

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT for Financial Year ended 28 February 2017

1. Introduction

Hisamitsu Pharmaceutical Co., Inc. (“Hisamitsu”) is publishing a statement pursuant to section 54(1) of UK Modern Slavery Act 2015, covering the period of March 1, 2016 to February 28, 2017.

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

For its corporate mission “Promoting Patch Treatment Worldwide”, and the management philosophy of “Delivering a Better QOL to the World”, Hisamitsu is actively pursuing improving the health of people around the world through business activities of “Bringing patch culture to the world”.

Transdermal patch technology involves “medicine applied to the skin“, created with Hisamitsu’s world class TDDS (Transdermal Drug Delivering System) technique, which widens the opportunities for treatment.

Hisamitsu has its head office in Japan, and its group companies conduct business in countries around the world including UK, Vietnam, and Indonesia, with over 2,500 employees consolidated.

Hisamitsu’s supply chain contains suppliers of ingredients, products, packaging materials; logistics service providers; distributors; and contractors of clinical research. Hisamitsu has more than 100 tier-1 suppliers, most of which are located in Japan. Some pharmaceutical raw materials contain natural materials, which are originated from countries other than Japan such as countries in Southeast Asia.

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, humility to science and good sense for society.

Hisamitsu, further established the “Hisamitsu Pharmaceutical Human Rights Policy” to incorporate the ideology of respect for human rights to 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

(http://global.hisamitsu/company/csr/pdf/Corporate_Charter_E.pdf)

- Hisamitsu Pharmaceutical Human Rights Policy

(http://global.hisamitsu/company/csr/pdf/Human_rights_Policy_E.pdf)

Hisamitsu supports the international norm of human rights, such as “International Bill of Human Rights” (“Universal Declaration of Human Rights”, “International Covenant on Civil and Political Rights”, 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 Labor Organization (ILO); and the “Declaration of Helsinki” of the World Medical Association.

4. Steps to Prevent Modern Slavery and Human Trafficking System

Hisamitsu organized Corporate Social Responsibility (CSR) Committee, chaired by a CSR director, to take on the activities for slavery and human trafficking prevention. The team from various departments, such as purchasing, human resources and the occupational safety department will be organized in order to control and monitor the progress of human rights due diligence, educational training, slavery and human trafficking prevention efforts.

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. Hisamitsu has identified that some natural raw materials are originated from high risk area. Depending on the risk assessment result, Hisamitsu will conduct a supplier assessment with questionnaires. Hisamitsu will take the corrective measures and monitor the situation, when necessary. As for contractors of clinical research, we make sure they are following ICH-GCP, and

there are no violations of human rights in the clinical research.

Educational activities and internal reporting system

Hisamitsu sets a standard of respect for human rights in “Hisamitsu Pharmaceutical Corporate Charter”. We distribute the handbook to all executives and employees, and conduct educational training for all managers annually.

We also established an internal reporting line “Hisamitsu Hot Line”, where we receive reports concerning potential violation of human rights. The number of reports, related to human rights violations, was 0 in 2017.

5. Training

Hisamitsu conducts proper education and training to every employee for effective engagement in slavery and human trafficking prevention.

6. Our Performance

In order to confirm progress status of our approach toward prevention of slavery and human trafficking, Hisamitsu will set appropriate performance indicators and monitor progress regularly.



Hirotaka Nakatomi
President & Chief Executive Officer
Hisamitsu Pharmaceutical Co., Inc.
March 28, 2018