

Supply Chain Initiatives

Basic Approach

The basic pattern of business for a real estate developer is land acquisition, followed by property development, and then lease or sale.

In this process, the developer purchases materials and goods associated with land acquisition and lease/sales activities directly. However, property development work is ordered in one total contract from a construction company. This involves a large amount of material procurement and employment associated the construction company, rather than Tokyo Tatemono.

Given the characteristics of this business, the Tokyo Tatemono Group included certain matters related to human

rights and occupational safety in our Compliance Manual. These matters include respect for human rights and the prohibition of discrimination, the prohibition of harassment, and providing comfortable work environments. Other matters relate to procurement and ordering, including appropriate relationships with business partners and consideration for the environment. In so doing, we strive to build an appropriate supply chain that is free of fraud and corruption and that is environmentally conscious. In accordance with the Group Environmental Policy, we incorporate environmentally friendly technologies and ideas into products and services at all stages of our business activities, striving to use materials that contribute to resource conservation and reduced environmental impact.

Respect for Human Rights

Policy and Concept

The Tokyo Building Group supports basic human rights as defined in the Constitution of Japan and the Universal Declaration of Human Rights. We also support international labor standards set by the International Labor Organization (ILO) and respect individuality and personal values as provided in our Compliance Charter.

To ensure we put our Compliance Charter into practice, we created the Tokyo Tatemono Group Compliance Manual. The Compliance Manual helps ensure that all persons engaged in work for the group comply with our code of conduct to respect human rights and prohibit discrimination or harassment based on race, nationality, creed, gender, sexual

orientation, age, appearance, disability, education, social status, or background. Our charter also calls for providing a comfortable work environment and prohibiting child or forced labor in any part of our supply chain. Through these policies, we aim to prevent human rights violations.

In addition to the Minimum Wage Act, we also promise to pay employees more than the minimum wage in compliance with various labor laws.

The freedom of association and the right to collective bargaining are described in Work-Life Balance. (See P.60)

→ [Compliance Charter P.72](#)

→ [Compliance Manual P.73](#)

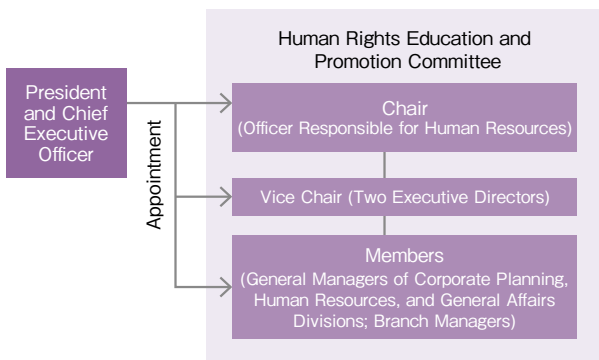
System

The Tokyo Tatemono Group established an Internal Control Committee to promote compliance, including compliance related to respect for human rights. This committee discusses group compliance and internal control risks at large. The Internal Control Committee oversees group compliance activities.

→ [Compliance Structure P.72](#)

In January 2019, in consideration of trends toward solving social human rights issues and the Sustainable Development Goals (SDGs), we engaged in a progressive reorganization of our Anti-Discrimination Promotion Committee to establish the Human Rights Education and Promotion Committee. This committee, consisting of members appointed by the president and CEO, plans, implements, and observes educational programs and trainings on human rights issues. In this way, the group ensures that we are a corporation that embraces respect for human rights.

▶ **Human Rights Education and Promotion Structure**



Responding to Human Rights and Discrimination Issues

Due to the nature of the real estate business, the Tokyo Tatemono Group is in no small way susceptible to potential discrimination issues. For this reason, we provide ongoing training to ensure a proper understanding of human rights and discrimination issues, as well as to ensure appropriate responses in our activities, to prevent situations that could lead to human rights violations. In 2019, 29 group employees, mainly first-year and second-year employees, participated in a training conducted by lecturers from the Tokyo Metropolitan Human Rights Promotion Center.

We have also appointed a general manager over human resources to promote fair recruitment, selection, and human rights awareness. This individual is responsible for preventing discrimination and other human rights infringements in the recruitment process and overseeing recruitment activities as a whole.

Human Rights Initiatives

The Tokyo Tatemono Group established a Compliance Manual that serves as a standard for conduct. This manual defines rules for respecting human rights, prohibiting discrimination, prohibiting harassment, providing a comfortable work environment, and co-existing with local communities. We distribute Compliance Manuals to employees. We also post manuals in offices as another means to publicize compliance and ensure understanding.

We also conduct compliance training, including respect for human rights, for employees and managers as appropriate. The Tokyo Tatemono Group Helpline and Compliance Survey are shared tools through which we prevent, or quickly identify and solve, issues of harassment. We use the results of Helpline consultations and surveys to provide appropriate responses to issues.

Please refer to the following pages for more on specific initiatives.

- [Compliance Training P.74](#)
- [Compliance Survey P.74](#)
- [Helpline P.74](#)