



IWASE COSFA MODERN SLAVERY STATEMENT (FY 2020)

This statement has been published in accordance with the UK Modern Slavery Act 2015. It sets out the steps taken by Iwase Cosfa Corporation and its subsidiaries (hereafter “Iwase Cosfa”) during the financial year ending December 2020 to prevent slavery and human trafficking in its business and supply chain.

1. Business overview, Organization and Supply Chain

Iwase Cosfa has been supplying raw materials to a wide range of fields from pharmaceuticals cosmetics to health foods since its founding in 1931. The Group consists of 8 companies worldwide, including Iwase Cosfa Europe SAS which regularly conducts business with the UK. Iwase Cosfa employed 291 employees as of the end of FY2020.

Regarding the sourcing of raw materials, Iwase Cosfa procures through multiple business partners in the global market (more than 500 companies as of the end of FY2020).

2. Iwase Cosfa’s policies in relation to human rights

Iwase Cosfa fulfills its responsibilities as a member of society by advocating its corporate philosophy of “*Giving greater happiness to a greater number through beauty and health*”. The Iwase Cosfa Group also entirely opposes slavery and human trafficking in its business and supply chain operations.

In December 2016, Iwase Cosfa signed the Charter of corporate behavior of the Keidanren (Japanese Business Federation), which obliges signatories to respect human rights. Additionally, Iwase Cosfa’s “Compliance Charter” was established, stipulating that all executives and employees of the company must observe human rights. It also specifically states the Company’s support for and compliance with laws and regulations prohibiting forced, compulsory, and child labor.

The Group has also declared its support for the UN Global Compact (UNGC), an international initiative advocated by the United Nations which specifies ten principles to be observed by companies in four fields: human rights, labour, environment and anti-corruption.

In February 2020, Iwase Cosfa published its second CSR Report, bringing forward an element of transparency in its efforts to work towards a sustainable future.

3. Due Diligence

Iwase Cosfa recognizes that its supply chain may be exposed to the risk of human rights violation. Thus, as part of its initiative to identify risk and ensure supplier adherence to its values, it has taken the following steps across the Group.

Iwase Cosfa has created a “Supplier Code of Ethics” in order to ensure appropriate business operations and to increase its supply chain’s values.

The terms of the Iwase Cosfa Supplier Code of Ethics prohibit:

- All forms of discrimination and human rights violations, including child labor, slave labor, forced labor, abuse and human trafficking
- Promote responsible procurement and do not use conflict minerals as a principle.

The Iwase Cosfa Supplier Code of Ethics is publicly available on the Iwase Cosfa Corporate website.



Iwase Cosfa believes such practices will enable it to mitigate the risk of slavery and human trafficking in its entire supply chain. If Iwase Cosfa becomes aware of credible information about any form of forced labor, human trafficking or slavery by its suppliers, it will conduct a thorough investigation and, if appropriate, take corrective measures.

In 2020, Iwase Cosfa collected signatures of its Code of Ethics from more than 50% of its major suppliers. The Group will work to collect signatures from at least 60% of its major suppliers by 2021.

4. Evaluation and Control of Risks

At Iwase Cosfa, risks are evaluated and controlled by the Compliance Committee established in accordance with the Group Compliance Promotion Regulations. Modern slavery and other risks to human rights will be evaluated and controlled under this framework.

5. Monitoring Framework

Iwase Cosfa has several means for reporting and addressing concerns regarding modern slavery. A Compliance Promotion Office has been set up and a whistle-blowing system has been established, allowing employees to confidentially report any suspicions of wrongdoing (which extends to human-rights violations) through internal and external hotlines.

In addition, we conduct a survey for each of our supply chain's companies, in order to monitor their commitment to CSR, as well as their respect to human rights. Based on the results of the survey, we may request suppliers with issues to make improvements.

In the course of monitoring the situation within Iwase Cosfa, the Group has not received any information concerning any issue of forced labor, slavery or human trafficking.

6. Trainings

Iwase Cosfa implements training for new employees on compliance so that they are familiarized with and fully comply with the Group's Compliance Charter.

In addition, a Compliance Handbook containing the Compliance Charter has been distributed to all officers and employees to ensure thorough awareness and to make the Charter easily accessible. A survey of employees' understanding of the content and purpose of the Charter was also conducted.

Moreover, in 2020, all Group's employees received a training regarding Corporate Social Responsibility (CSR), during which they learned about the importance of correctly managing supply-chain risks.

Iwase Cosfa believes that the promotion of respect for human rights is an important task in sustainability. Going forward, Iwase Cosfa will continue to take action to prevent modern slavery from arising.

I, Yoshinori Iwase, hereby certify that the content of the "FY2020 Slavery and Human Trafficking Statement" is true and has been approved by Iwase Cosfa's Board of Directors.

January 13, 2021

Yoshinori Iwase
President and Representative Director
Iwase Cosfa Co., Ltd.