

SMB Kenzai Co., Ltd.

Timber Procurement Policy

Established: January 1, 2017

Revised: December 11, 2025

In accordance with our Basic Sustainability Policy, which commits us to addressing global challenges and striving toward a sustainable society, we have established the following policy to promote the sustainable use of forest resources and ensure responsible timber procurement.

Applicable Products

Timber and timber products handled by us. ("Timber")

Conduct Guidelines

We are dedicated to advancing responsible wood sourcing by working closely with our stakeholders to execute the initiatives outlined below.

- We are committed to responsible Timber sourcing and strive to achieve zero deforestation.
- We contribute to preventing the unregulated exploitation of natural forests and preserving High Conservation Value Forest (HCVF).
- We promote the procurement of wood produced under sustainable forest management, giving preference to materials that have earned internationally accredited certifications, including FSC and PEFC.
- We verify the legality of Timber we procure by obtaining appropriate documentation and conducting regular audits.
- We request our business partners to ensure that due consideration is given to local communities and their customary rights. In accordance with international standards such as FPIC (Free, Prior and Informed Consent), we urge them to respect the human rights and cultures of indigenous peoples.
- To build an ethical supply chain based on international labor standards (such as the ILO), we require our business partners to prohibit forced and child labor, prevent discrimination, harassment, and inhumane treatment, and respect workers' rights to

freedom of association and collective bargaining. Furthermore, we urge them to ensure fair working hours, wages, and occupational health and safety

- We strive to identify the origin and distribution channels of Timber, ensuring traceability and maintaining an appropriate management system.
- To ensure transparency in Timber procurement, we work closely with our suppliers to build reliable business relationships by enhancing information disclosure and strengthening audit systems.
- We will enhance the effectiveness of these guidelines through periodic reviews and continuous improvement. Furthermore, we will promote the integration of this policy across our organization through education and training for all relevant personnel