

Inabata Group Sustainable Supply Chain Policy

1. Commitment to a sustainable supply chain

The Inabata Group has set “providing value through resilience in procurement and supply functions” as one of our materialities. We view the supply chain as the foundation of creating sustainable value as a trading company. Our important mission is to utilize our global supply chain network to meet the changing needs of our clients and society, and to contribute to solving problems.

We, as a group, firmly believe that building a sustainable supply chain that considers issues such as the environment, human rights, and working conditions is our responsibility as a member of society and will also become yet another advantage offered by our group.

The Inabata Group has established this policy as a common set of values for our supply chain partners. We aim to create useful value for society by working together with all business partners* to build relationships of coexistence and mutual prosperity.

*Suppliers who provide goods and services, business contractors, etc.

2. Scope

This policy applies to all officers and employees (including employees working on a fixed-term contract and temporary employees) of the Inabata Group, as well as to all business partners with whom we work together to build a sustainable supply chain.

3. Supply Chain Sustainability Promotion Guidelines

The Supply Chain Sustainability Promotion Guidelines define the values that the Inabata Group and our business partners should share in transactions, and the matters that we should promote together. These Guidelines serve as the foundation for all transactions with our group. We ask both our group and our business partners to understand and implement these Guidelines.

We aim to work with our business partners to build a sustainable supply chain that continues to create value while considering the environment and society.

Supply Chain Sustainability Promotion Guidelines

1) Compliance with Laws and Regulations and Support for and Respect of International Norms

- In business transactions, the Inabata Group complies with the relevant laws and regulations of each country and region, as well as international rules, and supports and respects international norms*.

* These include The Ten Principles of the UN Global Compact in four areas: human rights, labor, environment, and anti-corruption, the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (covering five areas: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced labor, the effective abolition of child labor, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment), the Convention on the Rights of the Child, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

2) Fair Transactions and Anti-Corruption

- The Inabata Group thoroughly engages in fair transactions, including preventing conflicts of interest, money laundering, and other illegal activities, and preventing anti-competitive practices.
- We also prevent all forms of corruption, including extortion and bribery.

3) Respect for Human Rights

- The Inabata Group does not tolerate any form of forced labor, including human trafficking and slave labor.
- We do not tolerate child labor (in principle, labor by children under the age of 15 or children who have not reached the minimum working age set by the laws of each country).
- We seek to provide a safe, hygienic, and healthy working environment. We prepare emergency response measures for disasters, accidents and other unforeseen incidents, and raise awareness for those measures.
- We do not tolerate discrimination of any kind, including at the time of recruitment and employment.
- We do not tolerate any form of harassment, and do not engage in inhumane treatment including abuse and corporal punishment.
- We respect employees' right to organize and right to collective bargaining, and promote smooth discussion between management and workers.
- We appropriately manage employees' working hours, holidays and vacations in accordance with applicable laws and regulations, and prohibit excessive overtime work.
- We comply with the statutory minimum wage and seek to ensure the payment of a living wage. We do not make unjust deductions from wages.

4) Environmental Conservation

- The Inabata Group undertakes environmental conservation activities by establishing an environmental management system and aiming for continuous improvement.
- We seek to reduce greenhouse gas emissions and promote the realization of a decarbonized society.
- We improve the efficiency of resource and energy use and seek to reduce waste.
- We work to reduce and properly dispose of hazardous waste and pollutants, and seek to prevent environmental pollution.
- We appropriately manage chemical substances and seek to replace them with less harmful alternatives.
- We work to conserve water resources by effectively using water and reducing water usage in water-stressed regions.
- We evaluate the impact on biodiversity and seek to achieve Nature Positive.

5) Quality Control

- We seek to maintain and ensure the quality and safety of products and services.

6) Information Management

- The Inabata Group appropriately manages and protects confidential information and personal information obtained in transactions, and does not infringe on the intellectual property rights of third parties.

7) Coexistence with the Local Community

- As a member of society, the Inabata Group strives to coexist with the local community.

8) Partnerships

- The Inabata Group encourages our upstream suppliers to comply with these Guidelines.

9) Information Disclosure

- The Inabata Group discloses information on the above information in a timely and appropriate manner.

4. Engagement with Business Partners

The Inabata Group engages with our business partners in various ways, aiming to build relationships for continual growth together with partners as we work toward the same goals.

In order to ascertain the status of compliance with these Guidelines, we will deeply communicate with our business partners and seek to understand the actual conditions.

If a serious violation of these Guidelines is confirmed, we will ask the business partner in question to take corrective action. If we determine that correction is difficult even after providing continuous guidance and support, we will take measures that include reviewing the appropriateness of transactions with that business partner.

If an employee or business partner of the Inabata Group violates these Guidelines in a transaction involving our group, or if there is any suspicion of such a violation, please report it through the inquiry desk. We will ensure the confidentiality of the reporter and the content of the report. A person reporting a violation will not be subject to any disadvantageous treatment.

5. Policies for Specific Fields

Responsible Minerals Sourcing Policy

- 1) The Inabata Group does its best to responsibly procure minerals that are not involved with human rights violations (including forced labor and child labor) in high-risk areas such as conflict zones, funding to armed groups, illegal transactions, complicity in conflicts, or environmental destruction.
- 2) In response to client requests, we will collaborate with suppliers to conduct investigations in accordance with international frameworks.

Wood Procurement Policy

- 1) With the cooperation of our suppliers, the Inabata Group seeks to ensure the traceability of the wood we source.
- 2) We seek to procure properly managed sustainable forest resources that conserve forest resources and consider the conservation of ecosystems and biodiversity.
- 3) We seek to prevent and reduce adverse human rights impact caused by deforestation and wood processing.
- 4) We seek to expand our procurement of wood products that have obtained internationally trusted forest certification.

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