Wood Pulp Sourcing Policy

1. Basic Concept
   Daiwabo Rayon Co., Ltd. puts importance on determining suppliers of wood pulp as main raw material, and procures wood pulp harvested from properly managed forest resources.

2. Sourcing Policy
   (1) We preference wood pulp sourced from forests that are responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system. (*1)
   (2) In order to source pulp derived from “wood whose legality and sustainability can be verified,” we evaluate and select wood pulp suppliers. If a supplier is found to be improperly sourcing raw materials, we will take appropriate actions such as providing guidance for improvement or suspending transactions.
   (3) For appropriate raw material procurement, we avoid procuring pulp made from the following types of wood.
      A. Illegally harvested wood
      B. Wood that is harvested from areas where violation of traditional rights and human rights exists
      C. Wood that is harvested from forests officially identified as being of high conservation value such as ancient and endangered forests
      D. Wood that is harvested from forests made by planting genetically modified trees
      E. Wood that is harvested from plantation established after 1994 through the conversion or simplification of natural forests
      F. Wood that is harvested without “free, prior and informed consent” by indigenous peoples and traditional communities
   (4) We support the activities of Canopy, a non-profit organization, to protect ancient and endangered forests, and cooperate in accepting third-party audits. We will support collaborative and visionary systems that protect remaining ancient and endangered forests in Coastal Temperate Rainforests, Canada’s Boreal Forests, and Indonesia’s Rainforests.

3. Next Generation Solutions
   We collaborate with our suppliers to promote the development of products using alternative raw materials that reduce impacts on forests such as recycled materials, leading to production on a commercial scale.

Daiwabo Rayon Co., Ltd., August 2022

Note:1  Our company has a preference in place for wood pulp that is certified to the Forest Stewardship Council (FSC) standard. We note this preference because FSC has performance-based criteria that can lead to better social and environmental outcomes.
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