



The MIKI HOUSE Group Statement on Modern Slavery for FY 2023

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”). The MIKI HOUSE Group respects the content outlined in documents such as the 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 provides an outline of the efforts and activities undertaken by the MIKI HOUSE Group during FY 2023 (March 2023 - February 2024) to prevent human rights violations, such as modern slavery, forced labor, and human trafficking, from occurring within the Group’s corporate activities, businesses, and value chain.

2. Overview of the Businesses of the MIKI HOUSE Group

The MIKI HOUSE Group consists of 12 companies, with MIKI SHOKO CO., LTD. at its core. Established in 1971, MIKI SHOKO CO., LTD. has a workforce of 431 employees and annual sales of 17,681,000,000 yen. Together with the 11 other Group companies located in Japan and overseas, MIKI SHOKO CO., LTD. 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 is also engaged in business activities through its UK subsidiary MIKI HOUSE U.K. LTD. This Statement is also published in Australia, as the MIKI HOUSE Group sells products via local partners based in the country although the Group has no group companies there.

* All information and data used in this Statement have been prepared based on those obtained by the end of February 2024.

3. Value Chain

The suppliers involved in manufacturing in the MIKI HOUSE Group’s value chain consist mainly of garment factories. Our products are manufactured both in Japan and overseas, namely, China, Korea, Taiwan, Vietnam, and Thailand. As of the end of February 2024, the MIKI HOUSE Group was conducting transactions with 299 factories in these countries and regions.

We recognize that the textile industry, which is centered around garment factories, is labor-intensive and entails a high risk of human rights violations such as forced labor. It has been pointed out that migrant workers in particular find themselves in a relatively vulnerable position. Accordingly, we have started with regular surveys of employment and working conditions of foreign technical intern trainees at our business partners in Japan. We found that in FY 2023, technical intern trainees from China, Vietnam, Thailand, Myanmar, Cambodia, Sri Lanka, Indonesia, and the Philippines worked at factories in Japan that conduct transactions with the MIKI HOUSE Group.

4. Policies Related to Modern Slavery and Human Trafficking

The MIKI HOUSE Group prepared a human rights policy, environmental policy, CSR procurement policy, code of conduct, and policy on migrant worker in 2018 and has been updating them from time to time based on input from external stakeholders. In May 2023, the human rights policy was revised to further promote our efforts to respect



human rights. In August 2023, the environmental policy was also revised to require that consideration be given to the impact of environmental issues on human rights. These policies were approved by the Board of Directors as policies related to modern slavery that are applicable to the entire MIKI HOUSE Group. In addition, not only these policies but also the CSR procurement policy, the code of conduct, and the policy on migrant worker encourage the MIKI HOUSE Group's business partners to promote efforts relating to sustainability activities.

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- [mikihouse_group_environmental_policy.pdf](#)
- [miki_shoko_csr_procurement_policy.pdf \(mikihouse.com\)](#)
- [miki_shoko_code_of_conduct_for_suppliers.pdf \(mikihouse.com\)](#)
- [miki_shoko_policy_on_migrant_worker_for_suppliers.pdf \(mikihouse.com\)](#)

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

The MIKI HOUSE Group intends to identify and assess, and take measures against, human rights risks within the Group and its entire value chain, by conducting human rights due diligence investigations based on the MIKI HOUSE Group Human Rights Policy to respect human rights. The MIKI HOUSE Group intends to regularly disclose the details of these efforts and make improvements on an ongoing basis. We also intend to work to prevent direct and indirect human rights violations and human trafficking from taking place in relation to the manufacture or sale of our products or the provision of our services. In the process leading up to the issuance of this Statement, the MIKI HOUSE Group engaged in discussion and cooperation with its 12 Group companies and their management teams and subsequently decided to pursue the following initiatives on an ongoing basis.

The ESG Promotion Department was newly established in FY 2023 to promote these efforts.

- **Human Rights Due Diligence**

If negative impacts on human rights, or factors contributing to these negative impacts, are identified as being directly or indirectly caused by the corporate or business activities of any of the MIKI HOUSE Group companies, the relevant company will hold consultations with relevant stakeholders and will correct or remedy the situation through appropriate procedures.

- **Human Rights Risk Assessments and Monitoring**

The MIKI HOUSE Group conducts self-assessment questionnaire (SAQ) surveys of its contract manufacturers. We also conduct on-site inspections based on those surveys to share information on issues and promote improvements. Migrant workers in particular are generally considered to be in vulnerable positions. Accordingly, the MIKI HOUSE Group focuses on these workers in human rights risk assessments and monitoring. To ensure that these efforts are effective, it is important to build trusting relationships with our contract manufacturers, and we intend to do so with transparency. The spread of COVID-19 forced us to suspend on-site inspections. In the second half of FY 2023, we resumed on-site inspections, aiming for sustainable manufacturing.



- **Complaint Handling Mechanisms**

Since 2020, the MIKI HOUSE Group has introduced complaint handling mechanisms at its business partners in Japan and overseas for the purpose of accepting consultation requests and reports from workers and helping them. These mechanisms provide consultation services in Japanese, English, Chinese (traditional and simplified), Vietnamese, Burmese, and Cambodian (Khmer). These mechanisms will cover 299 factories in FY 2024. If a consultation request or a report is received from a worker in relation to human rights violations or the like, the Group will help the worker in cooperation with relevant stakeholders, including NGOs, with utmost priority given to the protection of the worker who made the report or request.

In FY 2023, as in FY 2022, no consultation requests or reports were received. In FY 2024, we plan to verify, among others, whether all workers have been informed of the contact points and whether the mechanisms are easy to use for workers, and to improve the effectiveness of the mechanisms by transitioning to a consultation form and by distributing access cards to consultation contact points.

In FY 2023, we conducted on-site inspections of four factories in Japan and three factories overseas through specialized agencies, during which interviews were conducted with management team members and workers to identify issues related to occupational safety and health. These inspections revealed no serious human rights violations, such as forced labor, child labor, or human trafficking. We will continue to aim to create better workplaces through the early detection and remedy of issues by conducting on-site inspections, engagement, and interviews, each with transparency. We believe that when this leads to an increase in the retention rate of workers and in their motivation, the workplace will become fulfilling, leading to increased productivity and reduced defect rates, which will increase profitability and, in turn, improve worker treatment. We intend to make further efforts to respect human rights, which is fundamental to these processes. We will also promote efforts to respect human rights by regularly sharing and utilizing investigation results across the MIKI HOUSE Group in order to develop a common understanding within the Group.

6. Training and Education

The MIKI HOUSE Group strives to increase ethical awareness among Group employees by continually providing training on areas such as the SDGs (UN Sustainable Development Goals), respect for human rights, discrimination and harassment, and corruption. In 2023, we conducted an employee survey. We aim to increase employee awareness of respect for human rights by reviewing, and providing feedback on, the results of the survey. We believe that these efforts in relation to training and education of the MIKI HOUSE Group's employees will help promote awareness of human rights among our business partners and other stakeholders.

7. Future Initiatives of the MIKI HOUSE Group

Towards achieving our corporate mission of “bringing smiles to the futures of children and their families” through high-quality manufacturing which supports the healthy and prosperous growth of children and puts children first, which we have consistently pursued since our founding, the MIKI HOUSE Group intends to pursue various activities and initiatives in order to remain a corporate group that is indispensable to society in the future.



In particular, we intend to continually work on cooperation with business partners by implementing procurement activities based on our CSR procurement policy, promoting human rights due diligence, and promoting responsible employment of foreign workers, while focusing on (a) continuous information collection from and follow-up with supplier factories that utilize the Technical Intern Training Program, (b) promotion of outreach efforts in respect of overseas business partners and secondary business partners, and (c) promotion of the highly effective operation of complaint handling mechanisms.

In terms of our value chain as a whole, we intend to work on the prevention of forced labor and other human rights violations in our sales process leading up to the delivery of goods to consumers.

This Statement was prepared in consultation with a third-party non-governmental organization (NGO), The Global Alliance for Sustainable Supply Chain. The NGO periodically performs an evaluation of the MIKI HOUSE Group's efforts. We will take their evaluations into consideration in promoting and expanding our efforts to respect human rights.

This Statement was approved by the Board of Directors of MIKI SHOKO CO., LTD. on August 26, 2024.

Executive Director/General Manager of President's Office

Akio Mitsukawa

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