

## MODERN SLAVERY STATEMENT (FY 2024)

This statement is published in accordance with Section 54 of the UK Modern Slavery Act 2015. It details the initiatives undertaken by Iwase Cosfa Co., Ltd. (hereafter "the Company") and its subsidiaries during FY2024 to prevent slavery and human trafficking within its business operations and supply chain.

### 1. Business Overview, Organization and Supply Chain

---

Founded in 1931, Iwase Cosfa is a specialized trading company supplying raw materials across a wide range of industries, including pharmaceuticals, cosmetics, and health foods.

The Iwase Cosfa Group comprises 3 main offices in Japan and 9 subsidiaries globally, including Iwase Cosfa Europe SAS, which regularly conducts business with the UK. As of December 31, 2024, Iwase Cosfa employed 363 individuals.

Please click on the link below for more details.

Iwase Cosfa : <https://www.cosfa.co.jp/english/>

The Iwase Cosfa Group sources and sells raw materials for cosmetics and health foods from diverse suppliers both in Japan and internationally. Additionally, the Company has established collaborative working relationships with external contractors to provide turnkey OEM solutions for health foods and outsourced safety tests, expanding its global business reach. As of the end of FY2024, the Company works with approximately 600 suppliers.

### 2. Iwase Cosfa's Policies on Slave Labor and Human Trafficking

---

Iwase Cosfa upholds its social responsibilities by advocating its corporate philosophy: "*Giving greater happiness to a greater number through beauty and health.*" The Iwase Cosfa Group unequivocally opposes the use of slave labor and human trafficking throughout its business operations and supply chain.

In January 2017, the Company joined the Japan Business Federation (Nippon Keidanren), committing to its Charter of Corporate Behavior, which mandates respect for human rights and compliance with international norms.

In July 2021, Iwase Cosfa endorsed and announced its commitment to the "My Human Rights Declaration" project, an initiative by the Japanese Ministry of Justice promoting a society where everyone's human rights are respected. The Company also supports and has signed the UN Global Compact (UNGC), an international initiative of the United Nations. Iwase Cosfa is committed to upholding human rights by "supporting and respecting the protection of internationally proclaimed human rights" and "ensuring that it is not complicit in human rights abuses."

Furthermore, the Iwase Cosfa Group has established a "Compliance Charter" requiring all executives and employees to respect and observe human rights. It explicitly states the Company's support for and compliance with laws and regulations prohibiting forced, compulsory, and child labor.

Iwase Cosfa Compliance Charter:

[https://iwasecosfa.com/\[...\]/compliance-charter-en-2024.pdf](https://iwasecosfa.com/[...]/compliance-charter-en-2024.pdf)

Furthermore, to reaffirm the company's commitment to respecting human rights in all aspects of its business operations and to make it clear that the company do not tolerate discrimination of any kind, Iwase Cosfa's approach and philosophy on this subject has been published on its official website and is publicly available.

Please click on the link below for more details.

Iwase Cosfa approach and vision regarding human resources:

[https://iwasecosfa.com/\[...\]/recruit-policy.pdf](https://iwasecosfa.com/[...]/recruit-policy.pdf) (Japanese)

### 3. Risk Assessment and Due Diligence

---

Iwase Cosfa acknowledges the potential risk of human rights violations within its supply chain. To identify risks and ensure supplier adherence to its values, the Company has implemented the following actions across the Group.

The Company has established a "Supplier Code of Ethics" to ensure ethical business operations and promote strong values throughout its supply chain.

The Iwase Cosfa Supplier Code of Ethics requires Suppliers to agree and commit to the following:

- Prohibit all forms of discrimination and human rights violations, including child labor, slave labor, forced labor, abuse and human trafficking
- Promote responsible procurement and, as a general rule, refrain from using any conflict minerals.

Iwase Cosfa believes these practices are crucial for mitigating the risk of slavery and human trafficking within its supply chain.

Iwase Cosfa Supplier Code of Ethics:

[https://iwasecosfa.com/\[...\]/Iwase-Cosfa-Supplier-Code-of-Ethics-2023.pdf](https://iwasecosfa.com/[...]/Iwase-Cosfa-Supplier-Code-of-Ethics-2023.pdf)

In 2023-2024, Iwase Cosfa secured over 330 signatures to its Code of Ethics, with signatory suppliers representing more than 50% of the Company's sales value. The Company aims to increase this to 80% by 2025. Additionally, Iwase Cosfa conducts an annual CSR survey to ensure its suppliers have a comprehensive understanding of the Company's policies and practices. Iwase Cosfa is committed to strengthening collaboration with suppliers to fulfill its social responsibility.

As a direct approach to raw material sourcing, the Company joined the Roundtable on Sustainable Palm Oil (RSPO) in 2017, an international non-profit organization. Recognizing the inherent human rights risks associated with palm oil handled by the Iwase Cosfa Group, the Company will work to expand its use of certified sustainable raw materials, aiming for 100% RSPO certification for sourced palm oil and palm kernel oil derived raw materials by 2030.

### 4. Monitoring Framework

---

At Iwase Cosfa, the Compliance Committee, established under the Group Compliance Promotion Regulations, evaluates and controls risks. This framework includes the assessment and management of modern slavery and other human rights risks.

Iwase Cosfa has implemented a whistleblowing system that allows for the confidential reporting of any suspected wrongdoing (including human rights violations) or compliance breaches through internal and external hotlines.

Furthermore, the Company conducts surveys across its supply chain to measure progress in CSR actions, including respect for human rights, and to stay informed about the latest initiatives of its partners. Iwase Cosfa requires suppliers that do not meet basic human rights standards or pose potential risks to implement improvements.

To date, the Group has not received any reports concerning forced labor, slavery, or human trafficking.

### 5. Trainings

---

Iwase Cosfa conducts compliance-related training at the time of hiring to ensure that all employees are familiar with and fully comply with the company's Compliance Charter. In addition, a Compliance Hand book containing the Compliance Charter has been distributed to all executives and employees to ensure thorough awareness and to make the Charter easily accessible.

Since 2020, the Company has also conducted Corporate Social Responsibility (CSR) training for all employees to emphasize the importance of risk management.



## 6. Trainings

---

In FY2025, Iwase Cosfa will ask all its suppliers to endorse its Supplier Code of Ethics. The company will also conduct a new survey on the CSR actions implemented by its suppliers, with the aim of identifying potential risks and how to mitigate them. In addition, and based on the results of the survey, the company will request suppliers identified as “posing a potential risk” to formulate action plans for improvements and to cooperate with the company to improve their activities.

Iwase Cosfa considers the promotion of respect for human rights as an important issue in sustainability. Iwase Cosfa will continue to implement ongoing measures to prevent the occurrence of modern-day slavery, labor issues and human trafficking on an ongoing basis.

This statement has been approved by the Board of Directors of Iwase Cosfa, and is signed by Iwase Cosfa's President and Representative Director

January 1, 2025

Iwase Cosfa Co., Ltd.  
President and Representative Director  
Yoshinori Iwase