



The MIKI HOUSE Group Statement on Modern Slavery Act for FY 2022

1. Introduction

This Statement on Modern Slavery (hereinafter referred to as this “Statement”) is a statement issued by the MIKI HOUSE Group based on the UK’s Modern Slavery Act 2015 and Australia’s Modern Slavery Act (with both acts on slavery hereinafter collectively referred to as “Modern Slavery Acts”). At the MIKI HOUSE Group, we respect the content outlined in documents such as the internationally recognized International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. This Statement serves to provide an outline of the efforts and activities undertaken by all companies in the MIKI HOUSE Group when it comes to preventing human rights violations from occurring within corporate activities, businesses, and supply chains, with examples of such violations being those involving modern slavery, forced labor, and human trafficking.

2. Overview of the Organization and Businesses of the MIKI HOUSE Group

Established in 1971, the MIKI HOUSE Group consists of 11 companies found in Japan and overseas, including MIKI SHOKO CO., LTD. With 437 employees, the MIKI HOUSE Group undertakes the planning, manufacture, and sale of children’s clothing and family-related goods, as well as cultural activities that include publishing, education, and support for child-rearing. The MIKI HOUSE Group’s consolidated sales amount to 17,544 million yen.

https://www.mikihouse.com/company/corporate_overview/

The MIKI HOUSE Group is engaged in business activities through its UK subsidiary MIKI HOUSE U.K. LTD. While we do not have a subsidiary in Australia, the Group does sell products via local partners based in the country.

*All information and data used in this Statement have been prepared based on those obtained by the end of February 2023.

3. Supply Chain

The MIKI HOUSE Group, which manufactures products in Japan and overseas, conducted a survey in December 2022 to ascertain the state of the supply chain and subsequently received responses from 111 suppliers. As a result, we identified 318 plants, which include overseas plants and subcontractors.

We recognize that the supply chain through which the manufacture of our products takes place, involves a labor-intensive industry centered on garment factories, and that this industry entails a high level of risk when it comes to the occurrence of human rights violations such as forced labor. It has been pointed out that foreign workers in particular find themselves in a relatively vulnerable position. With that being the case, we once again checked with suppliers in Japan as to whether any foreign technical intern trainees were being employed at said suppliers and found that there were approximately 300 such individuals employed at 22 companies. When it came to the breakdown by nationality, 60% of foreign technical intern trainees were from Vietnam, followed by 25% from China. Following China were Myanmar, Indonesia, and the Philippines. In recent years, the ratio of Vietnamese nationals working in such positions has tended to be high.

4. Policies Related to Modern Slavery and Human Trafficking

The MIKI HOUSE Group prepared the following documents in 2018 and has been making updates to them ever



since based on input provided by external stakeholders. The following documents have been approved by the President and CEO as policies related to modern slavery for the MIKI HOUSE Group as a whole. These policies also serve to encourage suppliers of the MIKI HOUSE Group to promote sustainability initiatives.

- https://www.mikihouse.com/assets/docs/miki_shoko_policy_on_human_rights_for_suppliers.pdf
- https://www.mikihouse.com/assets/docs/miki_shoko_code_of_conduct_for_suppliers.pdf
- https://www.mikihouse.com/assets/docs/miki_shoko_csr_procurement_policy.pdf
- https://www.mikihouse.com/assets/docs/miki_shoko_policy_on_migrant_worker_for_suppliers.pdf

5. Efforts to Prevent Modern Slavery and Human Trafficking Within the MIKI HOUSE Group and Within Our Supply Chain

When it comes to respect for human rights, the MIKI HOUSE Group conducts human rights due diligence based on the Miki HOUSE Group Human Rights Policy in order to go about identifying human rights risks, assessing human rights risks, and taking measures in relation to human rights risks within the Group and the supply chain. The MIKI HOUSE Group is also committed to disclosing the contents of such efforts on a regular basis and to undertaking continuous improvements. We will also work to prevent direct and indirect human rights violations and human trafficking from taking place in relation to the manufacture and sale of our products and the provision of services. During the process preceding the issuance of this Statement, the MIKI HOUSE Group discussed and cooperated with its 11 Group companies and their management teams, and subsequently decided to implement the following initiatives on a continuous basis.

- **Human Rights Due Diligence**

All companies within the MIKI HOUSE Group hold consultations with relevant stakeholders and implement appropriate procedures to correct or remedy situations arising in cases where negative impacts on human rights caused by the corporate or business activities of those companies, or factors which serve to contribute to such negative impacts, have been identified.

- **Human Rights Risk Assessments and Monitoring**

The MIKI HOUSE Group conducts self-assessment questionnaires for its supply chain. We also conduct audits and investigations based on those questionnaires to share information on issues and subsequently promote improvements. Foreign technical intern trainees in particular are generally considered to occupy vulnerable positions. As such, the MIKI HOUSE Group attaches great importance to human rights risk assessments and monitoring. To make the undertaking of these efforts effective, it is important to have trusting relationships with our suppliers and we are committed to working with transparency in that regard. With regard to overseas suppliers, in addition to self-assessment questionnaires, we conducted factory audits with the aim of creating sustainable products at some garment factories in China in cooperation with local auditing organizations.

- **Grievance Mechanisms (Hotline)**

Since 2020, the MIKI HOUSE Group has introduced grievance mechanisms at 172 suppliers in Japan and



overseas for the purpose of ensuring the acceptance of consultations and reports brought forward by workers and the remedying of the situations to which those consultations and reports pertain. When workers have brought forward consultations or reports concerning human rights violations, the protection of those who have provided reports on such violations is a top priority. Based on that premise, we work with relevant stakeholders, including NGOs, to provide remedies to the situations to which consultations and reports pertain. Although no such reports were brought forward in FY 2022, we will continue to strive toward improving our effectiveness in this area, including the ease of use and accessibility of the mechanisms involved.

In FY 2022, no serious cases involving elements such as forced labor, child labor, or human trafficking were found as the result of an investigation involving self-assessment questionnaires, factory audits, and other such initiatives. Meanwhile, there were some cases (although within the scope of the labor-management agreement) of long working hours seen along with cases of insufficient safety management found at work sites (meaning insufficiencies when it came to the securing of evacuation routes and the implementation of evacuation drills, as well as the absence of thorough management when it came to hazardous materials and pharmaceuticals), along with other aspects also requiring improvements.

Together with those efforts, we also conducted interviews and visited dormitories to check whether there was any kind of harassment going on during daily operations or inconveniences happening in terms of the daily lives of workers, and are working to encourage suppliers to take steps to improve problem areas.

We will continue to conduct human rights risk assessments and strive to ensure that human rights are respected. We will also continue to share information on the results of investigations and hold discussions on a regular basis in order to develop a common understanding among Group companies.

6. Training and Education

To increase levels of ethical awareness among Group employees, the MIKI HOUSE Group continuously provides training in relation to areas such as the SDGs (UN Sustainable Development Goals), respect for human rights, discrimination and harassment, and corruption. We believe that increasing the awareness of employees when it comes to respect for human rights will lead to greater awareness with respect to human rights among suppliers and other stakeholders as well. We also plan to hold regular training sessions for individuals outside the company.

7. Future Initiatives of the MIKI HOUSE Group

The MIKI HOUSE Group is committed to pursuing various activities and initiatives in order to ensure that it constitutes an indispensable corporate group in the eyes of society going forward as we aim to embody our corporate mission of “bringing smiles to the futures of children and their families” through high-quality manufacturing which puts children first, while at the same time keeping in mind the healthy and prosperous growth of children. This is something which we have consistently pursued since our founding.

In particular, we will continue to work on cooperation with suppliers by focusing on the implementation of procurement activities based on our CSR procurement policy, the promotion of human rights due diligence, and the promotion of responsible employment of foreign workers. This is something we will do while at the same time



continuously working to focus efforts on ascertaining information and following up on supplier factories which make use of the Technical Intern Training Program, on promoting outreach to overseas suppliers and secondary suppliers, and on strengthening of the operation of complaint handling mechanisms.

We will also work to prevent forced labor and human rights violations from occurring not only within our supply chain, but also when it comes to the context of our sales activities all the way up to the point in which products have made their way into the hands of consumers.

In FY 2023, the ESG Promotion Department was established as an internal organization to further promote human rights initiatives.

This Statement was prepared in consultation with a third-party NGO, The Global Alliance for Sustainable Supply Chain.

This Statement was approved by the Board of Directors of MIKI SHOKO CO., LTD. on August 25, 2023.

Executive Director/General Manager of President's Office
Akio Mitsukawa

A handwritten signature in black ink that reads "Akio Mitsukawa".