



阪本薬品工業株式会社
Sakamoto Yakuhin Kogyo Co., Ltd.

CSR REPORT 2023

2024年6月1日発行

Top Message

With glycerin as our starting point, we evolve to become a company that can provide valuable products in line with the changing times.

Starting out in 1947 as a chemical distributor, we have since evolved, shifting our focus to manufacturing, including the manufacture of glycerin and the coloring of synthetic resins. In 1993, we significantly expanded our manufacturing capacity of polyglycerol fatty acid esters at our Ako Plant in Ako City, Hyogo Prefecture. Today, we promote the supply of a broad range of products for a wide range of applications, including food, pharmaceuticals, and cosmetics.

In 2015, to focus on new product development and application development, we relocated our R&D center to Izumi City, Osaka Prefecture where we established an application laboratory. This facility enables us to engage in finding solutions together with our customers.

We will continue to strive to become a company that can stably provide eco-friendly, safe, and reliable products. We remain dedicated to responding to various economic and social changes, such as the promotion of digital transformation and the declining birthrate and aging population. Towards our 100th anniversary, all of our entire team - directors and employees - will continue to work together to become a company that is even more valued by our customers. We sincerely appreciate your continued guidance and encouragement.



Sakamoto Yakuhin Kogyo Co., Ltd.
President and Representative Director

Masahiro Sakamoto

Corporate Philosophy

We build a valuable company that contributes to society by always keeping our creative spirit alive, aiming to specialize in our field, and cultivating execution capabilities in development, sales, and production.

Code of Conduct

01. Provision of safe products and services

We provide safe and reliable products and services that meet the needs of the market.

02. Compliance with Laws and Regulations

We act with integrity, complying with relevant laws and regulations, international rules and the spirit of these.

03. Promotion of sound business activities

We conduct our business activities in a fair, just and highly transparent manner with the wider society, including our customers, business partners, employees and shareholders.

04. Respect for human rights and personality

We respect the diversity, personalities and individuality of our employees, and strive to create a safe and comfortable workplace.

(next page)

Code of Conduct

05. Care for the Global Environment

We voluntarily and actively work to preserve and protect the global environment.

06. Contributing to the local community

We deepen our ties with the local community and strive to contribute to society in a broad sense through participation in local social activities. In addition, when developing overseas business, we will respect local cultures and customs, as well as comply with international rules and local laws, and strive to contribute to local development.

07. Dealing with antisocial forces

We take a firm stance against antisocial forces and groups that threaten the order and safety of civil society.

Initiatives for the SDGs





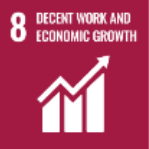

We focus on the items listed on the next page as priority goals to achieve the “5 Ps” outlined in the “2030 Agenda” of the SDGs.

5 Ps

People, Planet, Peace, Prosperity, and Partnership

Our Prioritized Goals and Contribution to the SDGs

We particularly prioritize the following goals of the SDGs.

Our projects	Items of SDGs
Support for international medical support organizations Provision of safer products in the food, pharmaceuticals, and cosmetics fields	
Supporting education in developing countries	
Supporting for work-life balance to develop the next generation Improvement of working environment for female employees Utilization of senior workers	
Use of sustainable raw materials Development and production of safe and environmentally friendly products Promotion of energy saving and CO2 emission reduction	

Independent Sustainability Assessment “EcoVadis”

We were rated ‘Bronze’ In the 2023 ecovadis
Sustainability Rating.



Approaches to Realize Sustainable Logistics

To ensure the sustainable and stable logistics required for the delivery of our products, we work together with our business partners and logistics providers to make improvements.

< Main points of our voluntary action declaration for achieving sustainable logistics >

No.	Action Items	Details of the initiative
1	Suggestions for improving logistics and collaboration	If a logistics company asks for advice on how to reduce waiting times and ancillary tasks such as manual unloading, we will respond to their requests in good faith and also make our own proactive suggestions.
2	Use of pallets, etc.	When a shipper requests that cargo be loaded onto a pallet, we will do our best to accommodate the request and reduce the loading time and the burden on the crew.
3	Advance provision of information on incoming and outgoing shipments from the shipper	If the shipper provides information such as the truck to be used or the time of delivery, we will communicate this clearly on the invoice, etc., and will cooperate in reducing the burden on the driver.
4	Consolidation of collection and delivery locations	In order to reduce the amount of time that drivers spend on the road, we will respond sincerely to requests from logistics companies to consolidate collection and delivery bases, and we will also actively make proposals of our own.
5	Delivery during off-peak hours	During periods of increased volume, we work with our sales staff to recommend early delivery dates and aim to even out the burden on logistics.
6	Suspension or interruption of transport during abnormal weather, etc.	In the event of abnormal weather such as typhoons, torrential rain or heavy snowfall, we will prioritise the judgement of the logistics company in ensuring the safety of the crew, rather than accepting unreasonable transport requests.
7	Saturday and public holiday transport	We will reduce transport requests on Saturdays and public holidays as much as possible, and cooperate with initiatives to reduce the working hours of logistics companies.

Safety Information Service

We provide safety information of our products in the form of Safety Data Sheet (SDS), etc.

Environmental Guidelines

We engage in ongoing environmental conservation activities based on the fundamental belief that we must pass on our environment to the next generation in a healthy state.

We comply with laws and regulations, recognizing our social responsibility to reduce environmental impact and prevent pollution.

We promote the reduction of CO₂ emissions and energy conservation at all of our factories.

We promote resource saving, waste reduction and recycling, and purchasing of ecologically friendly products.

We obtained ISO 14001 certification at Senboku Factory and Ako Factory and established an environmental management system.

Environmental Policies

Based on our management philosophy and as part of our corporate social responsibility, we regard environmental protection as one of the key management priorities, and we promote environmentally conscious initiatives in response to the characteristics of our products and businesses.

We have established the environmental policies as follows:

01. Compliance with environmental laws and regulations
We comply with all applicable environmental laws, ordinances, and other agreed requirements.
02. Establishment of the Environmental Management System
We set environmental objectives and targets, build and operate an environmental management system, continue to improve it, and prevent pollution.
03. Promotion of resource and energy conservation
We strive to reduce waste by improving the efficiency of energy consumption for effective use of limited resources. We also promote the development, manufacture, and sale of environmentally friendly products to reduce the impact on the environment.
04. Notifying and raising awareness of the environmental policies
We notify our environmental policy to all employees and work to raise their awareness of environmental protection through educational activities.
05. Disclosure of the Environmental Policy
We actively disclose our environmental policy to external parties.

Enacted: May 1, 2009

Sakamoto Yakuhin Kogyo Co., Ltd.
President and Representative Director

Masahiro Sakamoto

Establishment of Environmental Management System

We obtained ISO 14001 for environmental management system at Senboku and Ako Factories.

- Senboku Factory, February 2009 : JCQA-E-0857
- Ako Factory, Aug 2008 : JCQA-E-0838

Product and quality guidelines

We provide environmentally and human-friendly products trusted by our customers.

We work to improve the quality of our products for safe use.

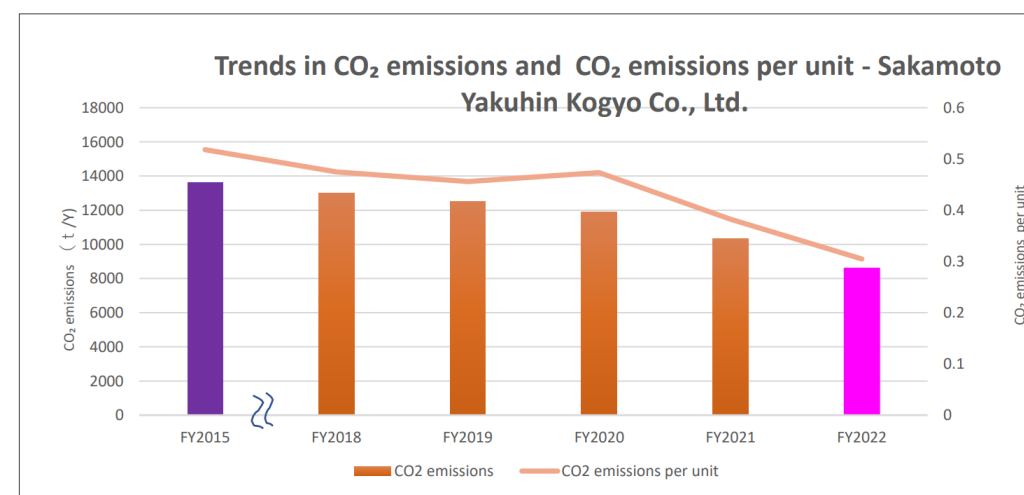
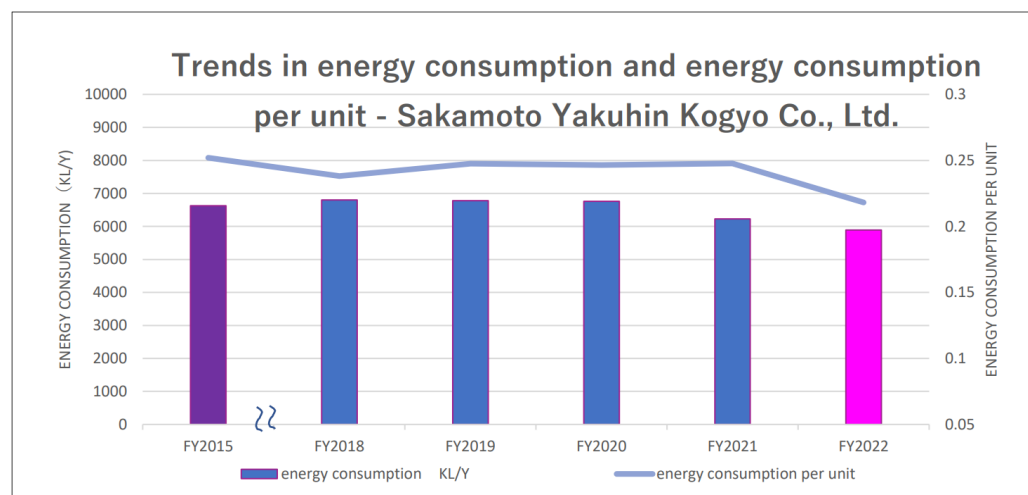
We work to produce safer products from the viewpoint of our customers.

We support the use of products to assure safety in use.

Trends in Total Energy Use and CO₂ Emissions

Although overall domestic production volume during the five-year period under review increased, the company's total energy consumption decreased. In FY2022, we were able to reduce energy consumption and CO₂ emissions by approximately 11% and 25% respectively compared to the base year (FY2015). Our plan is to reduce the total CO₂ emissions by 30% or more by FY2025 compared to the base year (FY2015). In addition, we are working to reduce CO₂ emissions per unit by 50% by 2030 compared to the base year (2015).

Sakamoto Yakuhin Kogyo Co., Ltd. - Trends in energy consumption and CO₂ emissions (FY2015 and from FY2018 to FY2022)



Actual Results for Major Environmental indicators (KPI)

KPI	FY2020	FY2021	FY2022
Greenhouse gas (GHG) emissions	-	-	-
Scope1(tCO2eq)	8,034	7,437	7,872
Scope2(tCO2eq)	3,805	3,028	465
Total energy consumption(GJ)	241,416	228,321	230,090
renewable energy consumption(kWh)	0	1,863,000	6,041,000
Total water consumption(m ³)	178,489	173,278	145,057
Total weight of hazardous waste(T)	35	5	0
Total weight of non-hazardous waste(T)	1,706	1,544	1,559

Water

We work to responsibly handle natural resources such as water by implementing measures that lead to reduction in consumption. We aim to reduce the total water consumption by 5% (per unit) by 2030, using 2015 as the base year.

Air pollution

We take steps to reduce PM emissions during the manufacturing process.

We aim to reduce VOC emissions by 2% by 2030, using 2015 as the base year,

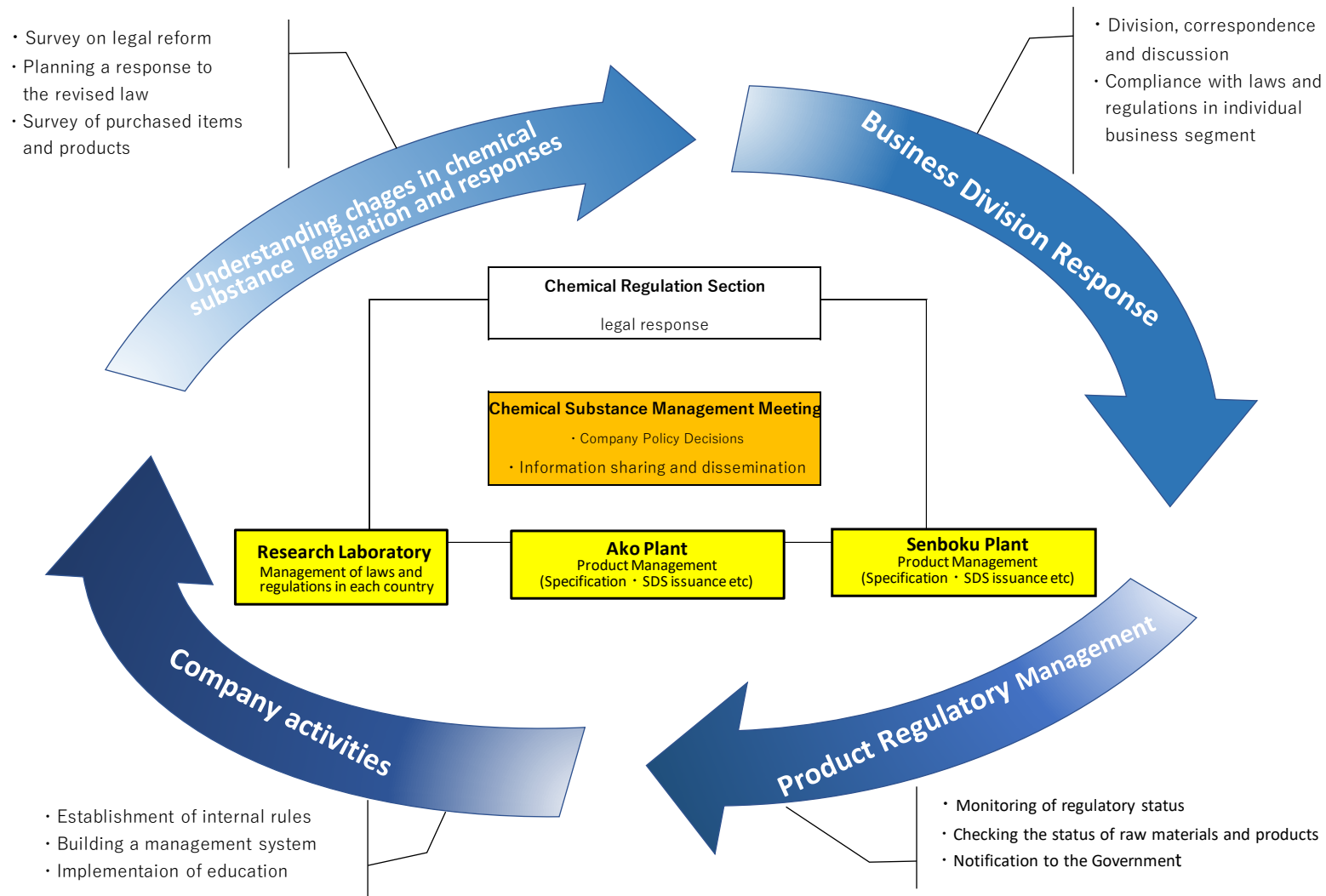
Biodiversity

We contribute to society by utilizing natural derived materials in our products, and we believe it is important that our business activities are sustainable for the environment, society and economy. We also recognize that our business activities may have various impacts on the ecosystem. We promote our business activities while emphasizing biodiversity and working with our stakeholders to achieve a sustainable society.

Chemical Substance Management Policy

As global regulations on chemical substances become increasingly stringent, we will proactively gather information on new regulatory changes and take the lead in the proper chemical substance management for our products. At the same time, we will provide support from the perspective of regulatory compliance so that we can expand both domestic and overseas sales of our products, which have an advantage as ‘sustainable materials’.

Compliance with chemical substance regulations



Proper management of chemical substances

We have adopted and centrally managed a comprehensive management system for chemical substances that enables us to review applicable laws and regulations based on chemical composition and product specification for all chemical products we handle. By registering each component individually, we are able to comply with the relevant laws and regulations that are specific to each component. In addition, we are a member of related organizations to obtain the latest information on chemical regulations, and we also use "chemSHERPA," a tool for sharing chemical substances contained in products throughout the supply chain, to provide accurate information to our stakeholders.

Compliance and reporting with domestic/foreign chemical laws & regulations

Based on the “Strategic Approach to International Chemicals Management” (SAICM and post-SAICM), which aims to minimize the adverse impacts of the production and use of chemicals on human health and the environment, we comply with the Chemical Substances Control Law, the Industrial Safety and Health Act, EU REACH and the Act on Registration, Evaluation, etc. of Chemicals (K-REACH), the Measures for Environmental Management Registration of New Chemical Substances in China, etc. We also submit annual quantity reports to the authorities in each country if necessary.

Gradual reduction & substitution of chemical substances & waste management

We recognize that the gradual reduction of chemical substances that pose an environmental risk is an important issue and are taking action to address it. To comply with domestic regulations, the EU RoHS Directive, and other laws and regulations, as well as industry and customer requirements, we have established an organization dedicated to chemical substance management, identified hazardous substances contained in our products and raw materials, and worked to minimize the environmental impact of our products by voluntarily reducing or eliminating the use and emission of chemical substances if there are environmental concerns.

Using 2015 as the baseline, we aim to reduce landfill waste by 3% by 2030.

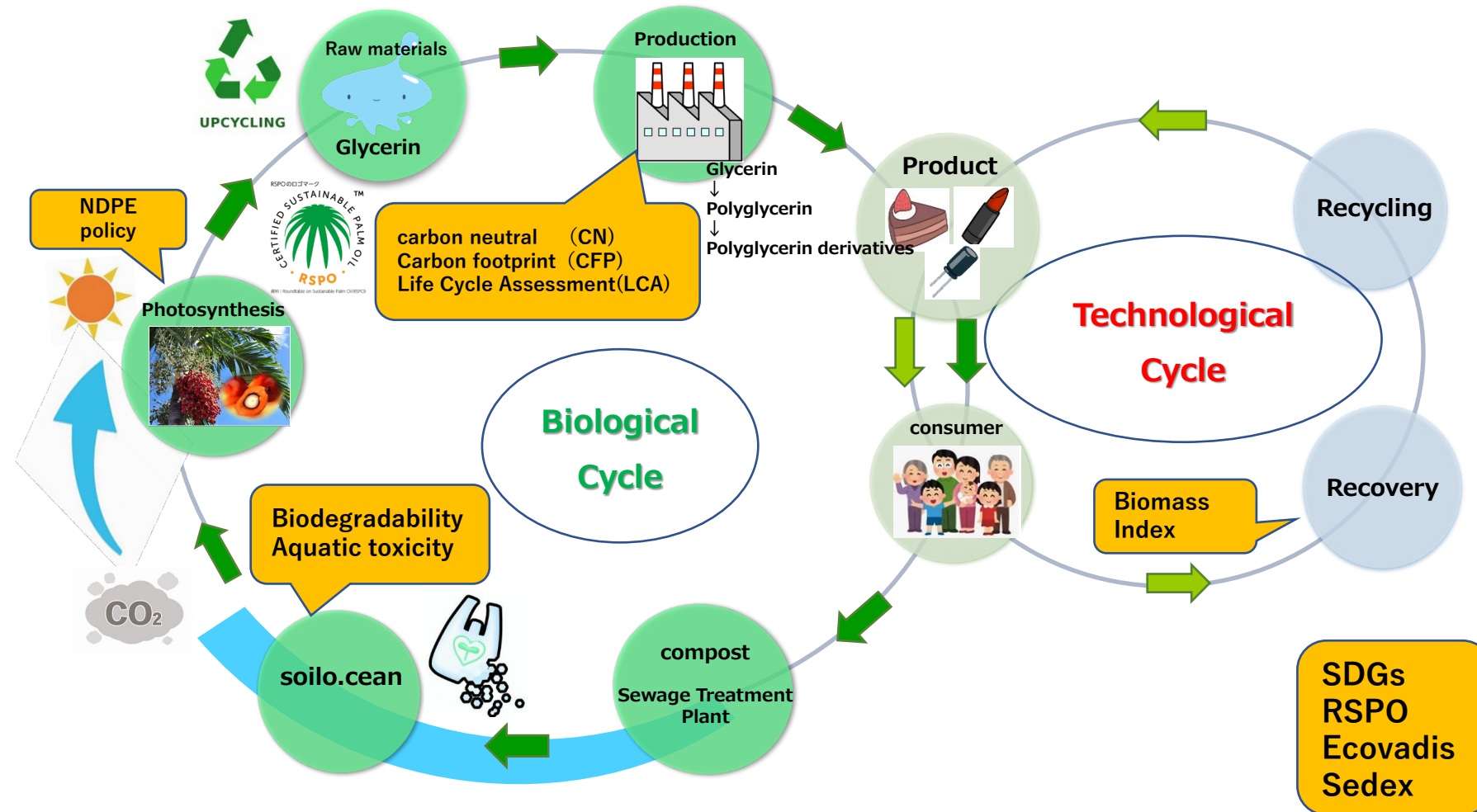
Chemical substance-related educational activities

01. Participation in chemical risk forum training seminars
02. Holding in-house seminars
(February 2024: Overview of the establishment of chemical substance managers in line with the revision of the Industrial Safety and Health Act)
03. Plans to establish an in-house portal site on Garoon System to make chemical substance-related information more visible.

Other chemical substance-related actions

01. We keep monitoring trends in priority assessment chemicals under the Chemical Substances Control Law and take action as necessary.
02. We appoint a chemical substance manager and a person responsible for managing the use of protective equipment to promote risk assessment of chemical substances under the Industrial Safety and Health Act.
03. We do not conduct any animal testing unless legally required. We also actively investigate trends in alternative methods and promote safety evaluations of our products.
04. We will continue to collect environmental toxicity data such as biodegradability and marine toxicity of our products.

“Circular Economy” to be achieved (image)



We proactively offer environmentally friendly products to our customers in line with our goal of a "Circular Economy".

Safety and Health and Human Rights Guidelines

01. We respect social norms and human rights and promote the creation of safe and comfortable workplaces.
02. We comply with laws and regulations that protect society and employees, such as the Labor Standards Act and the Industrial Safety and Health Act.
03. We continue to improve the work environment by ensuring our compliance to regulatory requirements on safe handling of chemical substances.
04. We respect the human rights of our employees and create a vibrant workplace that develops strengths of each individual.

Policy on Respect for Human Rights

Based on our management philosophy, we are aware of our corporate social responsibility and regard respect for human rights as one of the major priorities forming the foundation of our corporate management, and we promote initiatives that take human rights into consideration both within the company and in our relationships with our business partners.

01. We uphold the Universal Declaration of Human Rights, the International Bill of Human Rights and other standards as norms, protect the dignity of all people and in terms of the human rights and working environment in all corporate activities, treat their rights equally, and promote respect for human rights based on international standards.
02. We employ people under appropriate working conditions, respect human rights, and strive to eliminate child labour, forced labour, and all forms of discrimination, while also working to create a safe and healthy working environment.
03. We do not discriminate or harass in any of our corporate activities. We do not discriminate on the basis of race, nationality (national origin), skin color, sex, age, ethnic or social origin, marital status, creed, religion, disability, sexual orientation, gender identity or pregnancy, both within the company and in our relationships with domestic and foreign business partners. We also require human rights due diligence to be carried out not only within our company but also in all our supply chains.
04. We respect the fundamental human rights of employees including freedom of association and aim to create an atmosphere that respects the individuality of each employee and diverse values and to maintain a working environment that takes into account the health and safety of each individual.
05. We take effort to educate our employees at every opportunity on human rights issues which arise both within and outside our business activities and on international human rights standards.

Enacted: April 1, 2023

Sakamoto Yakuhin Kogyo Co., Ltd.
President and Representative Director

Masahiro Sakamoto

Safe handling of chemical substances and occupational safety and health

We manage the storage and handling of hazardous materials and harmful substances in compliance with laws and regulations, such as the installation of necessary facilities and the establishment of handling standards.

In addition, to ensure safety and health, we conduct regular inspections and improvements as occupational safety and health activities at each workplace. Fire and emergency drills are regularly carried out at each site; emergency and evacuation drills are carried out in collaboration with the surrounding communities.

Safety and Health Policy

Based on our management philosophy, we are aware that safety and health activities are the foundation of corporate management, we regard the safety and health of our employees and people in the local community as one of the major priorities in our corporate activities, and we promote initiatives that take safety and health into consideration.

01. **Compliance with safety and health laws and regulations**

We take an effort to manage safety and health by complying with the requirements of laws, regulations and other labor standards related to safety and health.

02. **Promotion of the creation of comfortable and accident-free workplaces**

We set continuous improvement goals through the implementation of risk assessments, including the identification of workplace hazards and the safe handling of chemicals as countermeasures, and promote the creation and operation of a safe and comfortable working environment to create a workplace that prevents occupational accidents.

03. **Promotion of health hazard prevention**

In order to prevent overwork and health problems, we take an effort to ensure the health management of our employees by enhancing our health management system, including mental health.

We also promote the development, production, and sale of products that are health and environmentally friendly.

04. **Publicizing and disclosure of safety and health policy**

We communicate this health and safety policy to all employees and make an effort to raise awareness of the importance of safety and health through education.

This health and safety policy is actively promoted outside the company as well.

Enacted: August 10, 2023

Sakamoto Yakuhin Kogyo Co., Ltd.
President and Representative Director

Masahiro Sakamoto

Safety and Health

KPI	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2030 Target
Working hours (hours/year)	1,879	1,902	1,887	-
Number of occupational accidents (cases/year)	6	0	4	0

Awards and evaluations from external organizations for safety and health

- Head Office : Our head office was awarded the “Traffic Safety Merit Award” by the Osaka Prefectural Police Headquarters in recognition of appropriate safe driving management and traffic safety activities.
- Ako Factory: Ako Factory was awarded the “Safety and Health Advancement Award (2016 Health and Safety Conference, Aioi Labor Standards Association)” that is awarded to workplaces focused on occupational safety and health.

Working Conditions

Working Conditions Policy

We, Sakamoto Yakuhin Kogyo Co., Ltd., are committed to providing good working conditions for all employees by guaranteeing appropriate wages, working hours and benefits.

In addition, we comply with and exceed the minimum wage system established under the Minimum Wage Act.

Benefits programme

- Percentage of employees taking paid leave
77.6% (December 16, 2022 - December 15, 2023)
- Average years of service
17.0 years (as of October 31, 2023 *including part-time and contract employees)
- Average monthly overtime hours
4.8 hours (April 2022 - March 2023 actual)
- Average number of days of paid leave taken
13.03. days (2024 actual)
- Retention rate of new graduates within 3 years of joining the company
90.0% (FY2020-FY2022 average actual for college graduates or higher (as of March 31, 2023))
- Annual rate of salary increase
7.32% (April 2023 actual including base increase, excluding management level and first year employees)
- Annual bonus
Total 5.03 months (2023 actual, excluding management positions and first year of employment)
- Maternity and childcare leave acquisition rate
Male: 30.8% Female: 100% (April 2022 - March 2023 actual)

Benefits programme

- Various types of social insurance
- Property accumulation savings
- Employee stock ownership association
- Newlywed living expenses allowances
- Travel allowances
- Congratulatory and condolence allowances, etc.

Workplace Diversity

KPI	FY2020 Actual	FY2021 Actual	FY2022 Actual
Percentage of female employees (%)	21.0	20.1	19.9
Percentage of women in management level (%)	0.3	0.3	0.3
Percentage of women on board (%)	0	0	0
Percentage of persons with disabilities (%)	1.9	1.9	2.2
Percentage of management level employees with disabilities (%)	0	0	0

A comfortable workplace for women to thrive

We have adopted a system which is based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace so that employees can work with peace of mind and thrive, regardless of gender.

Action plan for next generation development system (5th) April 1, 2021

The following action plan has been established to enable all employees to fully demonstrate their abilities by creating an environment in which they can work comfortably and balance their work and child-rearing responsibilities.

01. Planned period

Three years from April 1, 2021 to March 31, 2024

02. Contents

Objective 1: We promote an increase in the number of male employees taking childcare leave.

Countermeasures: We promote an increase in the number of male employees taking childcare leave.

- April 1, 2021 - Publication of our childcare leave results and examples of leave taken and reintroduce the system
- April 1, 2022 - Individual explanation and promotion of use of the system to male employees eligible for the program
- April 1, 2023 - Hearing opinions from those taking childcare leave and review of the system

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A comfortable workplace for women to thrive

Objective 2: To encourage employees to take annual paid leave, we will publicize the status of leave usage and continue to raise awareness.

Countermeasures:

- April 1, 2021 - Tracking and publicizing the acquisition of paid leave and enforcing employees to take at least 5 days of paid leave per year
- April 1, 2022 - Publication of the ranking of each business site's paid leave acquisition rate and promotion of utilization
- April 1, 2023 – Hearing opinions from individuals with low acquisition rates and reviewing methods to encourage acquisition

A comfortable workplace for women to thrive

Action plan for promotion of women's participation and advancement in the workplace (2nd)

01. Planned period

Five years from April 1, 2021 to March 31, 2026

02. Contents

Objective 1: Increase the percentage of female employees in the manufacturing division (direct division), where female employees have been under-represented, to at least 5%.

Countermeasures:

- April 1, 2021- Promotion of automation and systemization in the manufacturing department and study ways to make work easier for women
- April 1, 2022- Implementation of systemized work procedures and review of whether there is an excessive burden on women when in charge
- April 1, 2023- Introduction of easy work for women in a production site
- April 1, 2024- Verification of potential problems through practical experience of those who wish to join
- April 1, 2025- Consideration of an increasing and systematizing of the number of tasks women can perform

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A comfortable workplace for women to thrive

Objective 2: The average length of service of female employees shall be 10 years or more.

Countermeasures:

- April 1, 2021 - Review of confirmation of reasons for resignation of female retirees in the past
- April 1, 2022 - Review of areas for improvement in current regulations and working practices
- April 1, 2023 - Creation of improvement plans by listening to the opinions of female employees
- April 1, 2024 - Study of the effectiveness of the improvement plan and its impact on business operations when tested
- April 1, 2025 - Verification of trial results, improvements, realization of system institutionalization

A comfortable workplace for women to thrive

1. Status of job opportunities for female workers in the workplace

Number of male and female workers employed in each employment category (November 2022 - October 2023)

Publication of information on the status of women's activities

Employment Category	Sales	R&D and QC	Production	Office worker
Male	0	4	3	3
Female	1	4	0	0

Gender Wage Gap (*1) (November 2022 - October 2023)

Regular employees (*2)	77.4%
Part-time and contract employees (*3)	61.5%
All employees	75.1%

Supplementary explanation of differences:

<Regular employees>

Among regular employees, there is a high proportion of women in general positions with short years of service, while there are many men in career positions with relatively long years of service, which is thought to be the reason for the disparity.

<Part-time and contract employees>

The disparity is thought to be due to the fact that male contractors, who are paid relatively higher wages than female contractors, are larger in number than female. There is also the fact that part-time employees include short-time (4 hours) female part-timers.

*1: Including base salary, compensation for overtime work, and bonuses, excluding retirement bonuses.

*2: Excluding employees seconded from the company to outside parties

*3: Including part-timers and contract employees, excluding temporary employees

A comfortable workplace for women to thrive

2. Creation of an employment environment conducive to maintaining a healthy work-life balance

Average years of service for male and female employees (as of October 31, 2023)

	Male	Female
Average years of service (as of the end of the previous fiscal year)	18.8 years (18.6 years)	10.3 years (9.9 years)

Improving the quality of educational systems and employee benefits

For the educational system, we conduct correspondence training for all employees and overseas training for new employees to develop human resources. We also focus on the well-being of our employees and provide support for various workplace events, friendship gatherings, and club activities. Furthermore, to maintain the mental and physical health of our employees, we provide measures such as external EAP (Contractor: T-Pec Corporation), an employees' support program, as well as medical checkup.

Training for new employees

01. External training

We provide a seminar to help new employees learn the rules and norms of the workplace.

02. Factory and R&D training

We provide opportunities for new employees to observe manufacturing processes at each factory and deepen their understanding of our products.

At R&D center, employees gain an understanding of each group's research through practical training.

03. Overseas training

We have a four-day program in which employees visit our subsidiary SOCC in the Philippine and observe the production site.

Support for career development

01. English conversation training

We provide an online training of English conversation for those who are interested.

02. Correspondence Course System

We provide correspondence courses related to work from contractors as needed.

- Basic Knowledge Course

Word and Excel mastery, Sales management, The Official Business Skills Test in Bookkeeping 3rd grade Course, How to improve business operations, etc.

- Experts Knowledge Course

The Official Business Skills Test in Bookkeeping 2nd grade Course, How to Read Financial Statements, Workplace Finance, The Japan Business Law Examination Course, Health Supervisor, etc.

- Management Course

Human resources management, Marketing, Accounting, etc.

03. Qualification acquisition support

We cover all expenses incurred in acquiring the specified qualifications.

Living wage

We comply with the minimum wage system stipulated by the Minimum Wage Act and pay wages that exceed the minimum wage. We also provide various allowances to support the lives of our employees.

Life Support

01. Family allowance

We provide a spouse allowance of 14,000 yen per month and a child allowance of 7,000 yen per month to employees with dependents.

02. Newlywed Life Support System

We provide a monthly allowance of 20,000 yen for three years to employees who get married.

03. Rent subsidy

We provide company housing at a cost of 20,000 yen per month to single employees under the age of 30 who wish to live there.

04. Business affairs

Overtime pay (for working overtime or on days off), work allowances (qualified officer allowance, sales allowance, pharmacist allowance, etc.),
Various commendation systems

05. Health and medicine

Group life insurance, health checkup

(next page)

Life Support

06. Childcare and family care

Childcare and family care leave, reduced working hours for childcare and family care

07. Congratulations and condolences, disasters

Condolence and congratulation money

(wedding gift, baby gift, condolence money, injury compensation, disaster relief)

08. Recreation

Travel subsidy regulations and membership resort

09. Asset formation

Asset savings and employee stock ownership association

10. The Others

Meal allowance (5,000 yen for all employees), commuting allowance, retirement package system

A system for reflecting the opinions of employees

We clearly declare in its compliance code that we recognize the right of employees to organize and to bargain collectively. Through a formal process in accordance with the Labor Standards Act, we select employee representatives who have the support of a majority or more of the employees at each workplace and we conclude labor-management agreements.

In addition, to reflect the opinions of employees, meetings are held regularly between executives and employee representatives. Employee representatives notify all employees in advance of the meeting and listen to their suggestions for creating a better working environment. We discuss the suggestions raised at the meeting, consider their feasibility, and work to make improvements.

We hold regular workplace meetings and welfare committees to create a system that allows for two-way communication between management and employees.

Guidelines for Symbiosis with Local Communities and Society

We aim to be a company trusted by local communities.

We take a resolute response to antisocial forces and are working to prevent any types of discrimination.

We support disaster relief activities and healthcare activities in developing countries.

We are working together with local communities in events and activities, including clean-up in the vicinity of our sites.

Supporting activities for medical and educational purposes in developing countries

- We provide donations to the Japan Committee for UNICEF, the Doctors Without Borders, and Japanese Red Cross Society to support healthcare in developing countries. We have also donated as part of our natural disaster relief efforts to support victims of typhoons, earthquakes, and other disasters.
- We established an educational foundation in Batangas Province, Philippines where our factory, Sakamoto Orient Chemicals Corporation, is located.
- We support and endorse the activities of the SMBP organized by NB ACADEMY. SMBP stands for Smokey Mountain Boys Baseball Project, a program that teaches baseball to children born and raised on the Smokey Mountain, a garbage-filled area in the Philippines, and supports them in gaining scholarships to attend high school and university.

Community and Society

To become a company trusted by the local community, we cooperate in community activities and also clean up the vicinity of our factories.

Cooperating in community events

- Cooperation in Tenjin Festival Promotion Sponsorship
- Member of the Doshomachi Archive Association
- Sponsorship of Ako Gishi Festival, Ako Citizens' Festival, and Takao Area Hometown Festival
- Cooperation in Daito City Fire Prevention Association and Cooperation in Shinden Area Resident's Association
- Donations for Osaka Wasso Cultural Exchange Association
- Sponsorship of Tokyo Chamber of Commerce and Industry (Chiyoda Branch)/“Fuuki Enju no Gi” (ceremony for prosperity, longevity, and peace)

Community clean-up activities

- Joint clean-up activities in Senboku 4 Wards, Izumiotsu City (Senboku Factory)
- Clean-up of Shimizu industrial park (Ako Factory)
- Clean-up activities organized by the Izumi Chamber of Commerce and Industry (Laboratory)
- Environmental Patrol by Ote/Marunouchi Residents' Association (Tokyo Branch)
- Osaka Marathon Clean-Up Operation (Head Office)

Health management policy

We voluntarily work to ensure that the mind and body of each employee are healthy, and that the workplace environment is safe and secure.

By ensuring that our employees and their families are healthy and that our employees can work with peace of mind, we be able to provide better products and services to our customers and enhance the value of our company.

Our employees proactively work to promote the health of their minds and bodies, and we actively support these efforts, working together to achieve continuous business development and the promotion of health.

Established: May 10, 2022

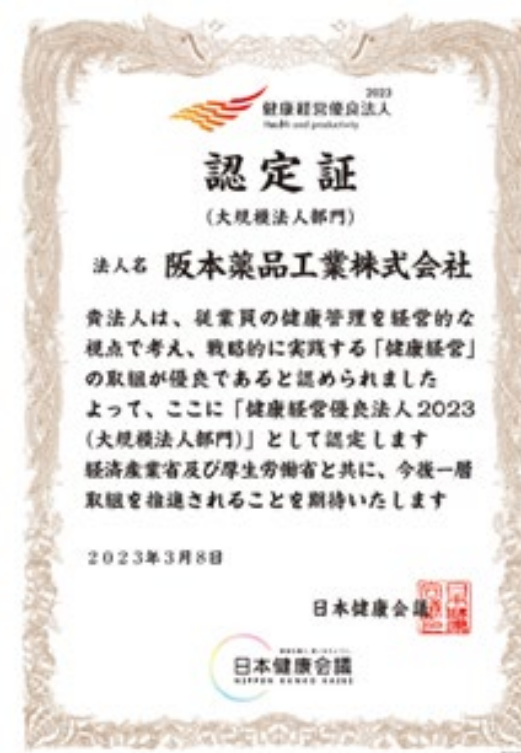
Sakamoto Pharmaceutical Co.

President and Representative Director: Masahiro Sakamoto

Health management

We were selected for the first time under the 2023 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) by METI .

We will continue to promote our health management initiatives.

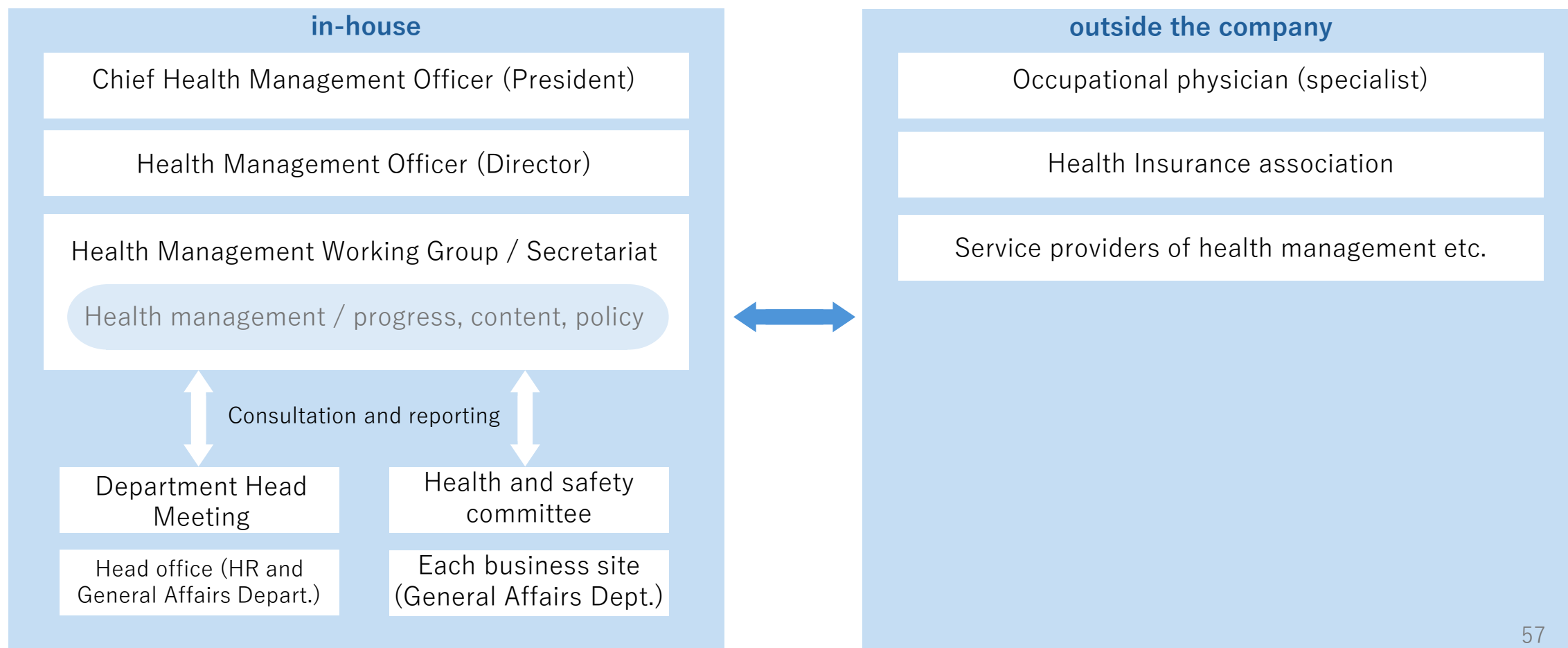


Health management initiatives: Our main initiatives, plans and policies

PROJECT	Goal	FY2023	FY2024 target
Health check-up	Attendance rate: 100% achieved	95.7%	100% achieved
Stress check	Attendance rate: 100% achieved	87.3%	100% achieved
Implementation of systems and measures	Continuing to manage health and spreading understanding	Introduction of e-learning (completion rate over 90%) Holding external seminars	Lifestyle survey (new) Sleep improvement program (new) E-learning (ongoing)
Dissemination of policies, etc. internally and externally	Information Disclosure	The same as above	Published on our homepage
Dissemination of policies, etc. internally and externally	Internal dissemination	The same as above	<ul style="list-style-type: none"> • Certification reports • Policy briefing sessions • Board member and business manager reports 3 times a year • Policy follow-up

Health Management Initiatives: Promotion System

Under the leadership of the Chief Health Management Officer (President) and Health Management Officer (Director), we will promote the initiatives listed as key items in cooperation with the human resources and general affairs personnel, health and safety officers at head office and other business sites, occupational physician, and health insurance association.



Information Security Policy

To live up to the trust of our customers and society, we manage confidential information responsibly in our advanced information society.

Information Security Education

We provide information security training for our employees.

We invited the Osaka Prefectural Police to give a seminar on preventing the outflow of technology in May 2024.

The seminar included a lecture on ‘what to be careful of’ and ‘specific examples’ from the perspective of preventing the outflow of technology.

Code of Ethics

Based on our management philosophy, we are aware of our corporate social responsibility, and in all aspects of our corporate activities, we will not only comply with the law but also act with common sense and in the following ways.

※ Management Philosophy ※

Always manifest the creative spirit, cultivate the ability to execute development, sales and production, contribute to society and build a valuable company.

1. Provision of safe products and services
We provide safe and reliable products and services that meet the needs of the market.
2. Compliance with Laws and Regulations
We act in good faith, complying with relevant laws and regulations, international rules, and the spirit of these.
3. Promotion of sound business activities
We conduct fair, impartial and transparent business activities across a wide range of society including customers, business partners, employees and shareholders.

(next page)

Code of Ethics

4. Respect for personality and human rights
We respect the diversity, personality and individuality of our employees, and strive to create a safe and comfortable workplace.
5. Consideration for the global environment
We voluntarily and actively work to preserve and protect the global environment.
6. Contributing to Local Communities
We strive to contribute to society at large by deepening our interaction with local communities and participating in local social activities. Regarding to overseas business development, we do not only comply with international rules and local laws and regulations but also respect local cultures and customs and strive to contribute to local development.
7. Dealing with antisocial forces
We take a resolute response to antisocial forces and groups that threaten the order and safety of civil society.

Enacted: May 1, 2007 Sakamoto Yakuhin Kogyo Co., Ltd.
President and Representative Director

Masahiro Sakamoto

Purchase Policies

We have established the procurement policies as follows:

01. To conduct business transactions with our customers with fairness, impartiality, transparency, and free competition in accordance with relevant laws and social norms.
02. To procure in compliance with laws and regulations, environmental protection, and human rights, in addition to the aspects of quality, cost, and stable supply We take effort to educate our employees at every opportunity on human rights issues which arise both within and outside our business activities and on international human rights standards.
03. To promote Green Procurement taking into consideration the aspects of resource protection, environmental preservation, and health and safety.
04. To respect and not to improperly acquire or use confidential information and intellectual property.
05. To avoid bribery either gifts, money or benefits, to or from our suppliers.
06. To fulfill social responsibilities for a symbiotic relationship with our customers.

Enacted: May 1, 2009

Sakamoto Yakuhin Kogyo Co., Ltd.
President and Representative Director

Masahiro Sakamoto

Guidelines for CSR Procurement Policy

We have guidelines for the CSR Policy as follows:

01. Internal Management System to ensure legal compliance and corporate ethics.
02. Corporate Business Ethics to ensure the respect of human rights; employ under appropriate working conditions; eliminate child labor, forced labor, and all forms of discrimination; and create a safe and healthy working environment.
03. Crisis Management System to deal with risks related to business activities, ensure appropriate responses and information disclosure, and establish a system for responding to BCPs in the event of a major disaster.
04. Environmental Policy to promote environmentally friendly efforts; conserve energy and resources, and reduce environmental pollutants.
05. Chemical Substance and Waste Management Systems to manage chemical substances and waste disposal, and Health and Safety System to ensure safety and prevent hazard.
06. Green Policy in purchasing to ensure the quality and supply of safe products, and development of safe products.
07. Anti-Bribery Policy to ensure fair and transparent business activities to prevent corruption and eliminate the involvement of antisocial forces in trade.
08. Copy Right and Anti Infringement Policy to protect the patent, trademarks and intellectual property of the company and business partners.
09. Corporate transparency through communications with our business partners, shareholders, employees, and local communities

Enacted: October 14, 2020

Promotion of the production and use of sustainable palm oil products in consideration of environment and social soundness.

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.

Promotion of the production and use of sustainable palm oil products in consideration of environment and social soundness

A. Responsible sourcing policy for palm derived raw materials



2-0362-12-100-00

CERTIFICATE **CU-RSPO SCC- 847713**

Based on an audit according to the requirements stated in the RSPO Supply Chain Certification Systems, version February 2020 and a signed contract, Control Union (Malaysia) Sdn Bhd herewith certifies that the facility(s) listed below are found to be in compliance with the RSPO Supply Chain Certification Standard, version February 2020. This guarantees that the criteria for processing RSPO certified palm oil products through one or more of the supply chain models as stated in the RSPO Supply Chain Certification Systems have been met.

Name certified company	Sakamoto Yakuhin Kogyo Co., Ltd.
Full address certified company	2-6, Awaji-machi, 1-chome, Chuo-ku, Osaka 541-0047, JAPAN
RSPO number (if applicable)	2-0362-12-000-00
Other sites certified (see annex 1)	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
RSPO registered parent company (if applicable)	
RSPO member number parent company	

Certificate Start Date	02-05-2022
Certificate Expiration Date	01-05-2027
Date of first RSPO certification	02-05-2017
Certificate number	CU-RSPO SCC- 847713
Supply chain model	<input type="checkbox"/> Identity Preserved (IP) <input type="checkbox"/> Segregated (SG) <input checked="" type="checkbox"/> Mass Balance (MB)

Authorised signatory name

Ms.N Hanida Binti Ismail
Certifier

Date of issue: 06-06-2023



On behalf of the Managing Director
Authorised signature

Issued by

Control Union (Malaysia) Sdn Bhd
Port Tech Tower, Level 17, Unit No : 1-7,
Jalan Tiara 3, KU/1
41150 Bandar Baru Klang,
Selangor Darul Ehsan
MALAYSIA
+603-3000 4132
certifications@controlunion.com

Promotion of the production and use of sustainable palm oil products in consideration of environment and social soundness.

B. NDPE policy

Sakamoto Yakuin Kogyo Co., Ltd. and its affiliated companies 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).

01. 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.
02. We do not use raw materials derived from materials extracted from land that has been slash and burnt for land clearing and land reclamation.
03. We do not use raw materials derived from production that exploits indigenous peoples, local residents, and workers (including contract, temporary, and migrant workers).
04. 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.
05. We work to gradually reduce greenhouse gas emissions from the production associated with our business activities etc.
06. 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).
07. 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.

Promotion of the production and use of sustainable palm oil products in consideration of environment and social soundness.

C. Requirements for suppliers

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

01. To prohibit child labor, forced labor, and slave labor
02. 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
03. 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.
04. To provide safe and clean housing (where applicable) and a safe and healthy work environment for all workers
05. To respect workers' freedom of association and the right to collective bargaining
06. To prohibit corruption, including threats, attacks, and bribes against human rights defenders.
07. 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.

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Promotion of the production and use of sustainable palm oil products in consideration of environment and social soundness.

C. Requirements for suppliers

08. To provide all workers with written contracts and agreements in language easily understood by workers.
09. 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.

September 20, 2023
Sustainability Promotion Department
Sakamoto Yakuhin Kogyo Co., Ltd.

Date of issue

June 1, 2024

Contact details

Sustainability Promotion Department

Sakamoto Yakuhin Kogyo Co., Ltd.

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阪本薬品工業株式会社
Sakamoto Yakuhin Kogyo Co., Ltd.