

## **Basic Policy on Procurement of Wood and Wood Products and Standards of Conduct Related to Guarantee of Product Legality and Sustainability**

We publicize the Itochu Kenzai Corporation Environmental Policy among company employees and the general public, as well. It is this Environmental Policy that provides the guidelines for our Basic Policy on Procurement of Wood and Wood Products, as well our Standards of Conduct Related to Guarantee of Product Legality and Sustainability.

### **◆Basic Policy on Procurement of Wood and Wood Products**

In order to ensure sustainable forest conservation, Itochu Kenzai Corporation promotes the procurement of wood and wood products that are guaranteed to be legal and sustainable.

### **◆Standards of Conduct Related to Guarantee of Product Legality and Sustainability**

#### 1. Chain of Custody (CoC)-certified timber

We ensure appropriate application of these standards by managing operations based on our in-house CoC Management and Operations Manual, conducting yearly internal CoC audits, and having external certification agencies conduct their own inspections.

#### 2. Guaranteeing legality of wood and wood products procured from companies certified as suppliers of legal wood and wood products

We comply with the standards of conduct, operational guides, and other regulations put forth by the Japan Lumber Importers Association (JLIA), the group of certified legal wood suppliers to which we belong. We also ensure appropriate application of these regulations through periodic audits by JLIA.

#### 3. Guaranteeing product legality and sustainability through in-house measures

We take the following actions to ensure that customers can trust our guarantee of the legality and sustainability of the products that we supply.

- a. We work with affiliates throughout the process to guarantee product legality and sustainability at every stage, from harvesting through to processing and delivery, and we enter into contracts that address segregated management of operations.
- b. We obtain shipping documents with listed certificate numbers such as certificates of legal harvesting (harvesting authorization issued by government organization, etc.) and delivery slips with listed certificate numbers for each processing and distribution stage (in the case of imports) and substantiate the information contained in these documents.
- c. We store all documents related to the guarantee of legality and sustainability for five years.
- d. We audit the conditions of affiliates at each stage by conducting local inspections at least once a year, and we publicly disclose the findings. Moreover, audits are conducted by third-party organizations or employees in positions related to environmental management.

#### 4. We inform all relevant affiliates of our basic policy and standards of conduct.

October 2013

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