



MODERN SLAVERY STATEMENT (FY 2022)

This statement is published in accordance with section 54 of the 2015 UK Modern Slavery Act. It sets out the initiatives taken by Iwase Cosfa Co., Ltd. (hereafter also referred to as “The Company”) and its subsidiaries in FY2022 to prevent the occurrence of slavery and human trafficking in its business operations and supply chain.

1. Business overview, Organization and Supply Chain

Iwase Cosfa, since its founding in 1931, is a specialized trading company that supplies raw materials to a wide range of industries and fields, from pharmaceuticals and cosmetics to health foods.

The Iwase Cosfa Group consists of 3 main offices located in Japan and of 7 subsidiaries located around the world, including Iwase Cosfa Europe SAS, which regularly conducts business with the UK. Iwase Cosfa employed 348 employees as of December 31, 2022.

Please click on the link below for more details.

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

Regarding the sourcing of raw materials, the Iwase Cosfa Group procures and sells raw materials for cosmetics and health foods from various suppliers, both in Japan and overseas. In addition, Iwase Cosfa has established working cooperative relationships with external contractors in order to provide turnkey OEM solutions for health foods as well as out-sourced safety tests and is expended its business globally. (Number of suppliers as of the end of FY2022: approx. 600 companies)

2. Iwase Cosfa’s policies in relation to slave labor and human trafficking

Iwase Cosfa fulfills its responsibilities as a member of society by advocating its corporate philosophy of “*Giving greater happiness to a greater number through beauty and health*”. The Iwase Cosfa Group entirely 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) and declared its commitment to abide by its Charter of Corporate Behavior, which obliges signatories to respect human rights and require them to comply with various international norms.

In July 2021, Iwase Cosfa also endorsed and announced its commitment to the “My Human Rights Declaration” project, an initiative of the Japanese Ministry of Justice aimed at building a society in which everyone respects human rights.

The company has also declared its support to and signed the UN Global Compact (UNGC), an international initiative advocated by the United Nations. The company is committed to defend human rights, by "supporting and respecting the protection of internationally proclaimed human rights" and by "ensuring that it is not itself complicit in human rights abuses."

Additionally, the Iwase Cosfa Group has established a “Compliance Charter”, stipulating that all executives and employees of the company must respect and observe human rights. It also specifically states the Company’s support for and compliance with laws and regulations prohibiting forced, compulsory, and child labor.

Iwase Cosfa Compliance Charter:

<https://www.cosfa.co.jp/english/company/pdf/compliance-charter-en.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://www.cosfa.co.jp/company/pdf/recruit-policy.pdf> (Japanese)

Iwase Cosfa CSR Report :

Link???

3. Risk Assessment and Due Diligence

Iwase Cosfa recognizes that its supply chain may be at risk of human rights violations. Thus, as part of its efforts to identify risk and ensure supplier adherence to its values, the company has taken the following actions across the Group.

The company has established a “Supplier Code of Ethics” in order to ensure appropriate business operations and to increase its supply chain’s values.

The Iwase Cosfa Supplier Code of Ethics requires Suppliers to agree 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 such practices will enable it to mitigate the risk of slavery and human trafficking throughout its supply chain.

Iwase Cosfa Supplier Code of Ethics:

<https://www.cosfa.co.jp/english/company/pdf/SupplierCodeofEthics-en.pdf>

In 2022, Iwase Cosfa collected over 330 signatures to its code of ethics, and the suppliers who signed the Code represented more than 50% of the company’s sales (in value). The company is working to increase this percentage to 70% by 2025. Iwase Cosfa also conducts an annual CSR survey to ensure that its suppliers fully understand the company’s policies and practices. Iwase Cosfa will continue to strengthen the cooperation with suppliers to fulfill its social responsibility.

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

4. Monitoring Framework

At Iwase Cosfa, risks are evaluated and controlled by the Compliance Committee established in accordance with the Group Compliance Promotion Regulations. Modern slavery and other risks to human rights will be evaluated and controlled under this framework.

Iwase Cosfa has established a whistle-blowing system, allowing the confidential reporting of any suspicions of wrongdoing (which extends to human-rights violations) or compliance violations through internal and external hotlines.

In addition, the company also conducts surveys of all the companies in its supply chain to measure progress in terms of CSR actions, including respect for human rights, and to keep abreast of the latest initiatives taken by its partners. Iwase Cosfa requests improvements from suppliers that do not meet basic criteria regarding respect for human rights or posing potential risks.

To date, the Group has not received any information concerning any issue of 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 Handbook 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 been conducting trainings on Corporate Social Responsibility (CSR) for all employees to educate them on the importance of risk management.

6. Trainings

In FY2023, Iwase Cosfa will revise its Supplier Code of Ethics and ask all its suppliers to endorse this revised Code. 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, 2022

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