

## Mitsubishi Estate Group Timber Procurement Guidelines

The Mitsubishi Estate Group Basic Environmental Policy declares its commitment to “helping to build a society that lives in harmony with nature.” To this end, we endeavor to foster new values and to practice environmental responsibility by demonstrating concern for biodiversity and developing attractive urban spaces that harmonize with the surrounding natural environment.

The Mitsubishi Estate Group is involved in the timber value chain upstream to downstream, including the construction of wooden housing and the manufacture and sale of timber and timber products as construction materials.

The Mitsubishi Estate Group Timber Procurement Guidelines (“the Guidelines”) have been established based on the guiding principles outlined above to ensure that forests are not destroyed or depleted and natural ecosystems are protected in the procurement of timber in the Mitsubishi Estate Group’s own value chain.

The Guidelines cover the entire Mitsubishi Estate Group, and the target activities are direct procurement of timber and timber products for construction.

Established: July 2023

### 1. Legal Compliance

- We strictly comply with laws and regulations in logging countries and regions.

### 2. Deforestation- and Conversion-Free Sourcing

- From 2020 onward, we prohibit procurement of timber through conversion of natural forests and important natural ecosystems to other uses.
- We prohibit damage to high conservation value forests (HCVFs).
- In severe cases of natural forest conversion that occurred in and before 2019, we will call for the provision of thorough compensation for both environmental and social aspects.

\* What is HCV?

High conservation value is a concept developed to identify sites that are socially, culturally, and environmentally important, and thereby maintain their ecological and social value and ensure the sustainability of wood production.

Reference: FSC – High Conservation Value (HCV) <https://jp.fsc.org/jp->

[ja/HCVs](#) (Japanese only)

### 3. Forest Products Value Chain

- We ensure traceability of wood back to the place of origin.
- We only source timber grown in countries where the risk of illegal logging is deemed low, including Japan-grown timber.
  - \* A low-risk score of 91 or higher based on the individual country forest risk assessment provided by Preferred by Nature  
<https://sourcinghub.preferredbynature.org/explore-countries/aDB0X000000k9bSWAQ/>
- We actively utilize highly trusted, international certifications, etc.
  - \* More specifically, in addition to FSC certifications, this refers to certifications recognized as compliant with ISEAL Alliance stipulations (Code Compliant).  
[https://www.isealalliance.org/iseal-community-members?field\\_code\\_compliant=1](https://www.isealalliance.org/iseal-community-members?field_code_compliant=1)
- In accordance with the Mitsubishi Estate Group Human Rights Policy, we respect human rights as defined by international norms, including the ILO Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO), and ensure occupational safety and health and protection of the human rights of workers throughout the supply chain.

### 4. Relationships with Local Communities and Governments

- We require suppliers to verify that adequate consideration is given to relationships with local communities and the customary rights of local residents.
- When timber is procured from areas where indigenous people live, we require verification that consideration is given to the human rights of indigenous people in accordance with the principle of Free, Prior and Informed Consent (FPIC) and other international standards.
- We conserve, maintain, and improve the natural environment at a landscape or jurisdiction level in cooperation with the local government of the place of origin.

### 5. Stakeholder Engagement

- We use dialogue with NGOs, experts, and other stakeholders to improve procurement.
- We seek dialogue with diverse stakeholders and rights holders, including suppliers, local residents, NGOs, experts, and third-party organizations.

## 6. Transparency and Disclosure

- Each year, we explain and disclose the Group's policies and initiatives in the area of timber procurement to stakeholders.
- Each year, we set, manage, and disclose the achievement status of numerical targets for the Group's initiatives in the area of forest resource procurement.