

INTRODUCTION

Modern slavery is a serious and morally reprehensible crime that deprives a person's liberty and dignity for another person's gain. Every company is at risk of being involved in this crime through its own operations and its supply chain.

K. Mikimoto & Co., Ltd. ("Mikimoto", the "Company" or "we") is fully committed to preventing modern slavery and human trafficking in its operation and supply chains.

MIKIMOTO'S BUSINESS STRUCTURE AND OPERATIONS

The Company is a supplier and retailer of exclusive jewellery. We are a Japan based headquarter with operations in Asia, Middle East, United States of America and across Europe. We sell our own jewellery products direct to consumers via our own stores (Incl. on our owned website) and supply our products to wholesalers.

Suppliers to Mikimoto are selected and on-boarded in accordance with the criteria below, which includes supplier's reputation, compliance and respect of human rights, as set out by the Company.

Our supply chains include: suppliers of pearls, gold, diamond and other precious stones based in Japan, EU, Asia, Australia and Middle East.

POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Mikimoto has the following policies in place for identifying and preventing slavery and human trafficking in its operations:

1. Employee's Code of Conduct and Compliance Code: respect for human rights and against discrimination and/or harassment, and general compliance to laws and regulations are included in both of the Codes to which every employee and executive is required to comply. A breach of the above Codes may give rise to a disciplinary action according to the Employee Handbook.
2. Corporate Ethics Hotline: Workers (regardless of the employment status) and executives have access to a direct contact to report in confidence any concern over compliance or issues regarding labour or

harassment. Any concern over modern slavery or human trafficking can be reported to the Hotline. Whistle blowers who have reported a concern will be protected against any penalty or disadvantageous treatment.

SUPPLIER DUE DILIGENCE

We understand that dealing with precious stones may involve high modern slavery risks and expect our suppliers will adhere to our values and not tolerate any slavery or human trafficking. Accordingly, the Company requests any future and existing key suppliers to sign a Due Diligence Form and Terms & Conditions and undertake that they are compliant with the OECD Due Diligence Guidance ANNEX II.

Especially for diamonds, we guarantee that all our diamonds are conflict-free; conflict diamonds are mined in war zones in African countries and sold to fund military action against governments. The Kimberley Process Certification Scheme was established in 2003 to put an end to the conflict diamond trade, and now you need a certificate issued by the country of origin to export or import rough diamonds. All participating countries must adhere to the System of Warranties that requires suppliers to provide warranty statements on all sales and purchase invoices for diamonds. We adhere rigorously to both the Kimberley Process and the World Diamond Council's voluntary System of Warranties.

In addition to the above, all the gold we use is from refiners accredited by the London Bullion Market Association (LBMA) to avoid contributing to conflict and human rights abuses. The LBMA is a London-based international trade association representing the global wholesale gold and silver market and responsible for maintaining benchmarks for all precious metals. It also accredits auditors and assurance providers to enable them to conduct Responsible Gold Audits. By trading with the most trusted and reliable suppliers, we ensure the quality and integrity of our gold.

FURTHER STEPS

TRAINING

In order to ensure that everyone involved in our business, regardless of whether they are executives, employees or contract workers, understands

the risks of the modern slavery and human trafficking, we intend to enhance our training programme by: providing access to on-demand training materials on our intranet to raise awareness on the risks of modern slavery and human trafficking; and introducing a dedicated section on the risks of modern slavery in our regular compliance training.

SUPPLY CHAIN DUE DILIGENCE

We are aiming to implement more rigorous approaches to ensure our supply chains are committed to preventing modern slavery and human trafficking; we are working on reviewing the contracts and Terms & Conditions to provide contractual obligations on supply chains to ensure no modern slavery or human trafficking will happen within their supply chains.

MONITORING

The Company continues to regularly monitor Mikimoto's policies and procedures along with compliance thereto, and supervise regional operations in order to achieve the aim to prevent modern slavery within its business.

In August 2021, the Company joined the Responsible Jewellery Council ('RJC'), an international standard setting organisation for jewellery and watch industry and is preparing to obtain a Certified Member status under the Code of Practice 2019. The Code of Practice 2019 provides the requirements for the responsible ethical, human rights, social and environmental practices throughout the supply chain. A mandatory audit by an accredited auditor will be conducted as part of the certification process in the near future.

This statement represents Mikimoto's modern slavery and human trafficking statement, concerning the period between 1 September 2021 to 31 August 2022 and was approved by the board of K. Mikimoto & Co., Ltd. on 29 December 2022.



Shinichi Nakanishi
President
K. MIKIMOTO & CO., LTD.
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