

Procurement Policy

The Tomoku Group recognizes social and environmental issues through its business activities, complies with relevant domestic and international laws and regulations based on our management philosophy, and conducts fair and equitable procurement.

1. Fair and equitable opportunities and procurement

- Provide fair competition opportunities both domestically or internationally.
- Select business partners fairly by assessing multiple factors such as product and service quality, price, delivery
 time, stable supply, safety, or corporate financial stability, and ethical and legal compliance, as well as social
 and environmental initiatives, technical and proposal capabilities.

2. Compliance with laws and social norms

- Comply with relevant domestic and international laws and social norms.
- Strictly manage and protect the confidential information of the business partners obtained through purchasing transactions.
- Respect the intellectual properties of third parties and business partners and do not conduct transactions that infringe on such property.
- Accept entertainment and gifts with our business partners within the scope of common sense and in accordance with internal regulations.

3. Consideration for social issues

—In accordance to the Tomoku Group's "CSR Policy" and "Human Rights Policy", ensure that procurement transactions are conducted in a manner that takes account of respect for human rights, rights of workers ,occupational safety and health and corporate ethics

4. Consideration for environmental issues

— In accordance to the Tomoku Group's "CSR Policy" and "Environmental Policy", ensure that procurement transactions are conducted in a manner that takes account of resouce, environment and biodiversity conservation

5. Communications

- Build a long-term relationship of trust by exchanging information with our business partners and strive for coexistence and co-prosperity.
- Strive to improve our procurement activities through proper information disclosure and dialogue with stakeholders.

— Sustainable Timber/Paper Procurement Guideline

Through our corrugated container business, which is considered an excellent product of the circular economy, and our wooden housing business, which leads to the long-term carbon fixation, the Tomoku Group deeply recognizes that our businesses depend on natural capital. We take seriously the risks to sustainable development arising from environmental and social issues, including deforestation, global warming, biodiversity degradation, and human rights issues, and are committed to pursuing sustainable and responsible procurement.

In the procurement of timber and paper, we commit to zero deforestation and strive to minimize the ecological impact of our business activities, while promoting actions that prioritize environment and biodiversity conservation, as well as respect for human rights.



- In our corrugated container business, we prioritize forest certified products that take into account the environment, biodiversity, and respect for human rights. In our housing business, including forest certified products, we prioritize materials whose legal origin can be verified. Through these initiatives, we aim to achieve 100% procurement of such materials by 2030.
- Ensure traceability to encourage the procurement of timber from sustainably managed forests with respect for the environment, biodiversity, and human rights. Purchase only legally logged timber.
- 3. Monitor vendors based on our procurement policy.
- 4. Preferentially purchase forest certified products for office paper (copy paper, envelopes, printed materials, brochures, etc.).