

Timber and Paper Products Procurement Guidelines

Forests play an important role in combating climate change and maintaining biodiversity. Meanwhile, forest loss is continuing on a global basis, and one of the causes is said to be deforestation due to the production of wood products including timber and paper.

In light of these circumstances, Mitsubishi Corporation (hereafter 'MC') has established the Timber and Paper Products Procurement Guidelines, which serve as MC's policy for the conservation of forests and forest ecosystems, and for addressing human rights and labor-related issues in forest areas.

Through these Guidelines, MC conveys its fundamental perspective to its suppliers around the world and strives to ensure the following:

1. Timber and paper products (hereafter "Products") procured are produced from sustainably and legally managed forests or from recycled materials.
2. Products are procured in a manner in which the human rights of local residents and forestry workers are respected throughout the wood harvesting process.
3. Products are procured from suppliers that have established and employ a management structure to confirm the legality of the wood-related raw materials and products they procure.
4. Suppliers are not involved in serious social and environmental issues including the deforestation of High Conservation Value (HCV) forests or the destruction or conversion of High Carbon Stock (HCS) areas to agricultural land. MC will continue making efforts to confirm this through forest certification schemes and independent investigations.
5. The procurement of FSC^{*1} or PEFC certified Products is prioritized. Suppliers who have not obtained forest-related certifications will be requested to do so. In the event that procurement of FSC or PEFC-certified products is not possible, MC will procure from suppliers that meet the standards established in the Mitsubishi Corporation Policy for Sustainable Supply Chain Management. If a violation of this policy is confirmed, MC will demand that the relevant supplier implement corrective measures and will provide guidance and assistance to the supplier as necessary. If MC determines that the supplier is unlikely to implement corrective measures even after providing continuous guidance and assistance, MC will re-evaluate its business relationship with the relevant supplier.

With regards to raw materials for biomass power generation, in addition to the above, MC will not source palm-derived raw materials^{*2}.

*1 License Code : FSC® - C156725、 FSC® - C016424

*2 Palm oil and biomass residue generated as by-products of palm oil production (PKS, EFB etc.)