

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

for Financial Year ended 28 February 2020

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, 2019 to February 28, 2020.

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 Culture 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 “Promoting Patch Treatment Culture Worldwide”. 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 the UK and Europe, USA, Vietnam, Indonesia and China, with over 2,500 consolidated employees.

Many of the tier-1 suppliers the purchasing department of the Global Headquarters deals are located in Japan, and there are a total of more than 120. These include about 80 API (Active Pharmaceutical Ingredient) suppliers, about 20 packaging materials suppliers and about 30 contract manufacturers (as of 2019).

Furthermore, in order to influence the wider supply chain, we will work with tier-1 suppliers and seek compliance with the same standards for tier-2 and subsequent suppliers involved in transactions.

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)

Hisamitsu Pharmaceutical Human Rights Policy

(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 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 a Corporate Social Responsibility (CSR) Committee, chaired by a CSR director, to take on the activities for slavery and human trafficking prevention. Centered on the CSR 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.

In 2019, Hisamitsu conducted a human rights risk assessment on key raw materials as a primary evaluation, mainly natural raw materials, and conducted investigations against such suppliers and have confirmed that no violations of human rights have occurred.

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 for all managers 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 in 2017, 2018 and 2019.

5. Training

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

In 2019, we conducted a series of training sessions based on the theme of “human rights”.

In addition, for the staff of the major related departments such as the purchasing department and for overseas subsidiaries, Hisamitsu conducted training to assist their understanding of the contents of the Hisamitsu Pharmaceutical Human Rights Policy and this statement.

6. Our Performance

In 2019, while establishing and analyzing the Self-Assessment Questionnaire (SAQ) for suppliers, we launched efforts to design a comprehensive evaluation index to confirm appropriate progress in light of the situation in each of the relevant countries. As part of this process, we conducted monitoring as the first assessment, using an evaluation index of all ESG factors, including human rights.

NAKATOMI Kazuhide

President & CEO

Hisamitsu Pharmaceutical Co., Inc.

November 30, 2020