



FY2023

**Results of Traceability Survey of Materials
Procured Overseas**

1 Survey Overview

Among construction materials, a traceability survey was conducted on wood and solar panel components, which are considered to be at high risk of environmental destruction and human rights violations.

(1) Materials subject to survey

Wood (materials for main works and temporary materials) and solar panel components

(2) Survey details

- Wood Survey of distribution channels and use of certified forest timber
- Solar panel components Survey on the involvement of Xinjiang Uighur Autonomous Region at manufacturing bases and in the manufacturing processes

(3) Survey Period October 2023 – November 2023

(4) Survey Results

- Wood 76 companies (+21 compared to the previous fiscal year)

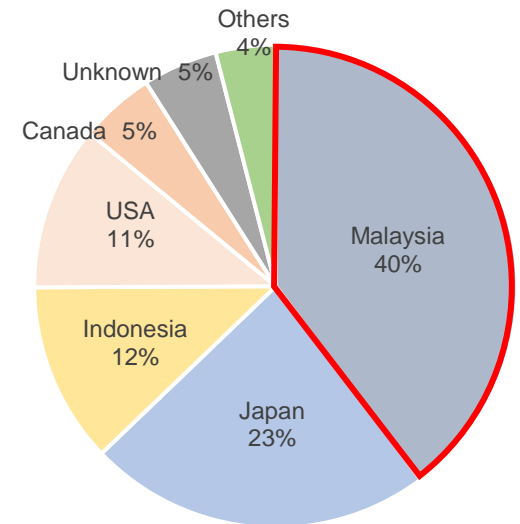
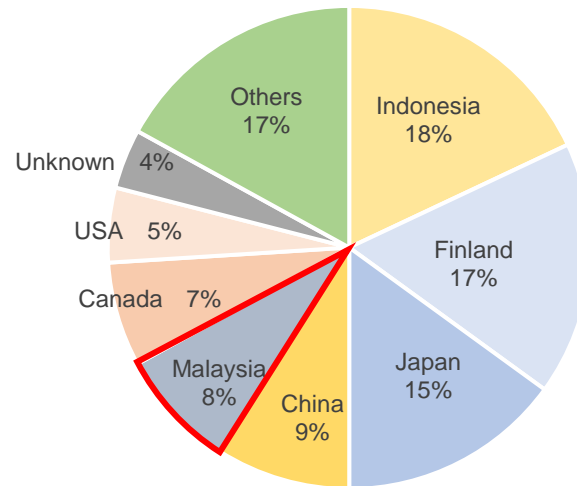
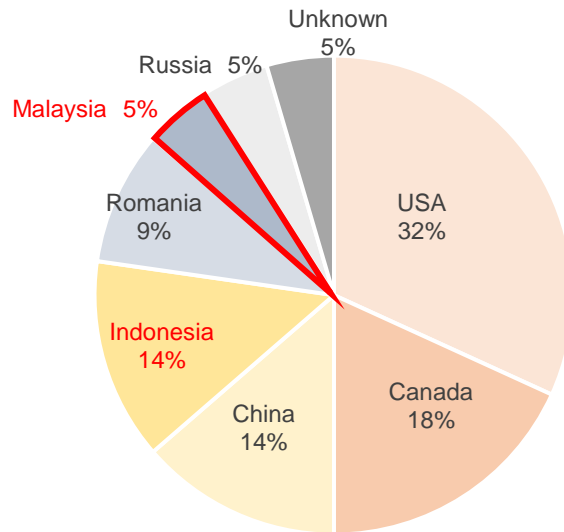
	Osaka Main Office	Tokyo Main Office	Nagoya Branch	Kyusyu Branch	Tohoku Branch	Sapporo Branch	Hiroshima Branch	Shikoku Branch	Hokuriku Branch	合計
FY2023	6	13	10	7	10	4	9	8	9	76
FY2022	9	7	9	5	5	2	5	4	9	55

- Solar panel components 7 companies (+2 compared to the previous fiscal year)

2 Survey Results

(1) Wood

a. Country of origin



* Ratio is calculated by "dividing the number of distribution channels whose country of origin is the concerned country by the total number of distribution channels from the replies of surveyed companies."

Material A for main works (wood)

logs, squared wood, plywood,
scrap wood, etc.

The number of distribution
channels : 22

Material B for main works (processed wood products)

wooden fittings, furniture, etc.

The number of distribution channels :
111

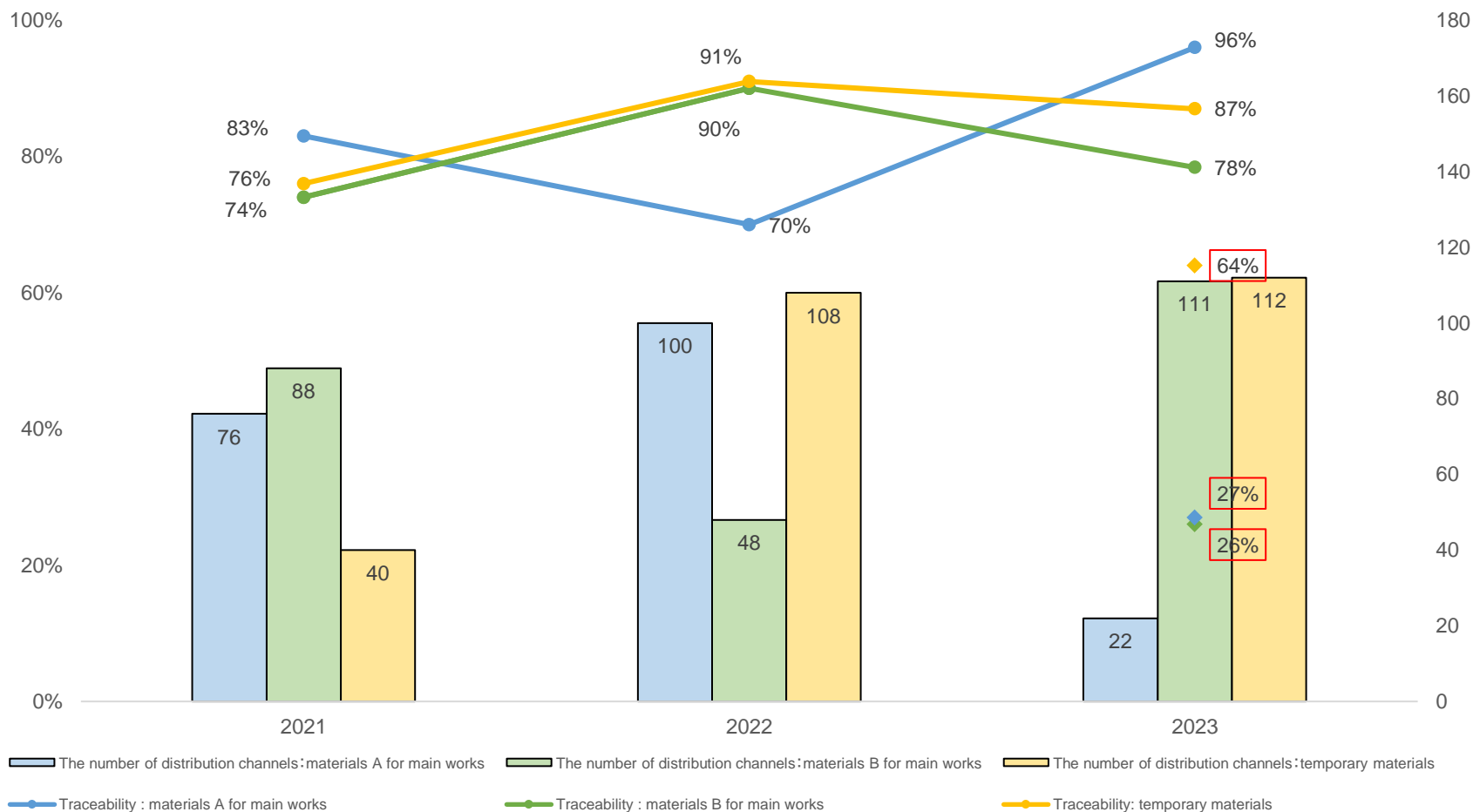
Temporary materials (formwork materials)

The number of distribution
channels : 112

2 Survey Results

(1) Wood

b. Traceability (survey whether it is possible to trace from primary vendor to manufacturer in country of origin)



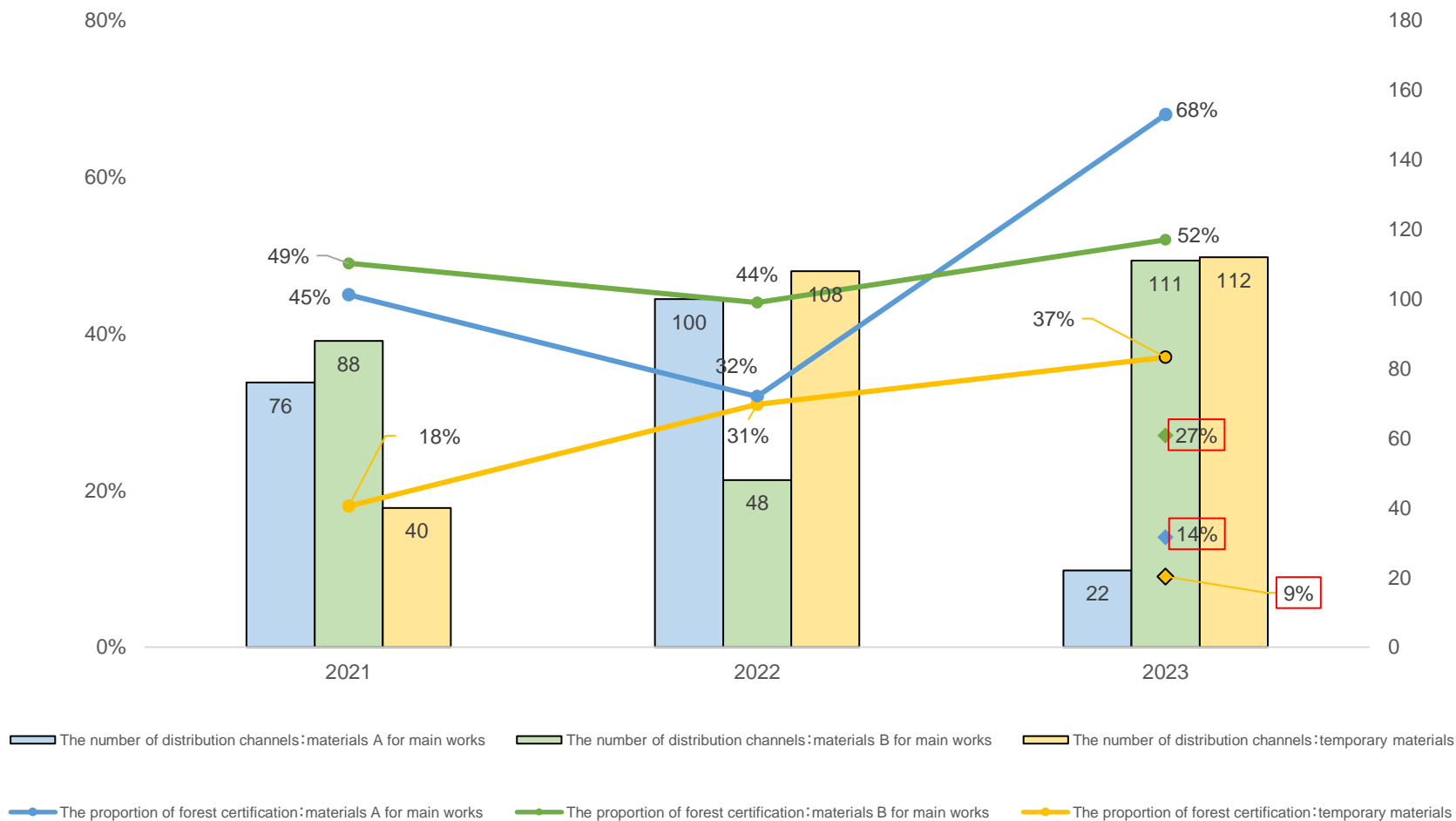
Note 1) The proportion is calculated by “dividing the number of traceable distribution channels by the total number of distribution channels from the replies of surveyed companies.”

Note 2) ♦ : This indicates proportion of distribution channels that can be traced back to the city/region where the forest is located.

2 Survey Results

(1) Wood

c. Use of materials with forest certification



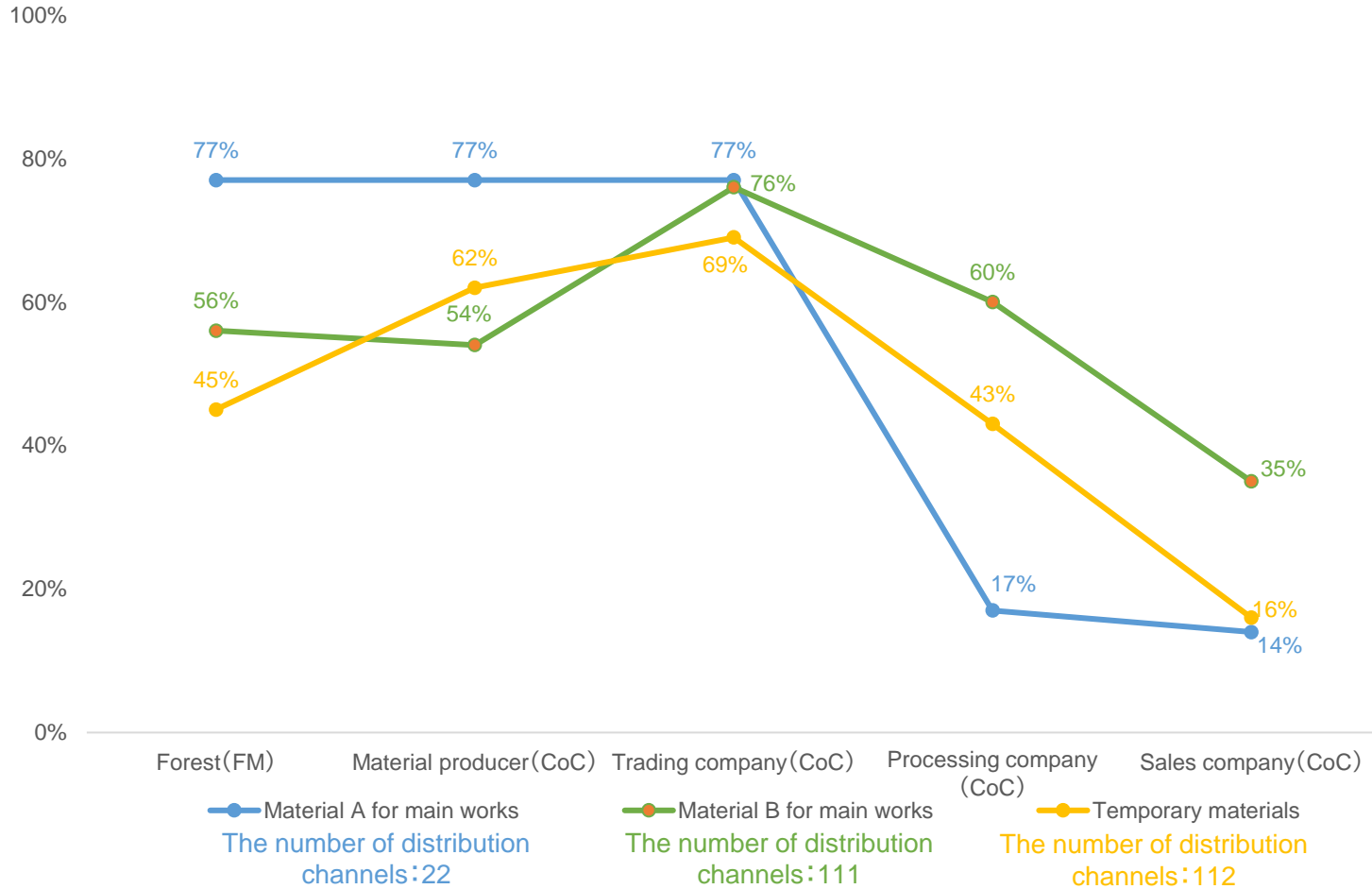
Note 1) The proportion is calculated by “dividing the number of distribution channels which use certified forest timber by the total number of distribution channels from the replies of surveyed companies.”

Note 2) ♦ : This indicates proportion of distribution channels in which all business units, from forestry company to sales company, have forest certification.

2 Survey Results

(1) Wood

c. Use of materials with forest certification (Proportion of forest certification holders in each phase)

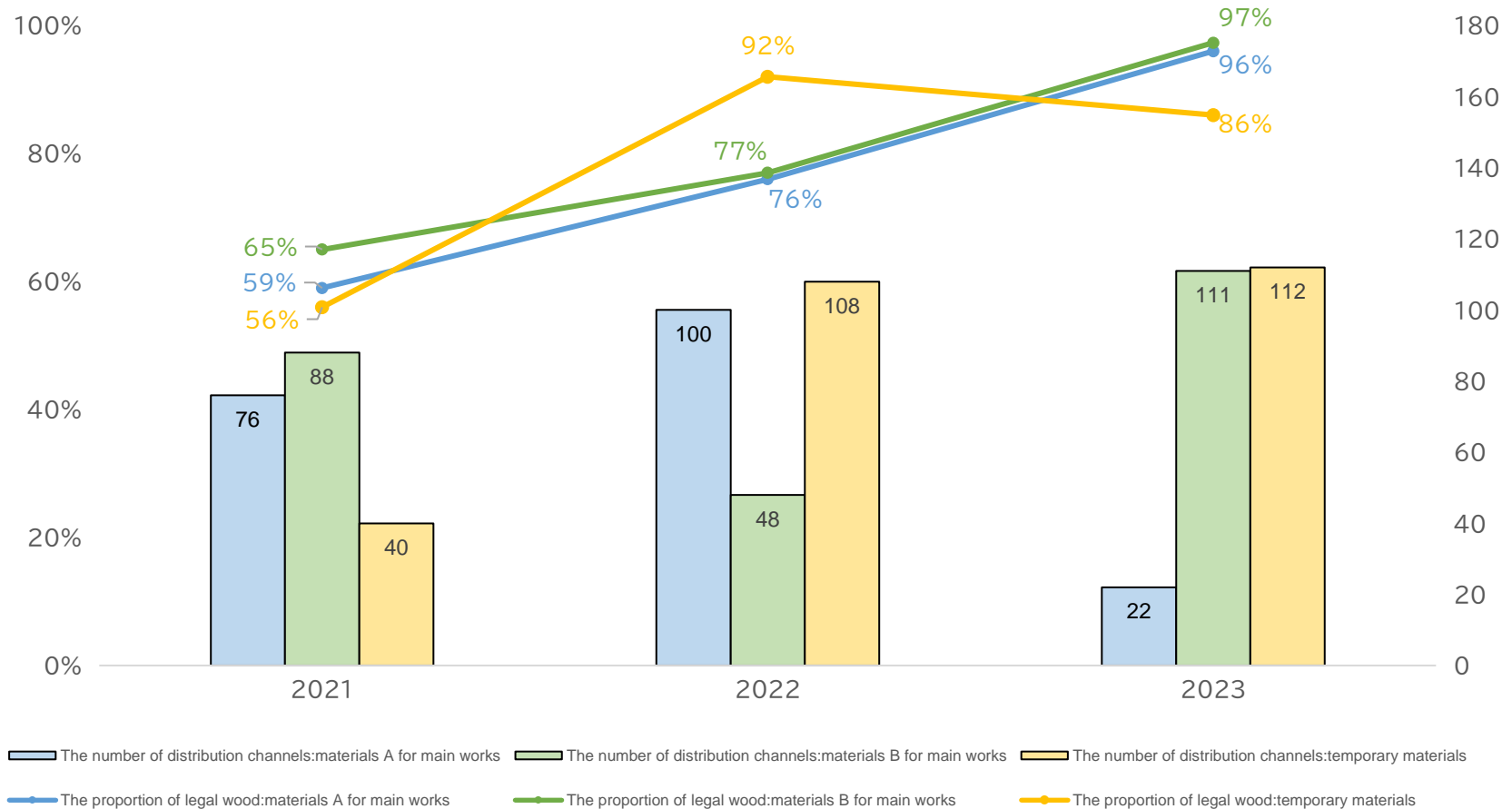


Note : The proportion is calculated as follows: the number of forest certification holders in each phase / total number of companies in each phase

2 Survey Results

(1) Wood

d. Proportion of legal timber used

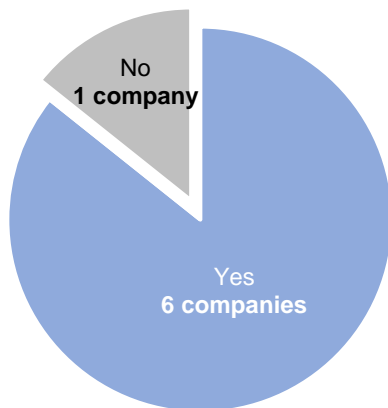


Note : The proportion was calculated as follows: the number of distribution channels that procure legal timber / total number of distribution channels reported by each company

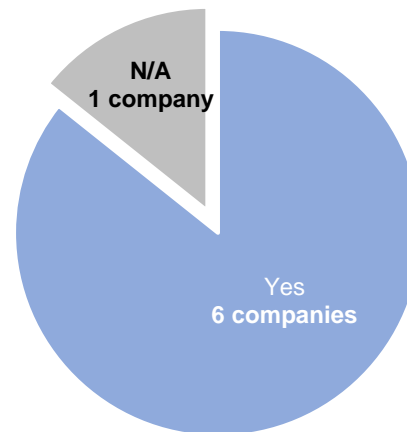
2 Survey Results

(2) Solar panel components

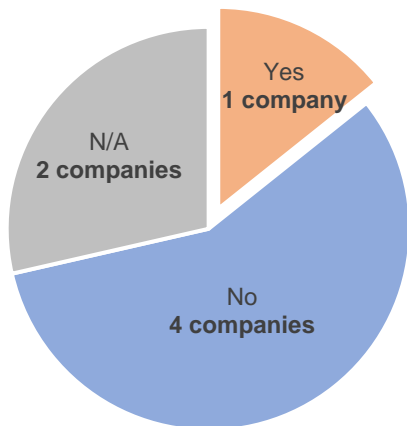
Do you have guidelines to prevent human rights violation in place?



Do you conduct investigation to determine whether timber from Xinjiang Uygur Autonomous Region is included?



Do you use timber from Xinjiang Uygur Autonomous Region?



We visited the company to question the supplier directly. The supplier in question has acquired the internationally recognized SA8000 certification and manages its supply chain accordingly. The interview confirmed that the supplier does not use any parts or materials that are manufactured through child or forced labor.



A global standard based on the Universal Declaration of Human Rights, ILO Conventions, and other international human rights and labor codes as well as national laws and regulations concerning labor. It prohibits child labor and forced labor, and the same must be required of suppliers.

3 Evaluation and Issues

(1) Wood

- Traceability in general was confirmed for both wood for main works and wood for temporary materials.
- While proportion of distribution channels procuring timber from forests with FM certification is increasing, the number of distribution channels in which all business units, from forestry company to sales company, have such certification is still limited.
- Although it was ascertained that approximately 90 percent of total distribution channels procure legal timber, remaining 10 percent is yet to be confirmed.

(2) Solar panel components

- Almost all companies have guidelines or other means in place to require suppliers not to involve child labor or forced labor.
- Although there were companies that use timber from Xinjiang Uygur Autonomous Region, they manage supply chain based on SA8000 certification and it was confirmed that no material produced through child labor or forced labor was used.

4 Future efforts

- By continually conducting traceability surveys and engaging with partner companies, we will assess the actual state and demand adherence to CSR procurement.
- We will also examine survey contents and methods, including face-to-face interviews and visits to actual sites.
- Based on assessment results of actual situation, we will work to reduce risks with help of external consultants, etc., while closely observing changes in the social conditions and development among industry organizations.