, including those in South East Asia and others.

## 3. Our Policies on Preventing Modern Slavery and Human Trafficking

Hisamitsu established the Hisamitsu Pharmaceutical Corporate Charter to set a code of conduct including respect for human rights. The code of conduct is based on an ideology that the pharmaceutical company, interacting with people’s health, is required to conduct business with respect for dignity of life, showing humility towards science and good sense towards society.

Hisamitsu further established the Hisamitsu Pharmaceutical Human Rights Policy to incorporate the ideology of respect for human rights into business activities. The Hisamitsu Pharmaceutical Corporate Charter and the Hisamitsu Pharmaceutical Human Rights Policy applies to all executives and employees of Hisamitsu. Business partners of Hisamitsu are also required to comply with the Hisamitsu Pharmaceutical Human Rights Policy as Hisamitsu expect their efforts to respect human rights.

- Hisamitsu Pharmaceutical Corporate Charter  
([https://global.hisamitsu/company/pdf/Corporate\\_Charter.pdf](https://global.hisamitsu/company/pdf/Corporate_Charter.pdf))
- Hisamitsu Pharmaceutical Human Rights Policy  
([https://global.hisamitsu/company/pdf/Human\\_rights\\_Policy\\_E.pdf](https://global.hisamitsu/company/pdf/Human_rights_Policy_E.pdf))

Hisamitsu supports the international norm of human rights, such as the International Bill of Human Rights (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the Guiding Principles on Business and Human Rights of the United Nations; core labor standards of the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), who define fundamental labor rights; and the Declaration of Helsinki of the World Medical Association.

#### **4. Steps to Prevent Modern Slavery and Human Trafficking**

##### System

In January 2021, the Sustainability Committee was established to take on a range of activities addressing the social and environmental issues that the company faces, including those aimed at preventing modern slavery and human trafficking. Taking into account the concerns of its various stakeholders, the Hisamitsu Group is moving forward with sustainability activities.

Centered on the sustainability promotion department, Hisamitsu conducted human rights assessments and educational training for relevant departments and confirmed the progress.

##### Risk assessment

Hisamitsu has conducted a human rights risk assessment on our suppliers, based on the location of the suppliers, referring to the Global Slavery Index published by the Walk Free Foundation, a non-governmental organization attempting to end contemporary slavery and human trafficking.

Since fiscal 2021, the company has requested that the tier-1 and tier-2 suppliers of ingredients and other materials for products manufactured at its factories in Japan respond to an online Self-Assessment Questionnaire (SAQ) every year in order to monitor their current statuses and assess risks faced by them in terms of human rights and labor, operational safety and health, the environment, and compliance. In fiscal 2022, the company also began to request that the tier-1 and tier-2 suppliers of ingredients and other materials for products manufactured by P.T. Hisamitsu Pharma Indonesia respond to the SAQ. From now on, we will also conduct human rights risk assessments of the suppliers of other overseas subsidiaries.

As for contractors of clinical research, we make sure they are following ICH-GCP, and continue to confirm that there have been no human rights violations.

##### Educational activities and internal reporting system

Hisamitsu sets a standard of respect for human rights in the Hisamitsu Pharmaceutical Corporate

Charter. We distribute the handbook to all executives and employees, and conduct educational training annually. We also established an internal reporting line, the Hisamitsu Hot Line, where we receive reports concerning potential violation of human rights. The number of reports related to human rights violations was 0 again in fiscal 2022.

## **5. Training**

Hisamitsu has set a “human rights theme” as an item of the sustainability education program for all executives and employees to effectively implement the prevention of slave labor and human trafficking.

In fiscal 2022, we conducted a series of training sessions based on the theme of “human rights.”

In addition, we also provided training for the staff of the major related departments such as the purchasing department and for overseas subsidiaries to help them deepen their understanding of the Hisamitsu Pharmaceutical Human Rights Policy and this statement.

## **6. Our Performance**

We confirmed our suppliers’ situations, including those related to human rights and labor through the Self-Assessment Questionnaire (SAQ) conducted in December 2022. To proceed with our commitment to sustainability, including human rights and the labor environment, throughout our supply chain, we will cooperate with relevant companies toward reducing risks and implementing preventive measures.

NAKATOMI Kazuhide

President & CEO

Hisamitsu Pharmaceutical Co., Inc.

May 8, 2023