

Sichuan (Guangzhou) Flower's Song Fine Chemical Co., Ltd. (hereinafter referred to as "Flower's Song") Sustainable Palm Oil Policy (hereinafter referred to as the "Policy") aims to drive the transformation of the palm oil supply chain. Flower's Song is committed to helping the development of the palm oil industry, protecting forests and peatlands, respecting the rights of workers and communities; complying with business ethical norms, implementing fair and just trading principles, opposing corruption, bribery, and unfair competition. This policy applies to the transactions of Flower's Song's palm oil derivative products, all of Flower's Song's businesses, as well as suppliers and traders of palm derivative products.

1. No Deforestation

Flower's Song commits to requiring suppliers that since December 30, 2020, they have not caused deforestation and forest degradation in relation to palm oil.

☐ No conversion of High Conservation Value (HCV) areas

Flower's Song commits that within the scope of this policy, in our palm oil derivative product supply chain, we will identify and protect High Conservation Value (HCV) areas. The process of identifying whether there are or potentially exist HCV areas in the supply chain or determining whether there are or potentially exist HCV areas in the areas to be developed will be carried out jointly by HCV auditors in cooperation with local stakeholders. HCV refers to the significant or extremely important biological, ecological, social or cultural values at the national, regional or global level. All natural habitats have inherent conservation values, including the presence of rare or endemic species, the provision of ecosystem services, religious sites or resources harvested by local residents, and can be divided into six categories of High Conservation Value areas (HCV).

1. Species Diversity

Concentration of biodiversity, including special species and rare, threatened or endangered species that are of great significance at the global, regional or national level in the context of palm oil production. Flower's Song commits that the company and its suppliers will protect the ecological environment during production and operation related to palm oil, not affect biodiversity, and actively participate in the conservation of biodiversity. Landscape-level ecosystems are large landscape-level ecosystems, mosaic ecosystems and primary forest landscapes that are of great significance at the global, regional or

national level, and contain the surviving populations of the vast majority of natural species in the natural distribution and rich natural patterns relevant to palm oil activities.

2. Ecosystems and Habitats

Rare, threatened or endangered ecosystems, habitats or protected areas associated with palm oil production areas.

3. Ecosystem Services: Basic ecosystem services in critical situations, including the protection of water resource concentration areas and the control of erosion of fragile soils and slopes in palm oil production regions.

4. Community Needs

Sites and resources (for livelihoods, health, nutrition, water, etc.) that meet the basic needs of local communities or indigenous peoples, which are determined through contact with these communities or indigenous peoples in palm oil production areas.

5. Cultural Values

Sites, resources, habitats and landscapes that have global or national cultural, archaeological or historical significance, or through contact with these local communities or indigenous peoples, determine the ecological, economic or religious importance to the traditional culture of local communities or indigenous peoples in relation to palm oil activities.

□ No conversion of High Carbon Stock (HCS) forests

Flower's Song commits not to convert High Carbon Stock (HCS) forests in relation to palm oil operations. Using satellite data analysis and ground measurement, the HCS stratification method divides the vegetation in a certain area into six different grades. These six grades are: high-density forest, medium-density forest, low-density forest, young forest, shrub and cleared land/open space. The first four categories are considered potential High Carbon Stock (HCS) forests relevant to palm oil production.

6. High-density forest: Advanced secondary forests close to the original state in palm oil production regions.

7. Medium-density forest: Secondary forests that are more disturbed than high-density forests in palm oil production areas.

8. Low-density forest: Similar to secondary forests but highly disturbed and gradually recovering with the ancient forest in palm oil related areas.

9. Young forest: Young regenerated forests that have mostly regenerated for more

than 10 years, but some ancient forests may occasionally appear in palm oil production zones.

10. Shrub: Areas that have been cut within the past 10 years, covered with dominant woody and herbaceous plants of regenerated ground in palm oil production regions.
11. Cleared land/Open space: Land that has been recently cleared, mostly covered with grass and crops, with few non-crop plants in palm oil production areas.
 - ☐ No forest land that has undergone burning and land preparation before new planting and replanting for palm oil production

2. No Peatland Development

Flower's Song commits to protecting peatlands defined as having more than 65% organic matter in the soil in relation to palm oil production. Regardless of the degree, we still commit to complying with the standards of the latest management measures for peatlands in existing plantations in the RSPO manual related to palm oil.

- ☐ No new peatland development for palm oil production.
- ☐ Apply the best peatland management measures in existing plantations for palm oil production.
- ☐ Explore peatland restoration options when feasible for palm oil related activities.

3. No Exploitation of Local Communities and People

- ☐ Respect and support the "Universal Declaration of Human Rights".

Flower's Song safeguards the inherent dignity of individuals and supports the United Nations "Universal Declaration of Human Rights" in all its palm oil related operations.

- ☐ Respect and recognize the rights of all workers, including contract workers, temporary workers and migrant workers involved in palm oil activities.

Flower's Song is committed to ensuring that the rights of all workers, including contract workers, temporary workers and mobile workers in the palm oil supply chain, are respected in accordance with local, national and approved international laws. And ensure that international best practices are adopted in places where there is no legal framework for palm oil operations. Our top priority is to comply with relevant legislation and ethical constraints, create, build and promote a harmonious, safe and healthy working environment and cultural atmosphere in the palm oil industry. The following principles are the core requirements guiding Flower's Song's palm oil related business:

1. No Exploitation and Forced Labor

Flower's Song and its suppliers shall not hire or support forced or exploited labor or human trafficking in palm oil production and supply chain. Appropriate measures shall be taken to prevent exploitation or forced labor in business related to palm oil suppliers. The freedom of movement of workers during their free time shall not be restricted in any way in palm oil operations. Without the prior consent of employees, no property, identity cards, passports and other travel documents shall be seized in palm oil related work.

2. No Child Labor

Flower's Song and its suppliers shall not hire or support the use of child labor in palm oil production activities. If any incident of child labor is found in palm oil operations, remedial actions shall be taken, and appropriate follow-up actions shall be taken to protect the rights and interests of children.

3. Occupational Safety and Health

Flower's Song and its suppliers shall strive to provide a safe and healthy workplace and take effective measures to protect employees from potential occupational safety and health hazards that may cause permanent injury, disease and death in palm oil production.

4. Employment Contracts

Flower's Song and its suppliers shall encourage the signing of employment contracts with employees in writing in a language that employees can understand in accordance with the law for palm oil related work. No fees, identity cards, passports and other documents shall be charged during employment in the palm oil industry.

5. Freedom of Association and the Right to Collective Bargaining

Flower's Song and its suppliers shall, in compliance with relevant national laws and regulations, recognize and respect the rights of employees to organize trade unions and participate in the trade unions selected by employees in palm oil operations.

6. Minimum Income Standard

Flower's Song and its suppliers support paying all workers wages equal to or exceeding the statutory minimum wage standard for palm oil related work; providing guarantees in advance for employees who are ill or injured at work in palm oil production.

7. Working Hours

Flower's Song and its suppliers support compliance with the working hours

specified by national laws, including overtime hours (on a voluntary basis) in palm oil operations.

8. Equal Employment Opportunities

Flower's Song and its suppliers support equal employment opportunities in the workplace for palm oil related jobs. All decisions regarding employment, compensation, access to training, promotion, dismissal or retirement will be made based on business needs, job requirements and personal qualifications, regardless of race, religion or gender, etc. in the palm oil industry.

9. Harassment and Violence

Flower's Song and its suppliers shall not tolerate any form of harassment or violence in palm oil production and related activities.

10. Prohibition of Human Trafficking

Flower's Song and its suppliers shall not tolerate human trafficking in palm oil operations.

11. No Abuse of Power, No Arbitrary Punishment of Employees

Flower's Song and its suppliers shall not use their power to arbitrarily punish employees in palm oil related work.

12. Reporting and Whistleblowing

Flower's Song and its suppliers shall provide confidential methods for all employees to report improper activities (such as unethical or illegal activities) to the company in palm oil operations. No employee who provides such information shall be punished, dismissed or discriminated against in palm oil related business.

13. Grievance Procedure

Flower's Song and its suppliers shall provide channels for all employees to express their dissatisfaction with employment conditions, responsibilities, cooperation issues with colleagues, promotion opportunities and other work-related issues in palm oil operations.

☐ Promote the inclusion of smallholder farmers in the palm oil supply chain.

Flower's Song encourages its suppliers to conduct continuous consultations with smallholder farmers and other stakeholders, provide technical assistance and support to smallholder farmers, and help them comply with this policy in the palm oil industry. Help smallholder farmers' income reach the local minimum living standard in palm oil related activities.

☐ Respect for Land Ownership

Flower's Song respects legal land ownership, recognizes the obligations and

responsibilities related to land ownership, such as respecting the long-term protection and sustainable use of land and national resources in palm oil production. This is to assume our responsibilities in the countries where we operate and comply with national constitutions and local laws and regulations for palm oil activities.

□ Respect for the rights of indigenous peoples and local communities to free, prior and informed consent (FPIC) in palm oil operations.

Flower's Song respects, supports and recognizes that indigenous peoples and local communities have the legal, common or customary rights to give or refuse and to have free, prior and informed consent for the business activities carried out on their land in palm oil production. Flower's Song commits to ensuring compliance with FPIC before starting any new business activities in the palm oil industry. Flower's Song and its suppliers will promote the joint participation of stakeholders in the FPIC process to ensure the full implementation of FPIC work in palm oil related operations.

□ Resolve all complaints and conflicts through open, transparent and consultative means in palm oil operations.

Flower's Song is committed to actively and constructively promoting all stakeholders, including communities, governments, suppliers and civil society, and formulating procedures for responsibly handling complaints through consultation with these stakeholders in the palm oil industry.

4. Traceability to Known Sources

Flower's Song commits to obtaining a clear supply chain and achieving full traceability of the palm oil supply chain.

5. Supplier Requirements

Flower's Song is responsible for implementing this policy throughout the supply chain of palm oil derivatives, including the responsibility of making suppliers attach importance to this policy and comply with it in the palm oil industry. Flower's Song requires suppliers to verify whether the palm oil derivatives they supply to Flower's Song meet the standards of this policy for palm oil related products.

Flower's Song commits to handling allegations of non-compliance with the policy in the palm oil supply chain. Flower's Song will adopt a way of promoting improvement to change suppliers who do not comply with the policy in the palm oil industry, and where possible, help suppliers solve the problems they encounter in implementing the policy for palm oil operations. If suppliers refuse to change their non-compliance with the

policy in the palm oil supply chain, Flower's Song will adhere to the implementation of the policy and take measures to address this issue. Suppliers who fail to meet Flower's Song's sustainable palm oil procurement policy will be punished, including non-renewal or termination of contracts in the palm oil business.

6. Ethical Behavior and Prohibition of Corruption

Flower's Song strictly complies with business ethical norms in the procurement process of palm oil and its derivatives, implements fair and just trading principles, and opposes corruption, bribery and unfair competition in the palm oil industry.

7. The following materials are referred to in the formulation of this policy:

Principles and Standards of the Roundtable on Sustainable Palm Oil (RSPO) 2018

- ☐ Charter of the Palm Oil Innovation Group
- ☐ High Carbon Stock Approach Toolkit
- ☐ Recommendations of the Accountability Framework Initiative
- ☐ United Nations Guiding Principles on Business and Human Rights
- ☐ Principles of the International Labour Organization (ILO)
- ☐ Declaration of Fundamental Principles and Rights at Work of the International Labour Organization
- ☐ ILO Convention No. 190 on Violence and Harassment
- ☐ Convention on the Rights of the Child
- ☐ United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- ☐ Universal Declaration of Human Rights
- ☐ Basic (or Core) Conventions of the International Labour Organization on Labour
- ☐ International Bill of Human Rights

Sichuan (Guangzhou) Flower's Song Fine Chemical Co., Ltd.

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