



IWASE COSFA MODERN SLAVERY STATEMENT (FY 2019)

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 the “Iwase Cosfa Group”) during the financial year ending December 2019 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 Iwase Cosfa Group consists of 8 companies worldwide, including Iwase Cosfa Europe SAS which regularly conducts business with the UK. Iwase Cosfa employed 247 employees as of the end of FY2019.

Regarding the sourcing of raw materials, the Iwase Cosfa Group procures through multiple business partners in the global market (more than 500 companies as of the end of FY2019).

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

The Iwase Cosfa Group 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.

In November 2019, The Iwase Cosfa Group signed the United Nations Global Compact and endorsed its principles. In regard to human rights, the Compact states that “Businesses should support and respect the protection of internationally proclaimed human rights” and “make sure that they are not complicit in human rights abuses.”

3. Due Diligence

The Iwase Cosfa Group 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 Iwase Cosfa Group.

The Iwase Cosfa Group 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.

We believe such practices will enable us to mitigate the risk of slavery and human trafficking in our entire supply chain.

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

We will work to collect signatures of our Code of Ethics from at least 50% of our major suppliers.

4. Evaluation and Control of Risks

At the Iwase Cosfa Group, 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

The Iwase Cosfa Group 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 the Iwase Cosfa Group, it has not received any information concerning any issue of child labor or forced labor.

6. Trainings

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

Moreover, 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.

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 "FY2019 Slavery and Human Trafficking Statement" is true and has been approved by Iwase Cosfa's Board of Directors.

January 16, 2019

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