

Governance

Supply Chain Management

Policy and Concept

The basic pattern of business for a real estate developer is land acquisition, followed by property development, and then lease or sale. Collaboration with many business partners, including design and construction companies, is an essential aspect of the business activities of the Tokyo Tatemono Group. Our activities have an impact on the environment and society through the procurement of materials and employment associated with construction. This is true not only of our Group, but also of each of our business partners. Due to the nature of our business, we must work toward the realization of a sustainable society by addressing social issues such as human rights, labor issues, and environmental conservation throughout the supply chain.

In our effort to build a sustainable supply chain, we are working to ensure that our business partners understand the Group's approach so that they will respect it and put it into practice.

■ Sustainable Procurement Standards

As well as ensuring respect for human rights, the Tokyo Tatemono Group recognizes the need to ensure commitment throughout the entire supply chain to sustainable procurement that considers environmental conservation. In May 2021, the Group formulated the Sustainable Procurement Standards to clearly set forth the Group's approach and to gain further understanding and cooperation from business partners. We obtained advice from external experts when formulating the plan, to ensure our correct understanding of the demands and requirements of society. The plan has also been approved by the Board of Directors.

These standards are intended for business partners involved in the Group's business, and reflect our commitment to

managing our entire supply chain. We request that business partners understand and comply with the nine items listed in the standards (Observance of Laws and Regulations; Respect for Human Rights; Assurance of Sound Labor Practices and Working Environments; Fair Business Activities; Assurance and Improvement of Safety and Quality; Environmental Considerations, Co-existing with Local Communities; Formulation and Creation of BCP; Collaboration in the Supply Chain). We also ask that they make improvements as necessary.

Going forward, we plan to explain these standards to our business partners to gain their understanding and to conduct

questionnaires to check the status of their compliance.

Sustainable Procurement Standards

Raising Awareness Among Employees

We provide training to our employees on the background of the formulation of the Sustainable Procurement Standard and its concept, to enable them to recognize social issues in the supply chain.

» Summary of the Sustainable Procurement Standards

1 Observance of Laws and Regulations

Compliance with the laws and regulations of the countries and regions in which we operate

2 Respect for Human Rights

Ensuring respect for basic human rights based on international standards / Elimination of discrimination and harassment

3 Assurance of Sound Labor Practices and Working Environments

Ensuring freedom of association and the right to collective bargaining / Eliminating and preventing forced labor and child labor / Eliminating discrimination in working conditions / Complying with laws and regulations governing minimum wages, overtime pay, benefits, etc. / Eliminating illegal overtime and excessive labor / Creating a safe and healthy working environment

4 Fair Business Activities

Prohibition of bribery and other corrupt practices / Prohibition of unfair and anti-competitive transactions / Blocking relationships with antisocial forces / Protection and appropriate management of personal information and confidential matters / Protection of confidentiality of information related to reporting and the anonymity of whistleblowers

5 Assurance and Improvement of Safety and Quality

Ensuring and improving the quality of products and services and disclosing related information / Responding sincerely to requests and complaints

6 Environmental Considerations

Reduction of greenhouse gas emissions / Promotion of 3R, efficient use of resources, reduction of waste generation / Prevention of pollution of air, water, soil, etc., and appropriate management and disposal of chemical substances / Preservation of biodiversity / Elimination of illegal raw material procurement

7 Co-existing with Local Communities

Building good relationships with local communities / Understanding and respecting the culture and customs of local communities

8 Formulation and Creation of BCP

Formulate a business continuity plan (BCP) and build a system to implement it

9 Collaboration in the Supply Chain

Encourage business partners to understand, comply with, and improve these procurement standards.

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Management

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Materiality of the Tokyo Tatemono Group

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