

Sustainable Procurement Practices for Palm Oil

Calculating the Social Impact of Certified Palm Oil

We took on the challenge of visualizing the social impact (in terms of monetary value) through RSPO-certified palm oil procurement. This initiative is one of our quantitative analyses conducted in FY 3/2024 of the relationship between ESG and

corporate and social value.

We defined the expected social impact generated through RSPO-certified palm oil procurement, converting monetary value for each impact using transparent logic.

Calculation results confirmed we are creating a positive social impact on society through RSPO-certified palm oil procurement, one of our EARTH FOOD CHALLENGE 2030 initiatives. Visualizing social value enables easier

communication of the significance of sustainable procurement to internal and external stakeholders.

We are committed to improving the scope and quality of our data as we advance our efforts in the sustainable procurement of palm oil, and plan to utilize such data to calculate more precise impacts (in terms of monetary value).

Expected Social Impact Generated Through RSPO-Certified Palm Oil Procurement

Area	Social Value
Nature Conservation	Value contributed to conserving land with high ecological, social and cultural value
Pesticide Management	Value of health hazards avoided through proper pesticide use Value contributed to conserving ecosystems through proper pesticide use
CO2 Emissions Management	Value contributed by avoiding CO2 emissions through plantation development screenings Value contributed by reducing CO2 emissions with RSPO certification
Labor	Value contributed by revising wages Value contributed by revising long working hours Value contributed by preventing forced labor and revising working conditions
Gender	Value contributed by encouraging women's employment Value contributed by providing equal training opportunities for women Value from encouraging women's empowerment
Environmental Impact	Environmental impact of CO2 and pollutants emitted during palm oil production (negative impact)

Calculation Formula

Social value = Nature Conservation + Pesticide Management + CO2 Emissions Management + Labor + Gender - Environmental Impact

Examples of Calculation Logic—CO2 Emissions Management—

