

## Morinaga Group Guidelines for the Procurement of Palm Oil

Although palm oil is used in a wide range of products including processed foods and detergents, environmental destruction and human rights problems in producing regions have become social issues. In line with the Morinaga Group Procurement Policy, the Morinaga Group will commit to promoting the procurement of palm oil together with suppliers giving due consideration to social, environmental and human rights issues.

### 1. Scope of Application

Palm oil and palm kernel oil contained in oil materials used for the products of Morinaga Group.

### 2. Directions and Efforts

The Morinaga Group respects the principles and criteria stipulated by the RSPO and, in collaboration with suppliers, will preferentially procure sustainable palm oil which meets the following conditions:

- Palm oil produced in compliance with the laws and social norms of the producing countries and regions;
- Palm oil with assured quality and safety;
- Palm oil with assured transparency including traceability, that is traded fairly and equitably;
- Palm oil produced with due consideration to respect for human rights (monitoring, abolishment, etc. of child labor, forced labor, human trafficking), work environments and health as well as safety based on the international human rights policies such as the Ten Principles of the “United Nations Global Compact” and the United Nations “Guiding Principles on Business and Human Rights”;
- Palm oil produced through socially responsible new farm development which does not involve deforestation or intentional burning in the areas with high protective value or peat swamp forests;
- Palm oil produced with due respect to the rights and intentions of indigenous peoples or local residents in the use or ownership of land (based on FPIC\* principles) and with due consideration to their health as well as safety;

※FPIC; Free Prior Informed Consent

- Palm oil produced with due consideration to the global environment, such as environmental conservation (reductions in deforestation, CO<sub>2</sub> emissions, etc.) and biodiversity and ecosystem conservation; and

- Palm oil produced with responsible care for employees, individuals and local communities subject to the influence of producers and oil mills.

- For the sustainable procurement of palm oil, we will share these guidelines with suppliers, ensuring that they are fully aware of them, and properly address problems of non-compliance with the guidelines, if they arise.

- We will regularly review the contents of these guidelines for improvement.

- We will publicize our efforts for the sustainable procurement of palm oil annually.

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