

## **Sakamoto sourcing policy of palm derived raw materials**

### **A. Responsible sourcing policy for palm derived raw materials**

We are a company that contributes to society by utilizing natural raw materials in our products, we consider it important that our raw material procurement is environmentally, socially, and economically sustainable.

Our goal is to contribute to society through our business activities and to achieve sustainable development together with society.

Palm oil including palm kernel oil, in particular, is one of the most important raw materials for our business.

[Objective]

In 2012, we joined the Roundtable for Sustainable Palm Oil (RSPO) to promote the sustainable production and use of palm oil, and in May 2017, we obtained a certificate for the RSPO Supply Chain Certification Systems MB Model. We are continuing our efforts to purchase certified raw materials and provide various certified products in accordance with our customers' requests.

This policy aims to build long-term business relationships with all the palm oil-related suppliers through the implementation of the said efforts by cooperating with the suppliers.

[Scope]

This policy applies to all the suppliers of Sakamoto Yakuhin Kogyo Co., Ltd. and its affiliated companies, and our activities are based on the cooperation of all the related industries including suppliers, agents and customers.

### **B. NDPE policy**

Sakamoto Yakuhin Kogyo Co., Ltd. and its affiliated companies will procure and use palm oil-derived raw materials produced in accordance with the following standards, aiming to implement No Deforestation, No Peat, No Exploitation (NDPE).

1. We do not use raw materials derived from palm oil obtained by destroying forests in High Conservation Value (HCV) forests, High Carbon Storage (HCS) forests, and peat swamp forests.
2. We do not use raw materials derived from materials extracted from land that has been slash and burnt for land clearing and land reclamation.
3. We do not use raw materials derived from production that exploits indigenous peoples, local residents, and workers (including contract, temporary, and migrant workers).
4. As a basic stance toward human rights, we support and respect the protection of the following internationally proclaimed human rights and ensure that we do not contribute to or encourage human rights abuses.

Major international frameworks and norms on human rights: Universal Declaration of Human Rights, 10 principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, UK Modern Slavery Act, etc.

5. We work to gradually reduce greenhouse gas emissions from the production associated with our business activities etc.
6. We make every effort to obtain as much information as possible on the traceability of raw materials and to collect sourcing information (e.g. palm mills and plantations).
7. We comply with the laws and regulations of all countries and regions where palm oil cultivation, extraction, refining, and other processes take place, including local laws and regulations, as well as international and Japanese laws and regulations.

### **C. Requirements for suppliers**

To eliminate exploitation of workers, we require the suppliers to comply with the following standards

1. To prohibit child labor, forced labor, and slave labor
2. To treat workers in accordance with all applicable laws and regulations, including laws and regulations regarding minimum wages, overtime, maximum working hours, welfare benefits, and leave
3. To respect human rights and shall not engage in any form of discrimination, harassment, or inhumane treatment, including discrimination based on race, nationality, gender, sexual orientation, age, ancestry, religion, ethnicity, or immigration status, in employment or in the course of business.
4. To provide safe and clean housing (where applicable) and a safe and healthy work environment for all workers
5. To respect workers' freedom of association and the right to collective bargaining
6. To prohibit corruption, including threats, attacks, and bribes against human rights defenders.
7. To conduct recruitment in a transparent manner, and when workers' costs are borne by the company, do so in a transparent, justifiable, and legal manner.
8. To provide all workers with written contracts and agreements in language easily understood by workers.
9. To provide workers with safe work procedures and appropriate protective equipment to prevent exposure to hazardous chemicals, harmful organisms, etc.
10. To phase out the use of paraquat dichloride and replace it with alternatives that are safer for people and the environment.
11. To obtain free, prior and informed consent from indigenous and local peoples, or acknowledge the rights reserved to them when operating on lands in which they have proprietary and customary rights.
12. To resolve grievances and disputes through an open and transparent consultation process.

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Sustainability Promotion Department  
Sakamoto Yakuhiin Kogyo Co., Ltd.