Main Social Initiatives

Supply Chain Management

For details regarding the main initiatives being carried out, please refer to our website.
https://www.mitsuifudosan.co.jp/english/esg_csr/society/04.html

The Mitsui Fudosan Group's Sustainable Procurement Standards

As a corporate group that supports the foundations of life such as offices and housing, the Group recognizes the need to fulfill its social responsibilities at a higher level. To this end, we believe that the entire supply chain should work together to promote sustainable procurement that contributes to the resolution of ESG issues. The Group has formulated the Sustainable Procurement Standards outlining the basic guidelines, and we published these standards on our website in December 2018 and have notified our main business partners. In February 2022, we revised these standards to prepare for human rights due diligence, and include basic guidelines on items to be complied with or actively promoted by both the Mitsui Fudosan Group and its business partners related to ordering.

We share these standards within the Group to build and operate an ordering and contract process in line with the nature of our business, and notify and request the understanding of our business partners. We address the promotion of sustainable procurement throughout the supply chain to realize a sustainable society.

■ Sustainable Procurement Standards Item List

1. Compliance with Laws and Regulations, etc.
2. Respect for Human Rights in Business Activities
3. Respect for Human Rights Related to Labor
4. Safe and Healthy Working Environment
5. Establishment of Business Ethics
6. Ensuring Quality
7. Consideration for the Environment
8. Information Security
9. Crisis Management and Business Continuity Plan

Surveys and dialogue with suppliers

As a result of appraisals into human rights risks, for existing suppliers, such as general contractors, that have a great deal of overlap with, and influence on, the Group's ESG issues, we carry out surveys and dialogue in line with our Sustainability Procurement Standards to promote and raise awareness of important themes.

Future issues

Through the survey, we discovered issues in the following areas at certain companies.

General contractors & builders

- Measures to address working long hours and health issues that arise from that
- Accurate technical guidance for foreign technical intern trainees
- Thorough compliance with the Labor Standards Act
- Checks at materials suppliers to ensure there are no human rights or environmental problems and measures to ensure no illegally logged lumber in wood procurement
- Corruption prevention

Security companies & cleaning/equipment management companies

- Measures to address working long hours and health issues that arise from that
- Measures to address occupational accidents such as tripping or falling
- Corruption prevention

Engagement with suppliers that takes issues into account

Taking on board the results of the surveys, we conducted current status interviews with contractors whose initiatives are lacking in some way, and carried out dialogue and engagement to lead to future improvement. In the future, we plan to continue conducting monitoring and engaging in dialogue.

Suppliers we have engaged with to make improvements (as of March 2024)

- Medium-sized general contractors: 2
- Small general contractors/builders: 4

■ Survey subjects and periods

- FY2021: 6 large general contractors
- FY2022: 3 large security companies
  3 large cleaning/equipment management companies
- FY2023: 22 medium-sized general contractors
  84 small general contractors/builders

■ Survey contents

(1) Questionnaire survey
(2) On-site inspection
(3) On-site interviews at the head office

Main Social Initiatives

Human Rights Initiatives

For details regarding the main initiatives being carried out, please refer to our website.
https://www.mitsuifudosan.co.jp/english/esg_csr/society/03.html

Policy

The Mitsui Fudosan Group respects basic human rights and complies with laws and regulations concerning workers' rights in each country where it conducts business.

Basic Approach to Human Rights

The Mitsui Fudosan Group complies with the laws and regulations of each country and region in which it conducts business activities.

(1) We will eliminate all discrimination on the grounds of race, nationality, religion, sex, age, disability, or sexual orientation.
(2) We will not tolerate any form of harassment, including sexual harassment or abuse of power.
(3) We will not permit child labor or forced labor.
(4) We respect freedom of association and the right to collective bargaining.

We also support and respect the basic rights for workers set out in the ILO Declaration on Fundamental Principles and Rights Fiscal 2021. In regard to construction sites believed to have the highest degree of impact, we conducted a questionnaire regarding the overall ESG initiatives, including human rights, of six construction companies, and conducted an on-site survey at the construction sites of two companies. Alongside an at Work and the UN's Guiding Principles on Business and Human Rights. Furthermore, we pursue methods to ensure that basic human rights are respected in countries and regions that do not adhere to internationally recognized basic human rights.

Initiatives for Raising Human Rights Awareness

Mitsui Fudosan has established a Code of Employee Conduct with regard to human rights. We are also building a Group-wide framework for respecting human rights by establishing the internal Fair Employment Screening and Human Rights Awareness Raising Promotion Committee and organizing Fair Employment Screening and Human Rights Awareness Raising Liaison Conferences with each Group company. In addition, we are continuously working to improve understanding and awareness regarding human rights through initiatives such as holding human rights awareness training for all Mitsui Fudosan employees.

Human rights due diligence

In 2020, we started human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights. As a supplement to the Human Rights Policy, we designated major issues related to human rights. We are continuously evaluating their impact on human rights, and putting in place initiatives to prevent or minimize their impact, and will continue monitoring.

Human rights impact evaluation

Human rights impact evaluation is carried out for new and existing Group-wide business (predominantly in Japan) in the manner detailed below. This evaluation also covers human rights issues that relate to labor problems or health and safety. When evaluating impact, we also took advice from Akiko Sato, an attorney. We will ensure that in the future, too, we will continue to have such opportunities to gather feedback periodically.

To select major human rights impacts, we investigated the impact of issues related to our activities or business dealings that would infringe human rights of any of our stakeholders in each business segment (from a total of 202 issues). In line with their severity according to the UN Guiding Principles, and other factors, we narrowed the list down to a total of 42 important human rights issues (human rights impacts) unique to our business.

■ Human Rights Impact Assessment Procedure

(1) Confirm and organize stakeholders → (2) Identify impacts → (3) Select key human rights impacts → (4) Prioritize initiatives

■ Sample of impact on stakeholders and human rights

		Business				
		Rental	Built-for-sale	Management	Agency	Contracting, etc.
Stakeholders	Group employees	Total for all segments (regular/non-regular)				
	Supplier employees	Total for all segments (regular/non-regular)				
	Tenants' employees, etc.	○	○ (incl. investors)	○	—	—
	Buyers, orderers, etc.	—	○	○	○	○
	Building users, visitors, etc.	○	—	○	—	—
	Local residents, businesses, etc.	○	○	○	—	○

■ Refining by severity and probability

Probability		Low (less than once a decade)	Medium (more than once a decade, less than once every three years)	High (once or more every three years)
Severity: High	Direct		We selected issues in this area as important human rights issues (human rights impacts)	
	Indirect			
Severity: Medium	Direct			
	Indirect			
Severity: Low	Direct			
	Indirect			

■ Salient issues related to human rights initiatives

- Prohibition of discrimination, harassment, or other unfair treatment in the workplace
- Ensuring a safe and healthy working environment
- Consideration for safety, security, and health in urban development
- Consideration of minorities and prohibition of unfair discrimination toward them in business activities
- Sufficient communication with clients and other stakeholders in business activities

Survey into the status of initiatives to address human rights issues in our business

As part of the Mitsui Fudosan Group's human rights due diligence, in fiscal 2022, we carried out a questionnaire survey into initiatives to respect human rights at four divisions and 10 Group companies (as well as interviews at a Group company).

The questionnaire looked into 15 issues–those strongly relevant to the work of the divisions and Group companies taken from 42 human rights issues identified during the formulation of the Mitsui Fudosan Group Human Rights Policy–and surveyed internal systems to prevent human rights violations, ensure awareness of manuals and procedures, report on the status of training, etc.

Stakeholder engagement to designate issues that impact on human rights (Conducted on October 26, 2020, and August 2, 2021)

To designate issues that impact on human rights, we engaged with Akiko Sato, an attorney. We have reflected Ms. Sato's opinions as much as possible in the formulation of our Human Rights Policy, amendments to our Sustainable Procurement Standards, and in the implementation of our human rights due diligence. In the future, we hope to have Ms. Sato give feedback on how best to promote initiatives on the theme of business and human rights.

Attorney at Kotonoha Law. Business and Human Rights Liaison Officer, United Nations Development Program (UNDP). Currently, Ms. Sato works to enhance awareness and understanding of business and human rights by providing advice on topics such as human rights policy and human rights due diligence; coordinating stakeholder engagement; and proposing policy to the government.

Akiko Sato

Relief Mechanism Initiatives

The Group is a member of the Platform for Responsible Recruitment of Foreign Workers (JP-MIRAI), originally established in January 2020 by a diverse group of stakeholders for the purpose of providing relief for foreign workers in Japan. We also participate in the Foreign Workers Consultation and Relief Pilot Project, launched by JP-MIRAI in May 2022 (membership of eight private-sector companies, including the Group). This project is the first of its kind in Japan to package an integrated mechanism from provision of information to foreign workers, a multilingual consultation service, and independent and neutral dispute resolution, to feedback on human rights risks to companies. Specifically, JP-MIRAI provides several services to foreign workers at participating companies, including (1) a portal site that provides beneficial information to those working in Japan, (2) a consultation service that eases the psychological barriers to making contact by offering help in the workers' native languages, (3) support for problems that are difficult for foreign workers to solve on their own, and (4) a mechanism to resolve disputes outside of court in the event of a disagreement with an employer. At the same time, the project analyzes issues faced by foreign workers based on data collected through the provision of services. We are working to strengthen our supply chain management and human rights due diligence by utilizing the human rights violation risk information regarding foreign workers provided by JP-MIRAI.