



## TRI-WALL GROUP

# Corporate Social Responsibility - Sustainable Procurement Policy

Tri-Wall's commitment to sustainable procurement is a priority that reaches all people in all locations across the globe. It takes into account an environmental awareness and focuses on promoting sustainable development across all its operations.

The most relevant category for Tri-Wall's stakeholders is raw materials. Since we work with fibre-based products, sourcing of wood and recovered paper is vital. The sourcing of materials, goods and services, utilities represents the single largest cost item for Tri-Wall, and we therefore invest in a tailored risk mapping process to reveal any areas of concern in our supply chain. This shows that the majority of our strategic and important suppliers of key materials, goods and services, utilities carry moderate to low supply chain risk.

Further information related to sustainable procurement is included in the Tri-Wall Group Charter of Corporate Behaviours and Responsibilities 2018. Tri-Wall's parent company, Rengo, addresses the issue in its corporate philosophy, environmental charter and Fundamental Policy on Procurement. The latter includes requests to our suppliers regarding their policy for wood pulp as well as conflict materials policy. The Rengo Fundamental Policy on Procurement expressly calls for the support of human rights under the UN Global Compact.

### SUSTAINABLE SOURCING POLICY

Our approach is to engage with our suppliers, requesting them to employ sustainable practices. Recurring audits and follow up programmes will be used to assure continuous progress.

- To be part of our vision and strategy, all suppliers must comply with Tri-Wall's Code of Conduct and follow Tri-Wall's Sustainable Procurement Policy, by reviewing and signing sourcing policy document.
- All suppliers delivering wood or fibre-based raw materials are required to comply with our Forestry and Fibre Sourcing policy.
- Suppliers must declare all instances where the manufacture of our goods are out-sourced
- It is mandatory to perform a risk management assessment of every contract irrespective of value.
  - Summarise the key risks in the Risk Management Assessment Sourcing Table.

- As part of the risk assessment, identify the proposed types and levels of insurance to be required in the proposed contract. Are the types of insurance and their level of cover appropriate for this procurement?

To ensure a sustainable global supply chain, Tri-Wall:

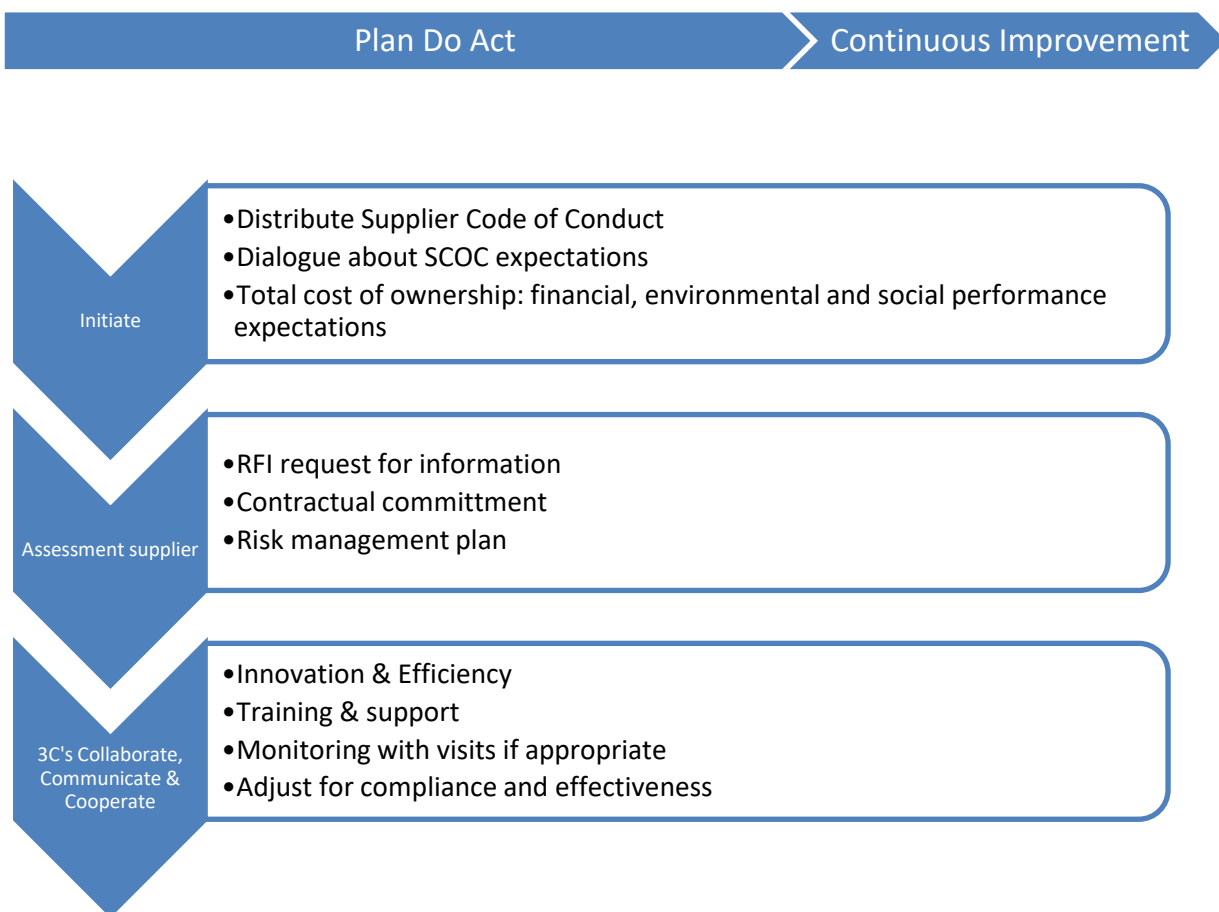
- Promotes transparency by establishing strong processes to drive visibility and accountability.
- Manages risk by setting legal, ethical and business expectations and monitoring compliance.
- Focuses on collaboration, innovation and deliberate improvement

Tri-wall global operations require a sourcing process designed for consistency. Our procurement policy includes business rules that apply throughout our operations around the world. Our governance structure facilitates this process in a transparent manner across businesses and geographies. Below is a basic outline of our process for continuous supply improvement.

### TRI-WALL'S PATH TO SUSTAINABLE SOURCING

Tri-Wall global operations require a sourcing process designed for consistency.

- Below is a basic outline of our process for continuous supply improvement



**PAPER SOURCING and AVAILABILITY**

Tri-Wall’s Group emphasises the use of recycled fibres through our sustainable business model, but will also use various amounts of virgin fibres. Whilst we consume virgin fibre today we must also protect the resources that our business will need in years to come.

When sourced from well-managed forests, harvested timber has vital social, environmental and economic benefits and can be a truly sustainable enterprise. We do recognise that in some countries and regions there are issues with deforestation and illegal logging. Therefore, we believe that supporting responsible and sustainable forestry is a matter of strategic importance for our industry.

Our main target areas are:

- A. Supporting practices for forest management and chain of custody, and gaining certification across our operations
  - I. 100% of our sites to have a chain of custody certification (FSC®, PEFC or SFI) by 2020.
  - II. Ensuring, through traceable and transparent supply chains, that any virgin fibres in our products originate from sustainably managed sources.
- B. Use 100 per cent recycled or chain of custody certified papers
- C. As a minimum we will require all paper suppliers to ensure that the paper they supply to us does not come from controversial sources or high risk areas.

Forest Chain of Custody Certification is the natural next step to ensure that not only our raw materials, but also our finished paper and board products maintain transparency and traceability to ethical and responsible sources of fibre, providing our customers with peace of mind about where our products come from – from the forest to the end consumer

**Tri-Wall Supplier Chain index (consolidated or by region)**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
% of suppliers accessed on CSR issues			
% of buyers signed supplier sourcing document			
% of raw materials purchased are recyclable			

## Supplier Sustainable Procurement Results (Consolidated or by region)

Total Numbers	2018	2019	2020
Ethics			
Health and Safety			
Environment			
Labour & Human Relations			

### Person in Charge:

Tri- Wall Ltd Yuji Suzuki Director, Chairman of Board and Group CEO.

### Scope of Policy

Organization scope covers Tri-Wall Ltd staff in Hong Kong, all its subsidiary operational locations globally. Specifically, UK, Europe, Asia and North America

### Review Date

In principle it covers fiscal period 2019(April – March), policy reviewed annually 1<sup>st</sup> March 2020

### Communications of Policy

This document is publicly listed, In conjunction with Tri-Wall Philosophy and Employees handbook Publicly assessable through Policy document, Communications on Progress and Code of Conduct, [www.tri-wall.com](http://www.tri-wall.com)

**Supplier Name and Company**

**Date**

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