



Miki Shoko Co., Ltd. Modern Slavery Statement for Fiscal Year 2020

1. Introduction

This Modern Slavery Statement (hereafter referred to as this Statement) has been made by Miki Shoko Co., Ltd. (hereafter referred to as Miki Shoko) in accordance with the “U.K. Modern Slavery Act 2015” and the “Australian Modern Slavery Act 2018” (hereafter collectively referred to as Modern Slavery Acts). This Statement outlines measures implemented to ensure legal compliance and to prevent modern slavery and human trafficking in the business activities and supply chain of Miki Shoko and all group companies shown below (hereafter referred to as the Miki House Group).

This Statement reports on activities implemented by February 2021, based on modern slavery risks identified in human rights due diligence conducted in August 2019.

2. Organization Structure and Business Overview

Trade name	Miki Shoko Co., Ltd. (The MIKI HOUSE Group)
Founded	April 1971
Established	September 1978
Capital	2,030 million yen
Description of business	Development, production and sales of children’s apparel and family-related items; cultural activities including publishing, education and parenting support
Offices	Office headquarters: Osaka Regional office: Tokyo Overseas subsidiaries: France, USA, United Kingdom
Key Group companies	MIKI HOUSE CO., LTD. MIKI HOUSE TRADE CO., LTD. MIKI HOUSE KOSODATE SOKEN CO., LTD. MIKI HOUSE & SHOGAKUKAN PRODUCTION CO., LTD. MIKI HOUSE FRANCE S.A.R.L. MIKI HOUSE Americas, Inc.

MIKI HOUSE

	MIKI HOUSE U.K. Ltd. MIKI HOUSE (CHENGDU) TRADING CO., LTD.
Business result	Sales: 20,711 million yen (Fiscal year ended February 2020)
Employees	610 (as of April 2020)

*All information and data used in this Statement are based on that obtained by the end of February 2021.

3. Supply Chain

Most of the factories involved in the Miki House Group products are located in Japan, China and Vietnam. There are 225 such factories as of February 2021.

Miki Shoko started tracking its supply chain in 2017, with the ultimate goal in the future being to understand not only product manufacturing factories (Tier 1 supplier factories), but also Tier 2 supplier factories and raw material suppliers.

The number of factories identified in the supplier self-assessment questionnaire (SAQ) conducted as human rights due diligence in August 2019 was 151, with 23,624 workers. A further breakdown of this figure identified 3,860 workers in Japan, 10,881 in China, 8,324 in Vietnam, 900 in Myanmar and 352 in Thailand.

4. Policies Related to Modern Slavery and Human Trafficking

Miki Shoko has adopted the following list of policies since 2018, updating them as required based on input from external stakeholders. These policies also serve to supplement the company's compliance program and have been approved by the President and CEO as Group-wide policies relating to modern slavery for the Miki House Group.

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

In January 2020, the above “Policy on Human Rights for Suppliers” and “Code of Conduct for Suppliers” were revised and “Policy on Migrant Worker for Suppliers” was established so as to ensure that the standards we require of our suppliers are adapted to applicable laws and the Modern Slavery Acts.



The purpose of this was to request that suppliers, as business partners, understand the concept of the Modern Slavery Acts and can identify, prevent, and minimize the risk of human rights violations.

5. Human Rights Due Diligence for Modern Slavery and Risk Management

The following is a list of actions taken in FY2020 to address the abovementioned modern slavery risks identified in this Statement for FY2019.

Endorsement of Foreign Workers Roundtable and Tokyo Declaration 2020

In FY2019, Miki Shoko participated in the Corporate Subcommittee of the Foreign Workers Roundtable and, with other participant corporations, discussed the responsible acceptance of foreign workers. This resulted in the announcement of the “Tokyo Declaration on the Responsible Acceptance of Foreign Workers in Japan” (hereafter referred to as Tokyo Declaration 2020) in April 2020. This Declaration outlines 13 requirements for foreign workers in Japan to be able to work in a better environment. While taking into account Japan’s various systems, this Declaration aims to comply as much as possible with the Dhaka Principles, the international norms on the responsible recruitment of migrant workers, as well as norms and guidelines of other international institutions, such as the International Organization of Migration (IOM) and the International Labor Organization (ILO).

Miki Shoko announced its support for Tokyo Declaration 2020 in April 2020, and the Miki House Group intends to work with other companies, the government, and NPOs/NGOs to realize the content of this Declaration.

Participation in Japan Platform for Migrant Workers towards Responsible and Inclusive Society

Since October 2020, Miki Shoko has been participating in “Japan Platform for Migrant Workers towards Responsible and Inclusive Society” (JP MIRAI), which was organized by the Japan International Cooperation Agency (hereafter referred to as JICA). JP MIRAI is a platform that brings together various stakeholders, including local governments, NPOs, academic experts, lawyers, and corporations to explore and provide fundamental solutions to foreign labor issues. The idea here is to understand problems related to foreign workers in factories in Japan, especially the system of modern slavery caused by fees paid by foreign workers, and to work together to improve the working and living conditions of foreign workers, thereby contributing to the promotion of a multicultural society in Japan. Utilizing this platform, participant companies and organizations will collaborate from their respective standpoints to further promote collaboration in providing information, making policy proposals and surveys, communicating with foreign workers, and conducting public relations and awareness campaigns.

Efforts to Resolve the Issue of Fees Paid by Technical Intern Trainees from Overseas

From March 2021, Miki Shoko will participate in the “Foreign Workers Initiative” organized by an NGO.



We plan to work with participating corporations to understand the actual situation surrounding the problem of fees paid by technical intern trainees from overseas and to discuss solutions to this problem, which is considered bonded labor under Modern Slavery Acts.

6. Covid-19 Impact, Risk and Response

In 2020, we considered that Covid-19 would have an impact on the supply chain, especially on vulnerable workers (migrant workers and foreign technical intern trainees), and that ongoing communication would be essential.

Under these circumstances, a survey was conducted in July 2020 on factories employing foreign technical intern trainees in Japan in order to understand the impact of a full-scale spread of Covid-19.

(Number of factories providing a response: 28 (16 business partners))

- Infections among employees, impact on employment, operational status: No different than normal
- Infection prevention measures: Adjusting work shifts and providing disinfectants at all times
- Other concerns: Future order volume, procurement of raw materials

In FY2021, the most pressing issue is to continue to monitor the impact of Covid-19 on the employment of vulnerable workers, especially foreign technical intern trainees, and to take measures to maintain employment. Miki Shoko will secure production orders from factories as much as possible and continue to conduct online interviews and surveys in order to gain a full understanding of the impact and implications of Covid-19.

7. Grievance Mechanism/Reporting System

Establishment of Grievance Mechanism Covering Factories

This grievance mechanism enables workers to report to a third-party institution, an external NGO, via email or a smartphone application.

January 2020

Conducted briefing sessions with business partners, announced the introduction of a grievance mechanism, and requested business partners to sign a letter of consent

Participating companies: 75 All companies provided consent

January 2021

Implementation of grievance mechanism: 172 factories

Actual consultations: 1 case

Consultation content: One Japanese employee at a factory in Japan; consultation related to recognition of overtime and a resolution was reached.

8. Training and Education

In FY2020, executive officers and responsible department manager-level staff participated in the Corporate Subcommittee of the Foreign Workers Roundtable organized by an external NGO, where they focused on gathering information, including that related to trends at other companies, and exchanging opinions on modern slavery.

This Statement was used to promote an understanding among management and employees of the risks of human rights violations within the Miki House Group's supply chain.

In the future, we will consider introducing online training using web tools and so on, and these will also be provided to overseas suppliers.

9. Roadmap for Mitigating Modern Slavery Risk

Miki Shoko has identified the following as priorities to work on from FY2021.

- (1) Provide educational opportunities on the risk of modern slavery (including the use of online tools such as e-Learning)
 - Provide training to factories
 - Provide training to the Miki House Group employees

- (2) Set monitoring priority levels
 - Based on SAQ results and top 20 factories supplying manufactured products

Audit priorities

Combined use of procurement amount and SAQ

Procurement amount

Impact on brand name/product

- Degree of exposure to the market
- Future supply volume

SAQ

Envisaged problematic trends within suppliers

- Human rights risks
- Health and safety risks
- Environmental risks

- (3) Engage with factories
 - Follow up after audit (status of improvement of issues)

This Modern Slavery Statement was approved by Miki Shoko's Board of Directors on August 23, 2021.

Akio Mitsukawa.

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Executive Director/General Manager of President's Office