


Management's Commitment



Accelerating ESG Management Based on the Group Long-Term Vision, VISION 2025

Recent years have seen an acceleration in international initiatives to address social challenges. These include the Paris Agreement, an international framework to respond to climate change, and the UN's Sustainable Development Goals (SDGs) aimed at solving global challenges. As such, it is also becoming increasingly important for enterprises to contribute to sustainable growth through their commercial activities.

Based on the ideals of coexisting in harmony with society, linking diverse values, and achieving a sustainable society, as symbolized by its  logo, the Mitsui Fudosan Group is working to build societies that enrich people's lives and our planet. Under our **&EARTH** byword, we pursue ESG management and conduct business with awareness of our responsibilities with respect to the Environment, Society, and Governance.

Against this background, VISION 2025, our Group long-term vision, established in fiscal 2018, outlines our primary objective as follows: Successfully establish a sustainable society through the creation of neighborhoods. We have also laid out the following six materiality goals, reflecting our commitment to further accelerate the Group's ESG management.

- 1. Establish ultra-smart societies by creating neighborhoods**
- 2. Achieve a society where a diverse workforce can thrive**
- 3. Achieve health, safety and security in people's daily lives**
- 4. Create new industries through open innovation**
- 5. Reduce environmental impact and generate energy**
- 6. Continuously improve compliance and governance**

We believe that by working toward these objectives, we can contribute in a significant way to the Japanese government's Society 5.0 vision and to the attainment of the UN's SDGs. In addition, we participate in and are a signatory to the UN Global Compact, an international initiative that underlies our Group ideals and objectives. The Compact consists of Ten Principles across the four areas of human rights, labor, environment, and anti-corruption. Our aim is to conform to these principles and, through our commercial activities, work to address the challenges that face society.

Successfully Establish a Sustainable Society Through the Creation of Neighborhoods

The Mitsui Fudosan Group carries on the enterprising spirit the Mitsui Group has maintained since its founding. As we create value by discerning the paradigm shifts that mark every era, we have worked to address social challenges through neighborhood creation.

Neighborhood creation by the Mitsui Fudosan Group is playing a significant role in building a sustainable society through such developments as Kashiwa-no-ha Smart City, which aims to realize environmental harmony, health and longevity, and new industry creation, as well as the Nihonbashi Revitalization Plan, which is stimulating local society and culture and bolstering disaster preparedness across the entire region.

Furthermore, as a Real Estate Development Category Gold Partner for the Olympic and Paralympic Games Tokyo 2020, we are promoting neighborhood creation through the power of sports, working to maintain and enhance people's mental and physical health, and energize the local community.

Each of our neighborhood creation initiatives is helping to address a wide range of social issues, including a falling birthrate, an aging society, and environmental problems, as well as the need for safe and secure lifestyles and new industry creation. We believe that these efforts will lead not only to the creation of social value, but raise our corporate value.

Environment: E

We believe that contributing to the realization of a carbon-free society through the creation of neighborhoods and facilities that consume less energy and emit less greenhouse gases, as well as services and facility management practices with limited environmental impact is our social mission as a developer engaged in neighborhood creation. In particular, we recognize the significant risk to our business that climate change represents, and have positioned efforts to reduce such risk through our commercial activities as an important management task.

In February 2020, based on our awareness of the challenges ahead, we adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which encourages enterprises and other organizations to disclose information relating to climate change-related risks and opportunities. In addition, we became a member of RE100, an international initiative to power business activities with 100% renewable energy. Moreover, we are engaged in active efforts to meet the diverse challenges facing the environment including biodiversity and water resource conservation, environmental pollution prevention, and the reduction of resource consumption and waste generation in all of our business areas, from office buildings and commercial facilities to residences and more. In addition, we see environmental challenges as business opportunities, and are creating such new businesses as the Nihonbashi Smart Energy Project, which helps conserve energy and reduce CO₂ emissions through local energy generation and consumption. Going forward, we will continue to create comfortable environments for customers and local societies, and engage in comprehensive activities to preserve the environment and respond to the challenge of climate change.

Society: S

The Mitsui Fudosan Group understands that making ESG management its highest priority is essential to stop the spread of COVID-19, which has become a global threat. To fulfill our corporate social responsibility, we are taking the lead to collaborate in activities to protect the lives and health of the public along with the revitalization of our economy, with the Group acting in unison toward realization of a sustainable society. In addition, we believe that respect for individual human rights is of paramount importance in offering people settings for business and residential life through neighborhood creation. As well as supporting and respecting the principles embodied in the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, we promote respect for human rights throughout every aspect of our business.

Moreover, our Group is engaged in internal workstyle reform activities based on the three pillars of awareness reform, infrastructure improvements, and work reform in organizational units, and we are creating office environments where our employees can work with enhanced motivation. In addition to creating environments where a diverse workforce of individuals can demonstrate their capabilities regardless of race, nationality, religion, gender, age, or other attributes, we are promoting measures to support diverse ways of working to accommodate different life stages, including a work-at-home system, and a financial support system for those balancing work and child/nursing care.

Governance: G

Because we rely on the trust of individuals, neighborhoods, and society, the Mitsui Fudosan Group regards risk management, compliance, and governance as extremely important themes that are fundamental to our business. In particular, with respect to our international business, which has expanded rapidly in recent years, we regard strict compliance and strengthened governance as pressing challenges. In addition to bolstering further the compliance and governance structures at the parent and at our international local corporations, we are working to manage business risk appropriately and practice thorough due diligence. Going forward, and taking a broad view of global trends, changes in the structure of society, changes in stakeholder attitudes toward corporate management, and other factors in our operating environment, we will work to continuously review and strengthen our corporate governance and reinforce the soundness, transparency, and efficiency of our management.

This ESG Report 2020 provides updated information concerning the Mitsui Fudosan Group's ESG policies and activities, to enable our stakeholders to accurately assess our Group corporate value as we work toward the achievement of a sustainable society. We hope this report will be useful in deepening understanding of the Mitsui Fudosan Group, and we look forward to your continued support and valued input.