

Cooperating with Business Partners

The Mitsubishi Estate Group aims to grow side-by-side with its business partners and is committed to building an equitable, trusting relationship with every business partner.

Mitsubishi Estate Group Order Action Guideline

In accordance with the Mitsubishi Estate Group's Mission and Code of Conduct, Mitsubishi Estate has established the Order Action Guideline, which all executive officers and employees placing orders with business partners must follow, to ensure that orders and contracts are administered with transparency and impartiality. The Guideline is intended to ensure objectivity and economic rationality, but it also includes rules on environmental conservation, information management and avoidance of any involvement with organized criminal elements.

This Order Action Guideline is shared by the entire Group, and, based on it, order and contract processes are established and administered to suit the businesses of individual companies.

Establishment of CSR Procurement Guidelines

The Mitsubishi Estate Group believes that, in order for it to contribute to the creation of a truly meaningful society through its business activities, it is crucial

The Mitsubishi Estate Group CSR Procurement Guidelines

The Mitsubishi Estate Group is committed to its mission of contributing to society through urban development and works to achieve it by putting into practice the Mitsubishi Estate Group Code of Conduct and Mitsubishi Estate Group Guidelines for Conduct. In order for the Group to contribute to the creation of a truly meaningful society through its business activities, we consider it essential that the Group work with its business partners to promote socially responsible procurement at all stages of the supply chain. With this recognition, the Group has established the CSR Procurement Guidelines, a set of guidelines to promote CSR procurement activities.

The Mitsubishi Estate Group requests all business partners to read these guidelines to gain an understanding of both their spirit and content so that the Group and its business partners are able to act according to the guidelines at all stages of the supply chain.

CSR Procurement Standards

1. Comply with Legal and Social Norms

- We comply with both local laws and regulations in the countries and regions in which we do business, as well as with international agreements and social norms.

2. Respect Human Rights

- We respect the human rights of our employees; maintain appropriate working hours; allow sufficient holidays and vacation time; and make every effort to create healthy and safe working environments for employees.
- We respect human dignity and diversity; strictly prohibit any behavior or discriminatory language that violates human rights and/or causes emotional or physical suffering, including discrimination with regard to gender, ethnicity, nationality, age, religion, disability, marital status, physical appearance, or sexual orientation; and have zero tolerance for harassment of any kind.
- We strictly prohibit unfair labor practices of any kind, including child and forced labor.

3. Practice Corporate Ethics

- We engage only in fair and equitable business activities. We do not engage in practices that interfere with free competition or in inappropriate competition practices.
- We establish a framework for internal reporting to prevent problems from arising and to ensure that potential problems are detected early on. At the same time, we protect the anonymity of those filing internal reports and assure employees that they will not suffer retaliation or any other type of punishment for reporting problems.
- We uphold Japan's Anti-Organized Crime Law and eschew all contact with organized criminal elements.
- We make every effort to disclose corporate information in a timely and appropriate fashion.
- We make every effort to prevent any form of corruption, including bribery and other such practices.

4. Ensure and Improve Product Quality

- In delivering products and services, we establish appropriate quality control and assurance systems and ensure that we deliver the level of quality that customers demand, while continuously working to improve the quality of our products.
- We make every effort to deliver products that perform to higher safety standards than socially required or expected. We also make public the results of our product safety surveys as needed.
- We make every effort to deliver products and services at an appropriate, competitive market price and meet construction deadlines with appropriate management of our work process.

5. Protect the Environment and Reduce Environmental Impact

- We make every effort with all of our products, services, designs, and construction work to uphold the Mitsubishi Estate Group Green Procurement Guidelines.
- At every stage of our production and construction work, we exclude the use of raw materials produced by illegal means; actively seek materials for use that are certified or otherwise traceable; and make every effort to engage in sustainable production and procurement.

6. Guarantee Information Security

- We establish and enforce management systems to ensure that information assets (confidential information, personal information, intellectual property, etc.) either entrusted to us by business partners or other third parties or belonging to the Group are appropriately managed and protected. We take every precaution to prevent inappropriate disclosure of information, including taking measures to protect against threats to our computer networks, to ensure that these information assets are not leaked or used in an unfair or inappropriate manner.

7. Establish Disaster Risk Management Systems

- We actively prepare for disaster by incorporating disaster risks into our business continuity plans (BCP).

In effect as of April 1, 2016

that it consider CSR not only for itself but also in cooperation with business partners across the entire supply chain. Based on this idea, in April 2016, it established the Mitsubishi Estate Group CSR Procurement Guidelines.

Ensuring familiarity with guidelines within and outside Group

To ensure familiarity with the CSR Procurement Guidelines both within and outside the Group, Mitsubishi Estate makes the guidelines available on the company web site. Moreover, the company works with its Group companies to make notifications to the Group's major business partners to ensure that they are familiar with the guidelines. In fiscal 2016, notification was made to 3,326 partners.

Compliance Checks in the Order and Contract Process

The Mitsubishi Estate Group applies the same approach as in the Mitsubishi Estate Group Code of Conduct to its suppliers in regards to environmental problems, labor problems and corruption, among other issues. At Mitsubishi Estate, when orders are placed with construction companies, the business organization and ordering organization are clearly separated. Appropriate orders and contracts are ensured by requiring that employees use a check sheet to self-verify compliance, after which Mitsubishi Estate's Legal & Compliance Department provides objective confirmation. The Orders Surveillance Committee, chaired by the president, meets when orders for large projects are placed (it met five times in fiscal 2016) and holds discussions in terms of compliance.

Evaluations of Business Partners in Each Business

Business	Social and environmental assessment
Building Business	Mitsubishi Estate has adopted an evaluation system for subcontractors that assesses from multiple perspectives the quality, safety and hygiene, and environmental initiatives of construction companies engaged in subcontracted work in its Building Business. The subcontractors are given feedback on the results of the assessment, and asked to make improvements if necessary.
Condominium Business	Mitsubishi Jisho Residence Co., Ltd. utilizes a Contractor Interview Sheet when selecting new subcontractors with which to partner, and confirms the subcontractors' conditions, including the headquarter organization's on-site support system. In addition, in order to enhance the quality of construction and ensure safety and hygiene on-site, the company asks the subcontractors to submit work schedules and construction plans to ensure in advance and places orders with an appropriate construction schedule. The company also strives to make improvements by ensuring good communication with subcontractors, such as meeting with the head of the construction site before the start of work at each site and evaluating the contractor when the work is completed. Moreover, self-check system interviews have been implemented to confirm the status of the implementation of compliance training, check the reporting system for errors, and verify help line implementation. The company reviews the status as needed and responds appropriately.
Custom-Built Housing Business	Mitsubishi Estate Home Co., Ltd. has established guidelines for its initiatives with business partners that take into account the unique characteristics of its business. The basic order unit price that will serve as the benchmark is set in agreement with the supplier as we strive to ensure equitability for the supplier. Business partners in the architecture, facility and electronics industries are evaluated comprehensively and fairly on the basis of a questionnaire given to the employees who are their point of contact, and also taking into account the number of customer referrals, workmanship and credit conditions. The number of buildings with which they will be entrusted is decided based on this evaluation along with the fixed unit price. In addition, clearly separating the manufacturer's product costs and the distribution costs until the product reaches the final delivery destination raises the transparency of product costs and distribution costs, enabling a fair evaluation of the material supplier and the manufacturer. When deciding on construction amounts, the costs of construction and operating expenses are accounted for separately, and efforts are made to prevent simple price competition.

 The Mitsubishi Estate Group CSR Procurement Guidelines (full text)
http://www.mec.co.jp/e/csr/pdf/mec160518_csr_procurement_guidelines.pdf

Green Procurement Guidelines (Japanese)
<http://www.mec.co.jp/j/csr/environment/green/index.html>