



MODERN SLAVERY STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DEC 2024

INTRODUCTION

To realise a responsible value chain in which all human rights are respected.

Yakult UK Ltd is committed to preventing modern slavery and human trafficking in our business operations and supply chains. This statement outlines the steps taken during the financial year ending 2024 by Yakult UK Ltd, as part of broader initiatives led by Yakult Europe B.V. and the Yakult Group Worldwide, to ensure that slavery and human trafficking are not taking place in any part of our business and supply chains. Yakult UK Ltd contributes to these efforts through its role in the distribution and sale of Yakult products within the UK and Republic of Ireland.

WHAT IS MODERN SLAVERY?

ACCORDING TO THE MODERN SLAVERY ACT 2015 IN THE UK, MODERN SLAVERY INCLUDES SEVERAL SPECIFIC OFFENCES:

- SLAVERY, SERVITUDE, AND FORCED OR COMPULSORY LABOUR: THIS INVOLVES SITUATIONS WHERE INDIVIDUALS ARE COERCED TO WORK AGAINST THEIR WILL UNDER THE THREAT OF PUNISHMENT.
- HUMAN TRAFFICKING: THIS REFERS TO THE RECRUITMENT, TRANSPORTATION, TRANSFER, HARBOURING, OR RECEIPT OF PERSONS, BY MEANS OF THREAT, USE OF FORCE, COERCION, ABDUCTION, FRAUD, DECEPTION, ABUSE OF POWER, OR EXPLOITATION.
- EXPLOITATION: THE ACT DEFINES EXPLOITATION TO INCLUDE SLAVERY, SERVITUDE, FORCED OR COMPULSORY LABOUR, SEXUAL EXPLOITATION, REMOVAL OF ORGANS, SECURING SERVICES BY FORCE, THREATS, OR DECEPTION, AND SECURING SERVICES FROM CHILDREN AND VULNERABLE PERSONS.

YAKULT UK LTD HAS A ZERO-TOLERANCE APPROACH TO MODERN SLAVERY. THIS STATEMENT DESCRIBES WHAT THE YAKULT GROUP CONDUCT TO PREVENT MODERN SLAVERY IN OUR BUSINESS AND SUPPLY CHAINS.

OUR BUSINESS AND SUPPLY CHAINS

Yakult UK Ltd is a subsidiary of Yakult Europe B.V., which oversees both the sourcing of raw materials and the production of Yakult products distributed across the region and a leading provider of fermented milk drinks, operating in the UK and Republic of Ireland market. Our supply chains include the sourcing of raw materials, manufacturing, distribution, and retail partnerships. The Yakult group worldwide work with suppliers and partners both domestically and internationally.

POLICIES ON MODERN SLAVERY

The Yakult group have implemented several policies that reflect our commitment to acting ethically and with integrity in all our business relationships. These policies are communicated to all employees and suppliers, and it outlines our zero-tolerance approach to modern slavery and human trafficking.

Our policies to combat modern slavery, including:

- **Yakult Group Human Rights Policy:** This is established to ensure that human rights are respected throughout the company's global operations and supply chains.
- **Yakult Ethical Principles and Code of Conduct:** This outlines our commitment to ethical business practices and respect for human rights.
- **Yakult Group CSR Procurement Policy:** This ensures that our suppliers adhere to ethical standards and practices.
- **Yakult Group Supplier CSR Guidelines:** These guidelines provide clear expectations for our suppliers regarding labour practices, environmental impact, and human rights.

DUE DILIGENCE PROCESSES

To identify and mitigate the risk of modern slavery in our supply chains, we have established robust due diligence processes, including:

- **Supplier Assessments:** We evaluate our suppliers based on their adherence to ethical standards and labour practices.
- **Audits:** Regular audits are conducted to ensure compliance with our policies and guidelines.
- **Training:** We provide training for our employees and suppliers to raise awareness about modern slavery and human trafficking.
- **Risk Assessment Tools:** We use external tools such as the Sedex platform to identify and monitor risks.

RISK ASSESSMENT AND MANAGEMENT

We recognize that certain parts of our supply chains may pose a higher risk of modern slavery. We have identified these areas and have taken specific steps to address and manage these risks, including:

- Engaging with suppliers to ensure they understand our expectations and comply with our policies.
- Monitoring and evaluating the effectiveness of our risk management processes.

We carry out supplier risk assessments using Sedex* and a Sustainable procurement questionnaire in order to identify high-risk suppliers on issues such as the environment, human rights, occupational health and safety and anti-corruption. The survey was carried out for business partners according to the selection criteria below, accounting for the top 90% of our suppliers ranked by total procurement cost related to manufacturing.

*Sedex stands for Supplier Ethical Data Exchange and provides a digital platform for members to share information on responsible business practices. Members can use a globally shared Self-Assessment Questionnaire (SAQ) and audit scheme and share the results on the platform.

Supplier selection criteria for implementation of Sustainable procurement survey

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| Procurement cost criteria | <ul style="list-style-type: none">○ Business partners in the top 90% of manufacturing procurement costs (incl. all partners meeting this criteria the previous year) |
| Raw materials criteria | <ul style="list-style-type: none">○ Suppliers of key raw materials (dairy products, sugar) and high-risk raw materials (palm oil, soybeans, pulp and paper) |
| Qualitative selection criteria (Suppliers whose risks need to be identified via a survey, while consulting the criteria listed on the right) | <ul style="list-style-type: none">○ Suppliers that are considered to have high sustainability risks in the supply chain○ Suppliers expected to be used for ongoing transactions○ Suppliers for items for which there are no alternative suppliers (suppliers on which we are highly dependent) |

Conducting this survey enabled us to assess the status of our suppliers' sustainable procurement initiatives and to ask our business partners for their understanding and cooperation on the Yakult Group CSR Procurement Policy and Supplier CSR Guidelines.

We sent feedback about the survey results to the companies that responded to raise awareness of sustainability and encourage improvements in their sustainable procurement initiatives.

Furthermore, for companies with confirmed issues such as violations of laws and regulations, we created a supplier management log and verified their response through individual hearings. We then made requests for improvement and have been receiving reports of their corrective actions.

Going forward, we will continue working to improve sustainability across the entire supply chain by carrying out risk assessments of the supply chain, and are also considering such measures as conducting supplier audits through field visits.

TRAINING AND AWARENESS

We provide comprehensive training to our employees and stakeholders to raise awareness about human rights issues and ensure adherence to our policy.

This training includes:

- **Understanding the modern slavery.**
- **Our policies and procedures related to modern slavery.**

KEY PERFORMANCE INDICATORS

To measure the effectiveness of our efforts in combating modern slavery, we track the following key performance indicators:

- **Risk Assessments Conducted:** Counting the number of risk assessments carried out within our operations and supply chains.
- **Incidents Reported and Addressed:** Tracking the number of reported incidents related to modern slavery and the actions taken to address them.
- **Number of Supplier Audits Conducted:** Tracking the number of suppliers with human rights due diligence aspects raised in SMETA* audit.
*SMETA: The Sedex Members Ethical Trade Audit (SMETA) is a widely recognized audit methodology designed to evaluate and improve ethical, social, and environmental practices within global supply chains.

CONTINUOUS IMPROVEMENT

Yakult UK Ltd is committed to continuous improvement in combating modern slavery.

Our future steps include:

- Enhancing supplier engagement and collaboration.
- Increasing transparency in our supply chains.
- Strengthening our due diligence processes.
- Regularly reviewing and updating our policies and practices.

Yakult Group Human Rights Policy

The Yakult Group Human Rights Policy is established to ensure that human rights are respected throughout the company's global operations and supply chains. In accordance with the Yakult Group Human Rights Policy, here are the key points:

Commitment to Human Rights

Yakult Group is dedicated to respecting human rights in all our business activities. We align our practices with international standards, including the United Nations Guiding Principles on Business and Human Rights.

International Principles

Our policy supports and respects several key international principles:

- The International Bill of Human Rights
- The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises
- The Children's Rights and Business Principles

Scope

This policy applies to all executives and employees within the Yakult Group. We also expect our business partners and suppliers to support and comply with these principles.

Due Diligence

We implement human rights due diligence processes to identify, prevent, and mitigate any potential negative impacts on human rights. This includes conducting regular assessments and audits.

Risk Management

Yakult Group continuously assesses risks related to human rights within our operations and supply chains. We take proactive measures to address any identified risks.

Training and Awareness

We provide comprehensive training to our employees and stakeholders to raise awareness about human rights issues and ensure adherence to our policy.

Continuous Improvement

We are committed to the continuous improvement of our human rights practices. This involves regularly reviewing and updating our policies and procedures to enhance the protection of human rights.

Yakult Group CSR Procurement Policy

Recognizing the importance of sustainable procurement that takes into consideration issues such as human rights, labour, the environment, and anti-corruption, the Yakult Group will promote sustainable procurement throughout the supply chain, in cooperation with our business partners.

Respect regulatory compliance and international codes of conduct

We will comply with national and local laws and regulations, respect international codes of conduct, and promote fair and equitable procurement activities.

Consider human rights, labour, safety and health

We will prohibit the use of child labour and forced labour, respect fundamental human rights, and promote procurement activities that take into consideration the work environment, safety and health.

Ensure safety and quality

We will promote procurement activities, giving attention to cost and stable supplies, and aim to ensure high quality and safety.

Consider the global environment

We will promote procurement activities that comply with the Yakult Basic Policy on the Environment and take into consideration the global environment.

Maintain information security

We will strictly control confidential information on procurement transactions and use it only for legitimate purposes.

Coexist with society

We will promote procurement activities that take into consideration social contributions towards coexistence with society.

Yakult Group Supplier CSR Guidelines

In alignment with the Yakult Group Supplier CSR Guidelines, we are committed to:

- Respecting Regulatory Compliance and International Codes of Conduct: We comply with national and local laws and regulations, respect international codes of conduct, and promote fair and equitable procurement activities.
- Considering Human Rights, Labor, Safety, and Health: We prohibit the use of child labour and forced labour, respect fundamental human rights, and promote procurement activities that consider the work environment, safety, and health.
- Ensuring Safety and Quality: We promote procurement activities that ensure high quality and safety, giving attention to cost and stable supplies.


- Considering the Global Environment: We promote procurement activities that comply with the Yakult Basic Policy on the Environment and take into consideration the global environment.

APPROVAL AND PUBLICATION

This statement has been signed by Shinji Yamaguchi, Director of Yakult UK Ltd. It is published on our website with a link in a prominent place on the website.

Yakult UK Ltd will continue to evaluate, monitor and improve on the Modern Slavery Act 2015 on an annual basis.

For further information please contact paga@yakult.co.uk

Signed: 

Shinji Yamaguchi

Deputy Managing Director

Yakult UK Ltd.

Date: 30 June 2025