

Corporate Philosophy, Corporate Data,
Financial Highlights, Editorial Policy

Message from the President and CEO

Sustainability Promotion

- Sustainability Promotion Policy
- Sustainability Promotion Framework
- Material Issue KPIs and Targets
- Stakeholder Engagement
- Participation in Initiatives
- External Evaluation for Sustainability

Environment

- Disclosure Based on TCFD Recommendations
- Disclosure Based on TNFD Recommendations
- Environmental Management
- Promoting a Decarbonized Society
- Responding to Natural Disasters
- Biodiversity
- Water Resources
- Promoting a Recycling-oriented Society
- External Evaluation and Certification Related to Environmental Friendliness
- Sustainability Finance

Social

- Respect for Human Rights
- Supply Chain Management**
- Improving Quality and Customer Satisfaction
- Revitalizing and Utilizing Real Estate Stock
- Contributing to Local Society and Communities
- Human Resource Development
- Health Management / Occupational Health and Safety
- Diversity & Inclusion

Governance

- Corporate Governance
- Risk Management
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Third-party Assurance

Supply Chain Management

Policy and Concept

The Tokyo Tatemono Group conducts its business in collaboration with a wide range of suppliers (business partners involved in procurement in our business activities), including construction companies and building management firms. Today, companies are expected not only to implement sustainable procurement practices within their own operations, but also to ensure respect for human rights and consideration for the environment throughout their entire supply chain. Therefore, it is essential to build a sustainable supply chain that takes into account the environmental and social impacts associated with suppliers.

In May 2021, the Tokyo Tatemono Group established a unified set of Sustainable Procurement Standards applicable to all suppliers involved in its business operations in order to promote sustainable procurement across the entire supply chain, with consideration for legal compliance, respect for human rights, occupational safety and health, anti-corruption, and environmental conservation.

The Tokyo Tatemono Group is working to build a sustainable supply chain by encouraging understanding and compliance with the procurement standards through dialogue with suppliers and business partners.

- [Sustainable Procurement Standards](#)
- [Tokyo Tatemono Group Guidelines for the Sustainable Procurement Standards](#)

Structure

The Tokyo Tatemono Group is promoting initiatives related to supply chain management under the leadership of the Sustainability Committee, chaired by the President. The Sustainability Committee deliberates and reports on important matters and policies related to supply chain management, including the development and review of the Sustainable Procurement Standards and the identification of key suppliers, and monitors and evaluates the status of initiatives based on these policies. Important matters deliberated and reported by the Committee are submitted or reported to the Board of Directors, which supervises overall supply chain management.

Supply chain management initiatives are promoted in collaboration with relevant departments and Group companies, while also utilizing support from external experts and exchanging information with industry peers, and through dialogue with key suppliers involved in our business.

Summary of the Sustainable Procurement Standards

1. Comply with laws and regulations

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

2. Respect for Human Rights

- Compliance with and respect for international standards concerning human rights and respect for basic human rights.
- Prohibition 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
- Prohibiting discrimination in labor conditions on the basis of race, nationality, creed, gender, sexual orientation, age, social status, origin, etc.
- Complying with laws and regulations governing minimum wages, overtime pay, benefits, etc.
- Prohibiting 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
- Prohibiting infringement on the intellectual property rights or trade secrets of third parties
- Protection and appropriate management of personal information and confidential matters
- Protection of confidentiality of information related to reporting and the anonymity of whistleblowers and eliminating retaliation against whistleblowers

5. Assurance and Improvement of Safety and Quality

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

6. Exercise consideration for the environment

- Promotion of energy conservation, reduction of greenhouse gas emissions
- Promotion of the 3Rs, efficient use of resources, reduction of waste generation, reuse, and recycling
- Prevention of pollution of air, water, soil, etc., and appropriate management and processing of chemical substances
- Preservation of biodiversity and reduction of impact on ecosystems
- Elimination of illegal raw material procurement

7. Practice co-existence with local communities

- Building, maintaining, and strengthening good relationships with local communities
- Understanding and respecting the culture and customs of local communities

8. Formulate and Establish a BCP Framework

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

9. Collaborate in the Supply Chain

- Encourage business partners to understand, comply with, and improve the procurement standards

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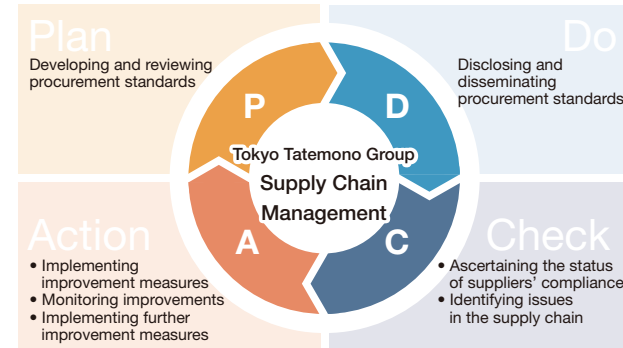
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Supply Chain Management PDCA



Operating the Sustainable Procurement Standards

Disclosure of Sustainable Procurement Standards and Guidelines for Sustainable Procurement Standards

Tokyo Tatemono discloses the Sustainable Procurement Standards on its website to give all of its suppliers access to the Standards. Tokyo Tatemono has also prepared the Guidelines for Sustainable Procurement Standards to promote accurate understanding of the purpose and content of the procurement standards. These guidelines, disclosed on the Tokyo Tatemono website, provide the social background for each of the standards listed in the procurement standards and specific examples of initiatives that can be used as a reference when implementing each standard.

Key suppliers have also been notified requesting that they understand and comply with the procurement standards. As well as attaching the procurement standards to contracts concluded with construction companies, who are particularly important suppliers, clauses are stipulated in the contracts that require understanding of and compliance with the procurement standards.

Identifying Key Suppliers

Tokyo Tatemono identifies key suppliers based on factors such as transaction amounts, potential impact on company reputation in the event of violations of the procurement standards, and the recurring nature of transactions. We will continue to expand and review key suppliers on a regular basis.

Selecting New Suppliers

When selecting construction companies, which are particularly important suppliers, we conduct credit checks on potential suppliers prior to placing orders. In addition, by making it a mandatory condition to sign a construction contract that includes a clause requesting compliance with the procurement standards, we mitigate risk in the supply chain.

Risk Assessment When Participating in New Overseas Projects

For all new overseas projects, Tokyo Tatemono assesses human rights risks specific to each country at the time of participation, recognizing that these may differ from those in Japan. Specifically, we assess the level of risk in advance by using tools such as a human rights risk checklist. We also strive to incorporate the Sustainable Procurement Standards into joint venture agreements concluded with our business partners.

Understanding the Response of Our Suppliers and Identifying Issues

Tokyo Tatemono conducts surveys of key suppliers in order to ascertain their understanding of and compliance with, as well as their initiatives with respect to the procurement standards. Based on the procurement standards, the survey confirms the status of policy formulation, system development, and specific initiatives regarding compliance with laws and regulations, respect for human rights, ensuring occupational health and safety, anticorruption, and consideration for environmental conservation, among other matters.

In FY2025, the survey was given to 283 companies, of which responses were received from 223. No significant issues have been identified in the surveys conducted to date. In FY2025, we sent feedback sheets to the companies that responded to the

survey. Taking into account factors such as their relationship to our business, we selected nine companies for additional interviews, including waste disposal companies, model room construction companies, architectural design firms, land survey companies, and land acquisition suppliers. The interviews focused primarily on respect for human rights and initiatives for reducing GHG emissions, based on the overall survey results.

Issues and countermeasures identified through surveys and interviews within the supply chain are deliberated and reported on by the Sustainability Committee.

Survey Implementation Status

	FY2023	FY2024	FY2025
Scope of Coverage	Construction companies	8 industries, including construction and building management	13 industries, including construction and building management
Companies Surveyed	47 companies	166 companies	283 companies
Responses Received	45 companies	139 companies	223 companies

Implementing Remedial Measures for Identified Issues and Monitoring Improvements

Tokyo Tatemono engages in ongoing dialogue with key suppliers through surveys, feedback, and interviews. For issues identified within the supply chain through these efforts, we work to address them while monitoring progress and implementing further measures as necessary.

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● Internal Dissemination of the Sustainable Procurement Standards

Tokyo Tatemono works to promote understanding and proper implementation of the Sustainable Procurement Standards through awareness-raising activities for its officers and employees. Since FY2022, our mandatory sustainability training for all officers and employees has included supply chain management, covering the procurement standards and their implementation, as one of its themes to enhance understanding among our personnel.

Raising Awareness Through e-Learning

Year Conducted	Details	Scope	Attendance rate
FY2023	Operating the Sustainable Procurement Standards	Tokyo Tatemono officers and employees	100%
	Tokyo Tatemono supply chain management initiatives and respect for human rights within the Group's business supply chain	Tokyo Tatemono officers and employees	100%
FY2024	Respect for human rights in the supply chain when conducting business	All Group employees*	Tokyo Tatemono Group 97.8% Tokyo Tatemono 100%
	Supply chain management initiatives	Tokyo Tatemono officers and employees	99.9%
FY2025	Respect for Human Rights in the Supply Chain When Conducting Business	All Group officers and employees*	Tokyo Tatemono Group 91.9% Tokyo Tatemono 99.9%

* Scope may be adjusted based on the circumstances of each company, such as whether computers have been provided.