



Procurement policy for Sustainable and Responsible Palm Oil

Our Cosmetics Business aims to contribute to environmental, social, and economic sustainability through proactive efforts in sustainable palm oil procurement. Adopting the NDPE principles^{*1} as our fundamental policy, we will promote the transition to 100% RSPO-certified palm oil for all our palm oil usage by 2028, and strive to build a responsible supply chain.

This policy applies to all suppliers of Taiyo Kagaku Co., Ltd. Interface Solution Division and its affiliated companies within the Cosmetics Business. To ensure high transparency and traceability, suppliers are required to adopt the NDPE principles and comply with the following:

- Adhere with the RSPO Principles and Criteria 2018^{*2}.
- Support the protection, restoration, and conservation of biodiversity, as well as High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests.
- No new development of peatlands regardless of their depth.
- Respect the rights of indigenous peoples and local communities based on the principle of FPIC (Free, Prior and Informed Consent).
- Respect all workers' rights and support their remediation.
- Prohibit forced labor, child labor, slave labor, and abusive labor, and do not tolerate human trafficking to eliminate worker exploitation.
- Support the remediation of living incomes for smallholder palm oil farmers.

This policy will be reviewed every two years, and revised as necessary.

In the event of non-compliance, we will work with suppliers to take corrective actions, and if improvements are not observed, we will consider suspending or terminating raw material procurement transactions.

^{*1} No deforestation of High Carbon Stock (HCS) forests, no conversion of High Conservation Value (HCV) areas and no new developments on peatlands

^{*2} RSPO Principles and Criteria 2018: <https://rspo.org/updated-principles-and-criteria-2018-include-the-revised-supply-chain-requirements/>