



FY2024

Results of Traceability Survey of Materials

1 Survey Overview

We conducted traceability surveys on timber materials and solar panel components, which are considered to pose high risks of environmental destruction and human rights violations among construction materials.

(1) Materials Subject to Survey

Timber materials and solar panel components

(2) Survey Details

Timber Materials

Survey of country of origin and wood certification status
based on Commercial flow or procurement quantity

Solar Panel Components

Survey of involvement of Xinjiang Uyghur Autonomous Region
in manufacturing process

(3) Survey Period

October – November, 2024

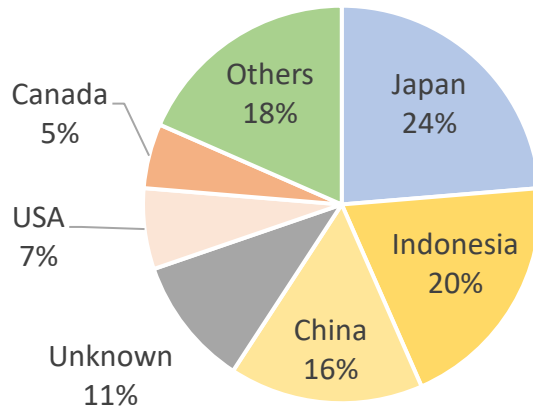
(4) The Number of Companies Surveyed

Timber Materials	102 companies (+26 compared to the previous fiscal year)
Solar Panel Materials	12 companies (+5 compared to the previous fiscal year)

2 Survey Results

(1) Timber Materials

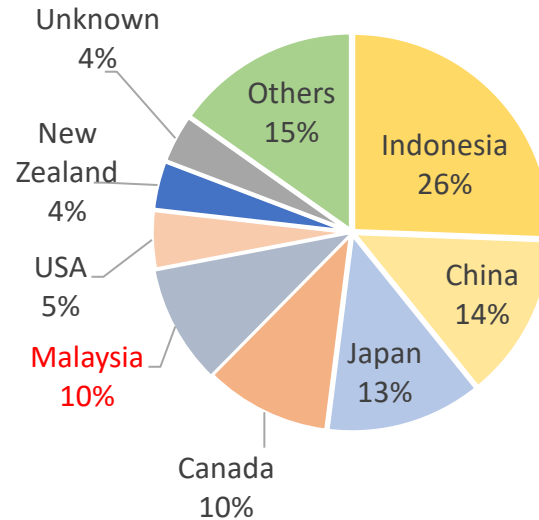
a. Country of Origin



Construction Materials (Wood): Materials A

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

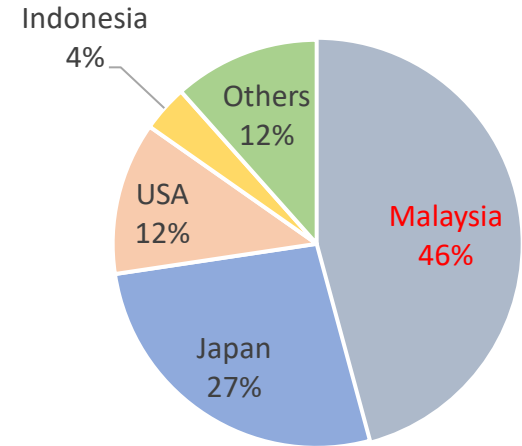
The number of distribution
channels: 75



Construction Materials (Processed Wood Products) : Materials B

wooden fittings, furniture, etc.

The number of distribution
channels: 112



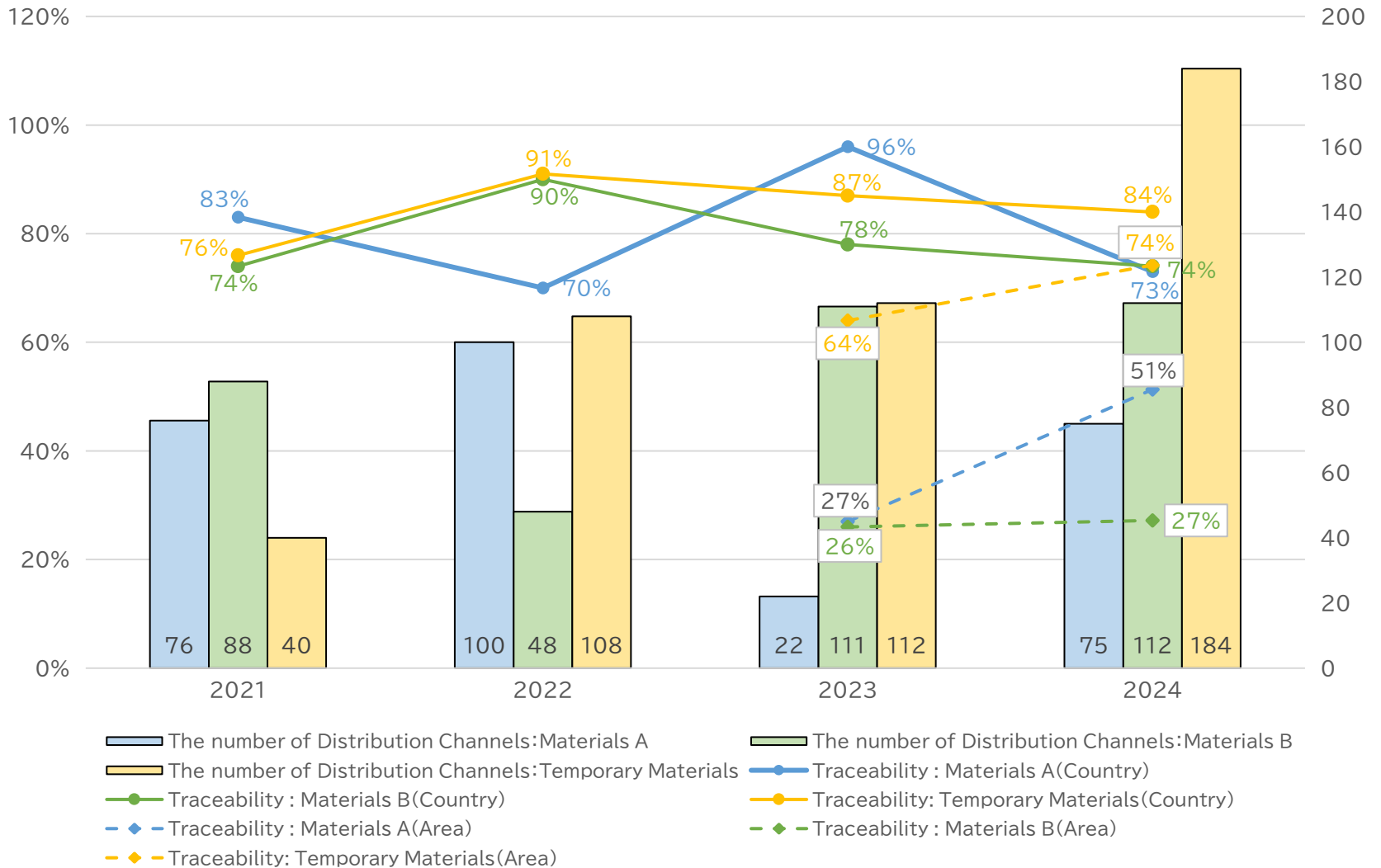
Temporary Materials (Formwork Materials)

The number of distribution
channels: 184

2 Survey Results

(1) Timber Materials

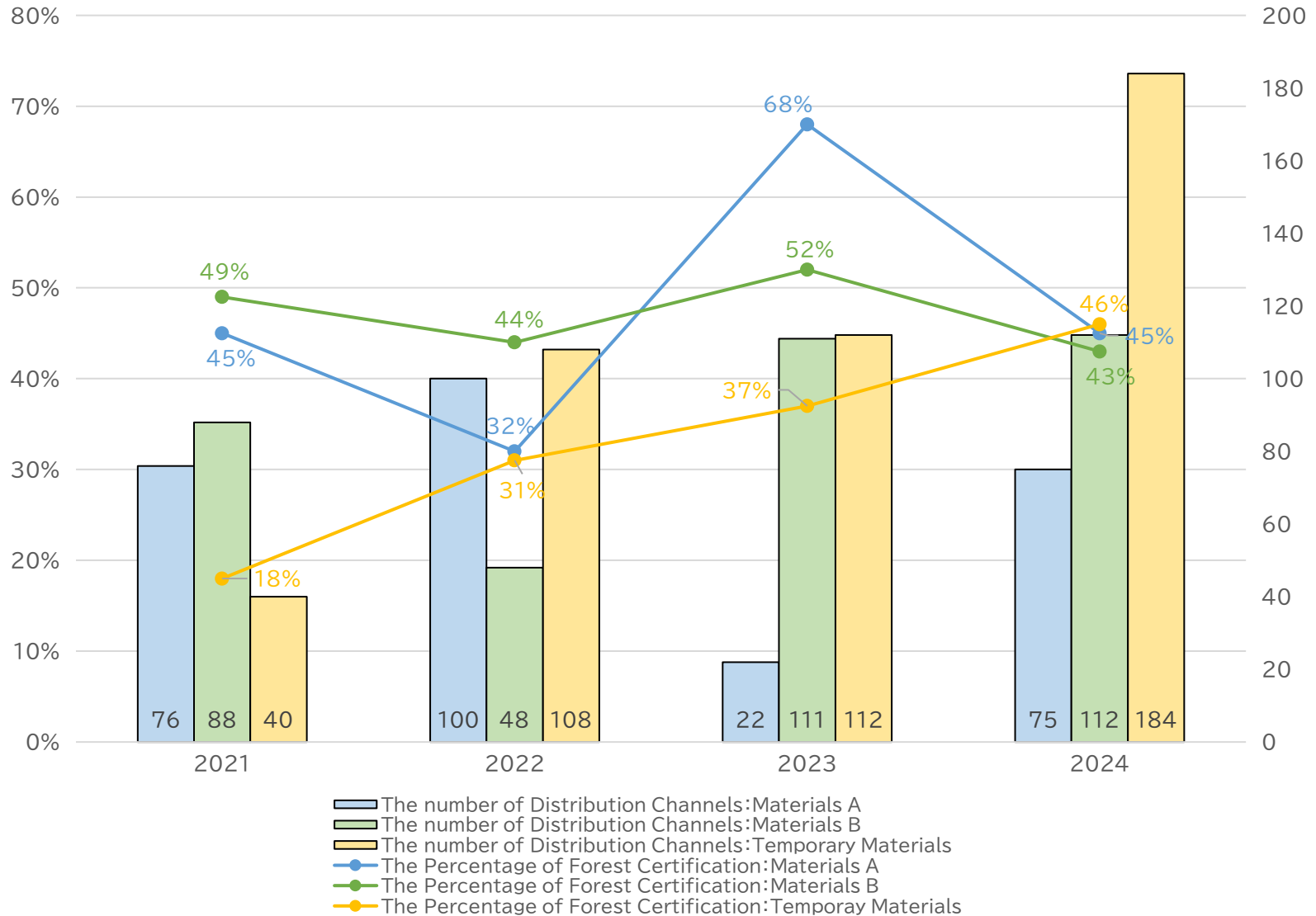
b. The Percentage of Distribution Channels Traceable From Primary Suppliers to Manufacturers in Countries of Origin



2 Survey Results

(1) Timber Materials

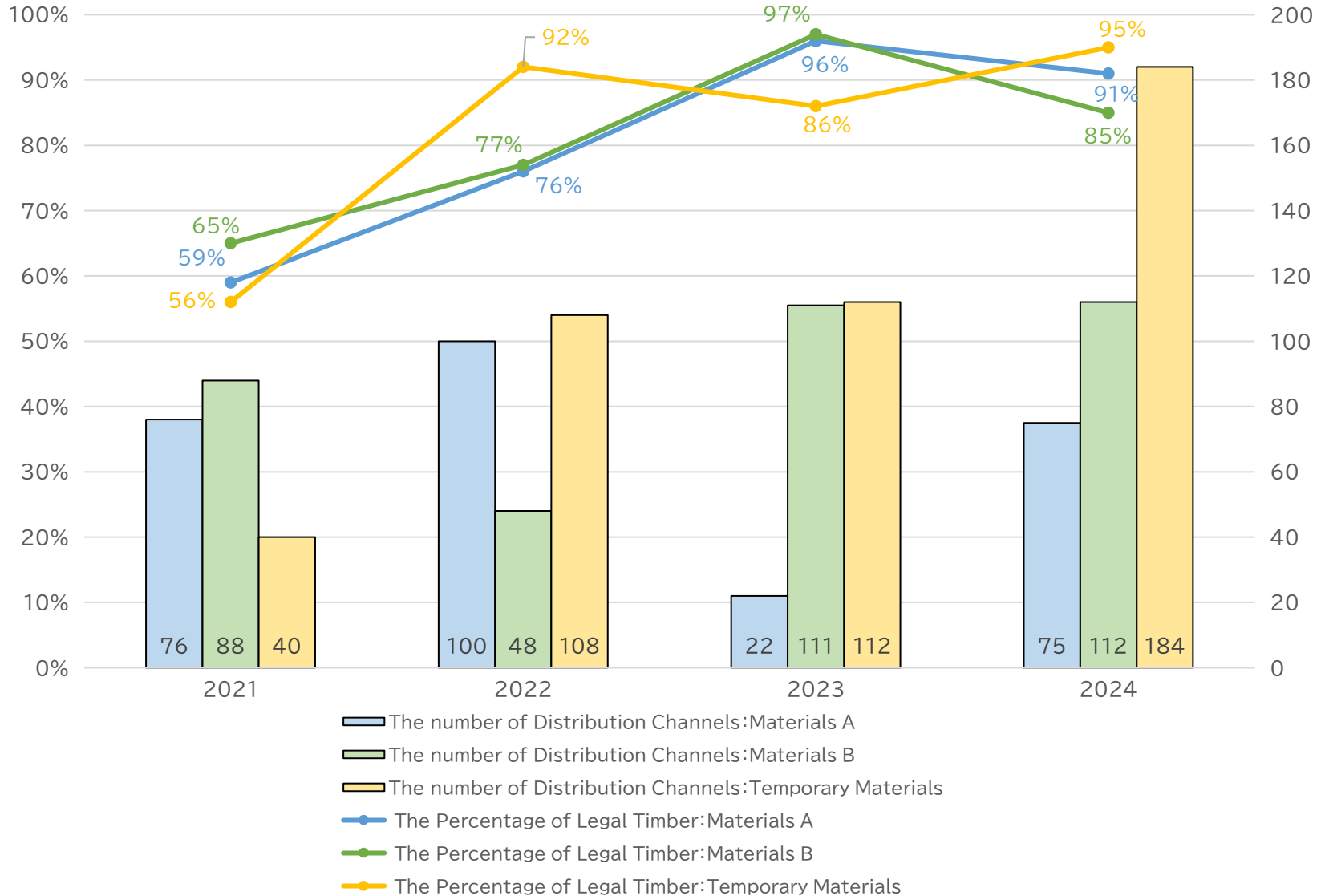
c. Percentage of Forest Certification Materials in Distribution Channels



2 Survey Results

(1) Timber Materials

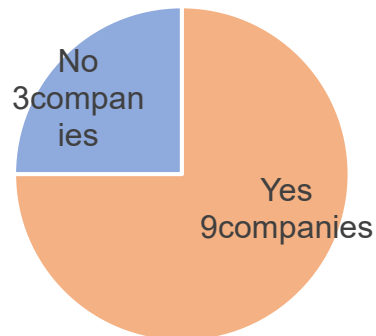
d. Percentage of Legal Timber



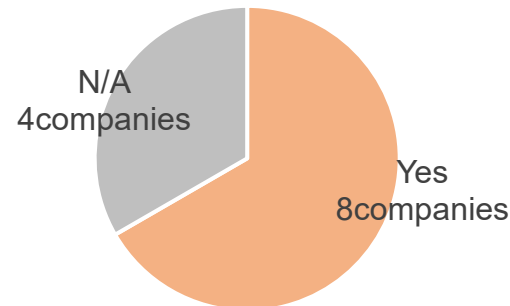
2 Survey Results

(2) Solar panel components

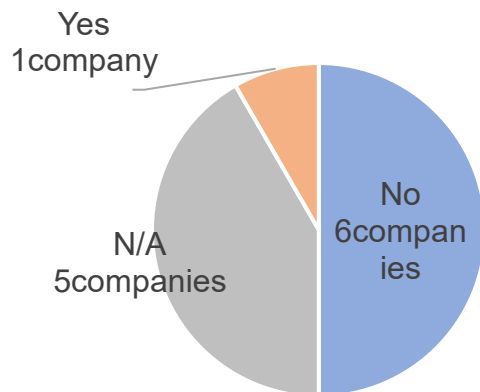
Do you have guidelines to prevent human rights violation in place?



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



Do you use timber from Xinjiang Uygur Autonomous Region?



Companies that responded "Yes" were interviewed last fiscal year. They hold SA8000 certification, an international standard, and manage their supply chains based on this certification. We confirmed that they do not use components manufactured through child labor or forced labor.



A global standard based on the UN Declaration of Human Rights, ILO conventions, other international human rights and labor norms, and national labor laws. It prohibits child labor and forced labor, and requires suppliers to comply with similar provisions.

3 Evaluation and Issues

(1) Timber Materials

- For construction material A, where the number of surveyed distribution channels increased, both traceability and the percentage of certified materials declined.
- Similarly, for formwork materials—which also saw an increase in the number of surveyed supply chains—the percentage ensuring traceability exceeded 80%, and the proportion using certified materials also increased. This suggests either growing demand for certified materials or heightened awareness among suppliers.
- Regarding temporary materials (formwork materials), while Malaysian products accounted for 40% based on the number of transactions, they represented 80% based on the volume of construction work (mostly from Sarawak State), indicating a heavy reliance on Malaysian products.
- Regarding temporary materials (formwork materials), the percentage of certified materials is approximately 40% based on construction volume, with Malaysian-produced materials accounting for about 80% of that. Furthermore, while the volume of North American (U.S. and Canadian) materials used is not large, the proportion of certified materials is high.

(2) Solar Panel Components

- Nearly all companies require their suppliers to prohibit child labor and forced labor through guidelines and other measures.
- While a certain number of companies did not respond or provided no answer, each company is conducting surveys and other measures to identify and mitigate risks.

4 Further efforts

- We will consider setting medium- to long-term initiatives and goals for sustainable procurement.
- We will continuously conduct traceability investigations and, through engagement with suppliers, seek to understand the current situation and ensure compliance with the CSR procurement policy.
- We will maintain an understanding of the current situation and closely monitor changes in social conditions and industry group trends, utilizing external consultants and other resources to reduce risks.