

Proya Cosmetics Co., Ltd.

No Deforestation Policy

1. Introduction

Proya Cosmetics Co., Ltd. ("Proya" or the "Company") is committed to promoting responsible wood pulp sourcing. In collaboration with our suppliers, we strive to drive the sustainable development of our wood pulp supply chain and protect the forests vital for human survival. This policy is established to formalize this commitment.

2. Scope

The policy applies to Proya and its subsidiaries and branches included in its consolidated financial statements. It covers the Company's production and operations, products and services, etc. Furthermore, the Company requires suppliers, service providers, contractors, and other key business partners to actively comply with the policy or equivalent policy requirements.

3. Responsibilities

Board of Directors: Bear overall responsibility for and oversee the Company's no deforestation management, setting management directives and strategies.

ESG Management Committee: Responsible for formulating the No Deforestation Policy and monitoring its implementation, ensuring the Company's wood pulp procurement activities align with sustainable development principles.

Procurement Department: Responsible for sourcing wood pulp that complies with environmental regulations and does not originate from illegal logging or deforestation activities. Actively seek sustainable and environmentally friendly wood pulp suppliers to ensure a stable supply of sustainable wood pulp.

4. Commitment

The no deforestation commitment is a crucial initiative for global environmental protection. The Company actively responds to this commitment, dedicating itself to reducing deforestation and forest degradation, and protecting ecosystem integrity and biodiversity.

5. Related Measures

- The Company has set a sustainable procurement target: By 2025, based on the 2021 baseline, increase the proportion of sustainable packaging materials (including commodities like sustainably produced wood and paper) used in packaging materials by 20%.
- The Company prioritizes the procurement of environmentally friendly raw materials and encourages suppliers to source sustainably certified commodities themselves, including but not limited to FSC-certified forest products.
- Suppliers shall commit to refraining from deforestation in High Carbon Stock (HCS) or High Conservation Value (HCV) areas, avoid disturbing peatlands, and strive to improve the management of their own suppliers to ensure compliance with responsible forest management principles.

- The Company communicates its "No Deforestation" expectation to suppliers and partners, working collectively towards this commitment.

6. Others

The policy is formulated and interpreted by the ESG Management Committee under the Strategic Committee of the Board of Directors.

Any matters not covered by the policy shall be handled in accordance with relevant laws, regulations, rules, and normative documents.

The policy shall come into effect from the date of approval by the Board of Directors, and its applicability shall be evaluated every three years or in the event of fundamental changes.