



SUSTAINABILITY MANAGEMENT

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SUSTAINABILITY MANAGEMENT

Corporate Philosophy and Sustainability Vision

Philosophy

The Spirit of Mitsubishi: The Three Principles/Mission/ Code of Conduct/Guidelines for Conduct

The Spirit of Mitsubishi: The Three Principles

Shoki Hoko

所期奉公

**Corporate
Responsibility to
Society**

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.

Shoji Komei

処事光明

**Integrity and
Fairness**

Maintain principles of transparency and openness, conducting business with integrity and fairness.

Ritsugyo Boeki

立業貿易

**Global
Understanding
through Business**

Expand business, based on an all-encompassing global perspective.

The Mitsubishi Estate Group has steadily implemented efforts aimed at achieving the Mission of Mitsubishi Estate Group. In addition, we have established the Mitsubishi Estate Group Code of Conduct to be practiced in implementing the Group Mission. Further, we have implemented the Mitsubishi Estate Group Guidelines for Conduct, which sets out the specific standards of conduct in order to realize "who we aspire to be, what we are expected of, and what we should do in order to achieve these aspirations," as established in the Code of Conduct. We periodically assess the expectations of global society and social trends and review the effectiveness of the Code of Conduct as necessary. Going forward, we will continue to put into practice the substance of the Code of Conduct and the Guidelines for Conduct with the aim of "creating a truly meaningful society through urban development" as set out in the Group Mission.



The Mission of Mitsubishi Estate Group

We contribute to society through urban development.

By building attractive, environmentally sound communities where people can live, work and relax with contentment, we contribute to creating a truly meaningful society.

The Mitsubishi Estate Group Code of Conduct

In order to carry out the Group Mission, we pledge to observe the following Code of Conduct.

1. We will act with integrity.

We will base our conduct on laws and ethics and always reflect with humility upon our behavior, valuing our communication with society and placing priority in our corporate activities on earning trust through fairness and transparency.

2. We will strive to earn the trust of our clients.

We will approach all objectives from our clients' point of view, providing safe and reliable products and services, and make information available as appropriate.

3. We will strive to create a vibrant workplace.

While aiming at personal growth, we will respect the human rights and the diversity of opinion of others and increase our creativity and professionalism, while displaying our collective strengths as a team.

Mitsubishi Estate Group Guidelines for Conduct (Revised April 2018)

Details regarding the Mitsubishi Estate Group Guidelines for Conduct are available here.



Formulated: December 1, 1997/Revised: August 1, 2002, January 1, 2006, and April 1, 2018



Mitsubishi Estate Group Sustainability Vision 2050

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Sustainability Vision 2050 to move toward a corporate management focused on sustainability by 2050 and to promote businesses that help realize a sustainable world.

Mitsubishi Estate Group Sustainability Vision 2050

Be the Ecosystem Engineers

We aspire to be a corporate group (=engineers) that provides spaces and infrastructure (=ecosystems) where all actors (individual, corporations, and more) are able to coexist sustainably and thrive together—economically, environmentally, and socially.

→ [The Mitsubishi Estate Group Sustainability Vision 2050 Video](#)

In order to realize the content of the Mitsubishi Estate Group Sustainability Vision 2050, the Group has established Mitsubishi Estate Group 2030 Goals for SDGs, which are positioned as milestones defining specific themes and actions to achieve the 2050 vision. We are committed to providing even more profound value to a wider range of stakeholders in the four key themes of Environment, Diversity & Inclusion, Innovation, and Resilience.

Mitsubishi Estate Group 2030 Goals for SDGs

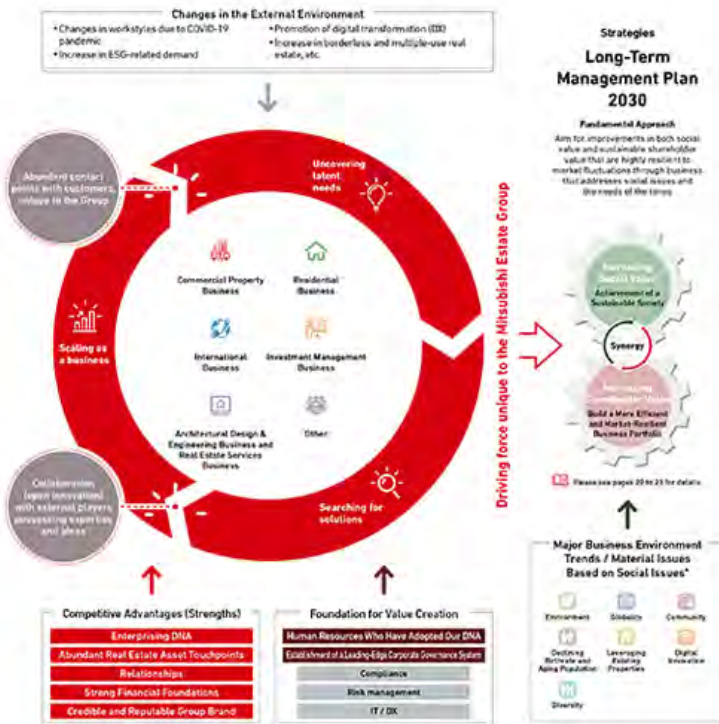
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Mitsubishi Estate Group Value Creation Model

Strengths and Value Creation Cycle

Having grown as a comprehensive developer, Mitsubishi Estate aims to realize ongoing corporate value improvement and achieve a sustainable society through its steadfast commitment to creating attractive urban developments that anticipate changes in the times and to enriching people's lifestyles, while leveraging and enhancing its various strengths.



The Mission of the Mitsubishi Estate Group
 We contribute to society through urban development.
 By building attractive, environmentally sound communities where people can live, work, and relax with contentment, we contribute to the creation of a truly meaningful society.

Value Created through Our Businesses (Outcomes)
 Transformational improvements to the Group's business portfolio's efficiency and market resilience aimed at achieving the KPIs set out in its Long-Term Management Plan 2030.
 Increasing social impact:
 - Cities that conduct management of climate change, waste, and energy issues
 - Cities conducive to realizing diversity and inclusion
 - Innovative cities acting as wellspring for open innovation
 - Safe and peaceful cities of a sustainable and resilient nature
 To create a truly meaningful society, the Mitsubishi Estate Group offers a broad range of value to all of its stakeholders through attractive urban development, leveraging its comprehensive capabilities and strengths.

Output (Types of Value Offered by Our Businesses)
Domestic Asset Business
 Implement urban development proposing new workstyles and lifestyles through the promotion and commercialization of redevelopment projects, including in Mynanochi.
International Asset Business
 Establish a credible and reputable Group brand in growing overseas markets by leveraging development know-how accumulated in Japan.
Non-Asset Business
 Offer value appropriate for the coming era in new domains through collaboration with partners.
Achievement of a Sustainable Society
 - Environment - Diversity & Inclusion - Innovation - Resilience
 Viewing "Sustainability" and "Quality of Life" as our value propositions, we will endeavor to achieve a sustainable society through our business activities.

Financial Value	Non-Financial Value
Operating revenue	Percentage of CO ₂ emissions reduction (compared with FY2020)
Operating profit	Percentage of electricity from renewable energy sources
ROE	Percentage of buildings designated as shelters for stranded commuters

Mitsubishi Estate Group Value Creation Model (158KB)





SUSTAINABILITY MANAGEMENT

Sustainability Promotion System

Operational Framework for Sustainability

Mitsubishi Estate takes an active, group-wide approach to sustainability. Chaired by the President & Chief Executive Officer of Mitsubishi Estate with the Director responsible for Sustainability (the Director in charge of the Sustainability Management and Promotion Department at Mitsubishi Estate) as the deputy chair, the Group's Sustainability Committee comprises executives in charge of respective functional and business groups and the executives in charge of the Corporate Group, as well as managers of the major Group companies, and it ensures group-wide implementation of sustainability. The Sustainability Subcommittee serves as forum for detailed discussion to prepare for Sustainability Committee meetings.

The Sustainability Committee typically meets twice a year to deliberate and report on important matters related to sustainability. Prior to the meetings of the Sustainability Committee, the Sustainability Subcommittee conducts preliminary discussions and reporting while compiling information on efforts to promote sustainability made by business groups.

The deliberations of the Sustainability Committee are submitted to the Executive Committee whenever necessary in light of their importance and other factors. The deliberations of the Sustainability Committee are also reported to and supervised by the Board of Directors.

The Sustainability Committee formulates policies and plans. In implementing the policies and plans it approves, the Director responsible for Sustainability oversees the process, while the sustainability managers and staff of each department at Mitsubishi Estate and each Mitsubishi Estate Group company and the Sustainability Promotion Executive Office (Sustainability Management and Promotion Department at Mitsubishi Estate) together head the execution of specific activities and studies.



Board of Directors

Report ↑ ↓ Supervision

Sustainability Committee

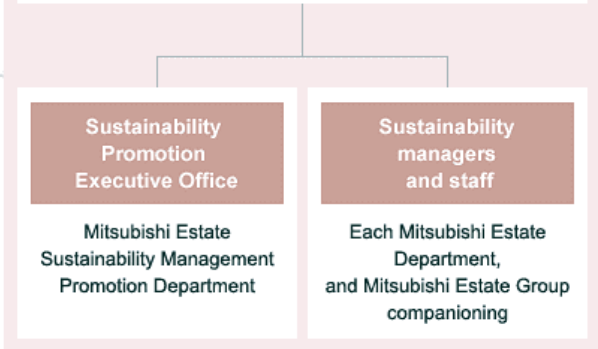
- Committee Chair:** President & Chief Executive Officer of Mitsubishi Estate
- Deputy Committee Chair:** Director in charge of Mitsubishi Estate Sustainability Management Promotion Department
- Committee members:** Executives in charge of respective functional and business groups, executives in charge of the Corporate Group, presidents of core operating companies
- Observers:** Chairman, standing statutory auditors and others as observers

Sustainability Subcommittee

- Committee Chair:** General Manager of Sustainability Management and Promotion Department
- Committee members:** Director in charge of Mitsubishi Estate Sustainability Management Promotion Department, General Managers of line and staff departments for functional and business groups, General Managers in charge of the Corporate Group, sustainability managers and staff at core operating companies

Chief Sustainability Officer
 Director in charge of Mitsubishi Estate Sustainability Management Promotion Department

Instruction →
 ← Deliberate/Report





Monitoring Progress Relating to Key Themes

The Mitsubishi Estate Group formulated the Mitsubishi Estate Group 2030 Goals for the SDGs, a core component for its strategy of increasing social value, and one of the strategic drivers that the Group has set out in its Long-Term Management Plan 2030 (launched in 2020). The 2030 Goals make plain the four key themes of the environment, diversity & inclusion, innovation, and resilience, and articulate specific action plans and targets for each theme. For the "environment" theme in particular, the Group has established quantitative goals linked to international initiatives, such as the formulation of science-based targets (SBTs) and participation in RE100.

To achieve these goals, the Group has incorporated its annual targets and initiatives related to the four key themes into annual plans for each organization and function. The Sustainability Committee tracks Group-wide progress and manages the process using the PDCA cycle. Target progress and detail are also regularly monitored by third-party organizations.

Finally, achieving the annual plans is included as one of the qualitative evaluation criteria for determining officer remuneration.

Past Meetings of the Sustainability Committee

Fiscal 2021

1st meeting (July 7, 2021)

- Review of energy-related targets (SBT, RE)
- Report on Energy and Urban Development Action 2050
- Information on activities for OMY SDGs ACT5 2021 and status of their implementation
- Status of initiatives toward achieving Mitsubishi Estate Group 2030 Goals for the SDG

2nd meeting (February 25, 2022)

- Revisions to energy-related targets (SBT, RE)
- Revisions to CSR procurement guidelines and status of supply chain management-related initiatives
- Raising the target for percentage of female managers
- Report on activities for OMY SDGs ACT5 project
- Status of initiatives toward achieving Mitsubishi Estate Group 2030 Goals for the SDGs



Past Meetings

[See all](#)

Fiscal 2020

1st meeting (July 30, 2020)

- Partial revision of the Sustainability Committee Regulations and the Sustainability Subcommittee Regulations
- Discussion of OMY SDGs ACT5
- Roadmap toward achieving the Mitsubishi Estate Group 2030 Goals for SDGs and analysis of issues
- Discussion of recent topics, etc.
 - (1) Mitsubishi Estate Group's SDGs-related press release
 - (2) Sustainability-related topics (report on recent conditions based on global situation associated with COVID-19 pandemic)
 - (3) Current status of Mitsubishi Estate-sponsored promotions

2nd meeting (February 8, 2021)

- Discussion on introducing renewable power in Otemachi-Marunouchi-Yurakucho area
- Initiative related to ensuring traceability of concrete formwork panels at Mitsubishi Estate Residence
- OMY SDGs ACT5 event report
- Discussion on promotion of internal communication measures related to sustainability
- Discussion on complying with ESG index benchmarks
- Discussion on implementation of third-party checks aimed at promotion of the Mitsubishi Estate Group 2030 Goals for SDGs

Fiscal 2019

1st meeting (December 2019)

- Establishment of the long-term (2050) vision^{*1} and the medium-term goals (2030)^{*2} in relation to sustainability management
- Status of response to ESG investment and various benchmarks

*1 Mitsubishi Estate Group Sustainability Vision 2050 announced in January 2020

*2 Mitsubishi Estate Group 2030 Goals for SDGs announced in January 2020

2nd meeting (February 2020)

- Discussion of the promotion plan and system of checks aimed at "spiraling up" the action plan for Mitsubishi Estate Group 2030 Goals for SDGs, and proposal for concrete action plan in the human rights area
- Discussion of joining RE100 and endorsement of TCFD recommendations



Fiscal 2018

1st meeting (July 2018)

- Setting numerical targets for KPIs and extension of boundaries (scope of disclosure), including consideration of science-based target (SBT) content (medium- to long-term greenhouse gas emission reduction targets)
- Implementing in-house SDGs working group (including review of materiality)
- Publication of Integrated Report
- Human rights due diligence procedures
- Green bond issuance

2nd meeting (March 2019)

- SDGs working group implementation report
- Participation in medium- to long-term CO2 emissions reduction targets (SBTs)
- Review of KPIs
- Change of rules and organization name
- (Name changed from CSR & Environmental Sustainability Department to Sustainability Management and Promotion Department in fiscal 2019)

Fiscal 2017

1st meeting (July 2017)

- Report on FY2016 key CSR themes and KPI results
- CSR activities report, etc.

2nd meeting (February 2018)

- Initiatives for SDGs and review of key CSR themes and KPIs
- Launch of human rights due diligence study group



SUSTAINABILITY MANAGEMENT

Participation in Global Initiatives

Signed the United Nations Global Compact

In April 2018, the Mitsubishi Estate Group became a signatory to the United Nations Global Compact. Our brand slogan is "A Love for People. A Love for the City" and our Group mission is to contribute to society through urban development. Henceforth the Group will uphold the Ten Principles of the UN Global Compact and endeavor to respect human rights, eliminate unfair labor, protect the environment and avoid corruption as it continues to contribute to the development of a sustainable world by establishing targets and policies suited to its business and pursuing them using the PDCA management cycle.



Mitsubishi Estate's GHG Reduction Targets Approved by Science Based Targets Initiative

The Mitsubishi Estate Group formulated group-wide medium- to long-term greenhouse gas (GHG) emissions reduction targets in March 2019. In April 2019, the Group's targets were approved by the Science Based Targets initiative as consistent with the level required under the Paris Agreement (limiting average global temperature rise due to climate change to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C) based on scientific evidence. Moreover, in March 2022, the Group revised its targets in line with the Net-Zero Standard published by the SBTi in October 2021 based on its 1.5°C scenarios (Targets approved by the SBT initiative in June 2022).





GHG Emissions Reduction Targets (revision in March 2022) (Targets approved by the SBT initiative in June 2022)

- Reduce Scope 1 + 2 by 70% or more and Scope 3 by 50% or more by fiscal 2030 compared to fiscal 2019 emissions
- Achieve net-zero emissions by 2050 (reduce Scope 1, 2, and 3 by 90% or more. Neutralize residual emissions*.)

* Emissions that remain unabated within the value chain in the target year are termed "residual emissions." The SBTi standard requires neutralizing any residual emissions using forest absorption and carbon removal technologies outside the value chain to counterbalance the impact of these unabated emissions and to achieve net-zero emissions.

Signing on to Race to Zero and Business Ambition for 1.5°C

In line with the commitment to the Net-Zero Standard set by the SBTi, the Group has also signed on to the international decarbonization campaigns Race to Zero*¹ and Business Ambition for 1.5°C*².

- *1 Race to Zero is an international campaign announced in June 2020 by the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) to rally leadership and support from "real economy" actors, including businesses, cities, regions, investors, and universities, to commit to achieving net zero carbon emissions by 2050, and to take immediate action to achieve this goal.
- *2 Business Ambition for 1.5°C is an international campaign led by the UN Global Compact, the We Mean Business Coalition, and the SBTi that makes an urgent call for businesses to set science-based GHG emissions reduction targets with the goal of achieving net-zero emissions by 2050.





Participating in RE100

On January 31, 2020, Mitsubishi Estate joined RE100, a global corporate leadership initiative bringing together businesses committed to 100% renewable energy. With its March 2022 formulation of GHG reduction targets in line with the Net-Zero Standard established by the SBTi (Targets approved by the SBT initiative in June 2022), Mitsubishi Estate is aiming to achieve group-wide 100% renewable power use by fiscal 2025.



See the following for the renewable energy rate and a list of buildings to introduce renewable energy.

Reference: ESG Data > E: Environmental data > (1) KPI > Renewable energy rate



Reference: List of Buildings Introducing Renewable Energy



* RE100 is a global corporate initiative led by The Climate Group, an international NGO working to accelerate climate action, in partnership with CDP, an international NGO that provides investors, companies, cities, states and regions with a global disclosure platform to manage their environmental impacts. RE100 brings together influential businesses committed to switching to 100% renewable energy for the electricity they use.

Participating in JCLP

In April 2020, Mitsubishi Estate became an executive member of the Japan Climate Leaders' Partnership (JCLP), a group of companies that aim to realize a sustainable decarbonized society. Through its participation in JCLP, Mitsubishi Estate will work with other companies toward decarbonization and make policy proposals to the government.



JCLP also serves as Japan's point of contact for RE100 memberships in partnership with The Climate Group, an international, non-profit organization.



Signed on to TCFD

On February 3, 2020, Mitsubishi Estate announced its support for the recommendations of TCFD. In May 2020, the Company disclosed such information as governance, strategies, risk management, indicators and targets on climate change risks and opportunities in accordance with the framework recommended by TCFD. Going forward, the Company will consider expanding the scope of information to be disclosed as it works to further improve governance and business strategies pertaining to climate change based on the results of the scenario analysis.



* The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) based on a G20 request to investigate how to disclose climate-related information and respond to financial institutions. The task force issued its final report in June 2017, encouraging companies and others to disclose climate change-related risks and opportunities.

[Information Disclosure Based on TCFD Recommendations](#)



Signed the Principles for Responsible Investment (PRI)

The Principles for Responsible Investment (PRI) comprises an international network of investor signatories that works to realize the Six Principles established for the finance industry in 2006 under the leadership of the then United Nations Secretary-General, Kofi Annan. This network is promoted through the United Nations Environment Programme (UNEP) and the United Nations Global Compact (UNGC).



PRI encourages the incorporation of Environment, Social and Governance issues into investment decision-making processes, with the aim to help companies enhance long-term investment performance and better fulfill their fiduciary duty.

Endorsing the basic approach of PRI, Japan Real Estate Asset Management (JRE-AM) became a signatory in August 2018, while Mitsubishi Jisho Investment Advisors became a signatory in March 2020.

JRE-AM has received the following evaluation results for which we made the report* in 2021.

* PRI signatories are required to report on the status of their ESG integration practices to PRI each year.

Module	Score
Investment & Stewardship Policy	★★★★☆
Real Estate	★★★★★ (Highest rating)



The Six Principles of PRI

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.



SUSTAINABILITY MANAGEMENT

Stakeholder Engagement

Basic Policy and Approach

Living up to its mission, “We contribute to society through urban development,” Mitsubishi Estate Group strives to contribute to creating a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment. The Mitsubishi Estate Group’s business is built upon the foundation of its relationships with a wide variety of stakeholders, including customers, shareholders, local communities, government and local authorities, business partners, and executives and employees and their family members. Business activities in urban development involve many stakeholders by their very nature, and the Mitsubishi Estate Group has the responsibility to pursue its business activities while living up to the trust placed in it by these stakeholders.

Based on the opinions of outside experts and others, the Group identifies the stakeholders involved in the conduct of its business and analyzes the relationship with each stakeholder and the degree of influence and other factors to determine the level of priority. To this end, the Group places great importance on stakeholder engagement, with the following as its main objectives.

- Receiving recognition for the Group’s initiatives
- Having stakeholders share their expectations and concerns related to the Group
- Obtaining opinions on new social issues and themes and learning from best practices
- Sharing with stakeholders the Group’s initiatives and corporate stance

In light of these objectives, the Group examines and implements the most suitable methods of engagement with each stakeholder (see “Methods for dialogue with stakeholders” below). The Mitsubishi Estate Group utilizes the opinions received through stakeholder engagement in its business and engages in two-way communication with stakeholders to maintain their trust and confidence, thereby ensuring the sustainable continuity of business.



Stakeholder Engagement



Governance Structure

Daily stakeholder engagement efforts are conducted by each Group company and department in charge, which maintains close communications with each stakeholder, working in collaboration with the relevant departments of each Group company.

Opinions received through stakeholder engagement are compiled by Mitsubishi Estate's Sustainability Management and Promotion Department and provided as feedback to management for reflection in business operations and further development of initiatives.

The Group regularly reviews whether engagement with each stakeholder is effective and strives to minimize stakeholder engagement risks, such as overlooking stakeholder expectations and requests or failing to approach specific stakeholders adequately.

Methods for Dialogue with Stakeholders

Stakeholders	Definition	Opportunities for dialogue	Primary themes
Customers	Users of tenant buildings, parties to housing and condominium contracts, various subcontractors, etc.	<ul style="list-style-type: none"> ● Customer satisfaction surveys, questionnaires, etc. ● Communication through marketing activities 	<ul style="list-style-type: none"> ● Urban development to create safety and security ● Quality and safety management for products and services ● Urban development to support declining birthrates and aging populations
Community and Society	Local community and local residents involved in the Mitsubishi Estate Group's business	<ul style="list-style-type: none"> ● Meetings with influential stakeholders ● Dialogues through cooperation with administrations, local government and NPOs ● Social contribution initiatives 	<ul style="list-style-type: none"> ● Economic contributions to the community ● Promoting smart communities ● Sustainable use of forest resources
NGO • NPO	NGOs, NPOs, etc. that promote activities on themes related to the Mitsubishi Estate Group's business	<ul style="list-style-type: none"> ● Hold individual dialogues ● Collaborate in organizing events on specific themes ● Participate in events, seminars, etc. held by NGOs and NPOs 	<ul style="list-style-type: none"> ● Climate Change ● Biodiversity ● Resource Circulation ● Water Resources ● Forest Conservation ● Human Rights ● Diversity etc.



Stakeholders	Definition	Opportunities for dialogue	Primary themes
Employees	Mitsubishi Estate Group employees	<ul style="list-style-type: none"> ● Communication via personnel evaluations ● Dialogue via compliance survey and other internal platforms 	<ul style="list-style-type: none"> ● Developing the capabilities of employees, utilizing diverse human resources and providing equal opportunities ● Maintaining safety as well as physical and mental health
Business Partners	Construction subcontractors, cooperating companies, suppliers, etc.	<ul style="list-style-type: none"> ● Communication during operations ● Subcontractor evaluation systems, training sessions for registered construction firms, quality and safety promotion conferences, other ● Communication during procurement activities ● Disseminating the Supplier Code of Conduct and implementing interview surveys 	<ul style="list-style-type: none"> ● Supply chain management ● Green procurement ● Urban development to create safety and security
Shareholders and Investors	Individual and institutional investors	<ul style="list-style-type: none"> ● Financial results briefings (twice a year) ● Small group meetings and property tours for analysts and investors ● One-on one meetings with Japanese and foreign institutional investors (around 300 meetings per year) ● Participation in various other online conferences, etc. ● ESG-specific presentations to shareholders ● Communication using IR tools 	<ul style="list-style-type: none"> ● Economic performance ● Healthy corporate management



FY2022 Stakeholder Dialog Details

- Main dialog partners: BSR, WWF Japan, experts on each subject, etc.
- Dialog method: Online interviews (11 sessions)
- Dialog time frame: April to June 2022

Theme	Stakeholder expectations for the Company, perceived issues
Climate change	<ul style="list-style-type: none"> ● It would be ideal to have procurement and ordering policies that promote concrete decarbonization efforts. ● As is apparent by the fact that so-called offsets are not allowed in SBTi target setting, there is a major trend toward not recommending the use of credits for the purpose of offset. When using credits to neutralize final residual emissions to contribute to reduction outside the scope of targets, it is important to confirm the details of whether sustainability is being guaranteed in the true sense. ● Proactive policy proposals on carbon pricing and energy saving performance standards are anticipated. ● Because of the high possibility that the approach to the biomass output coefficient will be changed, it is necessary to watch trends and consider how it should be handled.
Lumber	<ul style="list-style-type: none"> ● When promoting domestic lumber as qualifying as low risk, the company should confirm that the risk actually is low after performing human rights and environmental risk assessments. The same applies for the CLT business. ● Formulation of policies in pursuit of traceability and sustainability are anticipated for use of wood other than formwork plywood panels as well.
Plastic	<ul style="list-style-type: none"> ● With regard to the reuse and reduction of plastics and other waste, besides the 2030 targets, urgent establishment of KPIs targeting 2025 is anticipated. Also, in preparation for eliminating the cycle of mass production, mass consumption, and mass disposal, proactive collaboration with relevant parties is anticipated in order of waste reduction, reuse, and material recycling. ● With the goal of expanding Otemachi-Marunouchi-Yurakucho initiatives across the country in mind, the company must be conscious of its position as a base for each region and collaborate with tenants and waste disposal vendors to promote a circular economy far and wide in a sustainable manner.
Biodiversity	<ul style="list-style-type: none"> ● The company should conduct assessments not only on business areas, but also on the impact and reliance of biodiversity in areas that include suppliers of building materials, etc. ● Rather than conserving biodiversity for the purpose of CSR, the company needs to consider such preservation within its business operations. ● Effective public communication is expected in the future through SDGs ACT 5 and other channels.



Theme	Stakeholder expectations for the Company, perceived issues
Water	<ul style="list-style-type: none"> ● The company should evaluate the risks, opportunities, impact and dependence on the environment across the entire supply chain including raw materials procurement in terms of the watershed and operations. ● The company should establish water targets and strategies that link to the company's overall strategy. ● For example, gravel has been improperly collected in some areas (Mekong River basin, etc.), resulting in environmental and social issues. It is anticipated to perform identification and risk analysis of areas where gravel used in concrete is collected and formulate a policy in pursuit of sustainability and traceability. ● At locations important to achieving the above water targets and strategy, the company should promote AWS certification while maintaining consistency with the overall water targets.
Human rights	<ul style="list-style-type: none"> ● An evaluation of the effectiveness of current risk reduction initiatives and disclosure of results is anticipated. ● The company should identify "human rights trafficking" as a possible human rights risk associated with hotel business and implement countermeasures. ● Efforts are anticipated on improving minimum wages and living wages, as well as policy proposals.
Supply chain management	<ul style="list-style-type: none"> ● The company is currently focusing efforts on labor conditions and environmental risks at construction sites. However, the company should conduct risk assessments on building materials (particularly steel, cement, and glass) going forward. ● Disclosure of the company's main supplier list is also anticipated.
Technology	<ul style="list-style-type: none"> ● As a company whose goal is urban development utilizing technology, the company should conduct risk assessments in line with the type and application of technologies it employs. Afterward, the company must formulate a Group-wide policy on technology use.
Diversity and inclusion	<ul style="list-style-type: none"> ● It is important to improve initiatives considering both "attribute-based diversity" and "experience/skill/knowledge-based diversity." To achieve this, it is vital to provide equal opportunities and analyze from various viewpoints whether any inequalities exist. ● Rather than viewing gender diversity as an issue of employee mindset, it is important to view it as a management issue. To do so, training for executives and the management on the importance of gender diversity is required. ● In addition to training, it may be a good idea to begin LGBTQI+ initiatives through an employee working group. ● Promotion of D&I among suppliers is also anticipated.



Partnerships with Outside Organizations

Partner organization	Overview	Our role
The Association of Real Estate Agents of Japan	The Association's members are major and medium-sized housing manufacturers and real estate companies that focus on real estate marketing activities. The Association aims to improve the various systems related to real estate transactions through related investigations, research, and proposals, etc.	Deputy Director Board Members Corporate Advisor
Real Estate Companies Association of Japan	The Association's members are companies that engage in urban and community development. It conducts investigations and research on systems related to real estate, makes policy proposals, and conducts social contribution activities to make it possible to proactively and effectively promote the supply of high-quality offices and homes and the smooth distribution of a stock of housing.	Deputy Director Board Members Corporate Advisor
Japan Building Owners and Managers Association	As Japan's only nationwide organization of business operators who own and manage office buildings, the Association conducts investigative research and awareness-raising activities related to building operation and management, etc.	Chair
Council for Area Development and Management of Otemachi, Marunouchi and Yurakucho	The Council engages in efforts related to urban development in light of the "Guidelines for the Redevelopment of the Area" of the Otemachi, Marunouchi, and Yurakucho areas of Tokyo, in collaboration with companies, organizations, and governmental agencies, etc., in an aim to increase the area's value and achieve sustainable development of central Tokyo.	Regular Members Director Chair Committee Chair
Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi, and Yurakucho Districts (Commonly known as the "Ecozzeria Association")	The Association operates the "CSV Business Creation Platform" that aims for better urban development and to resolve social issues directed toward achievement of the "Otemachi, Marunouchi, Yurakucho (OMY) Sustainability Vision." It works to create opportunities for interaction between companies and many people inside and outside the OMY area, build CSV business that sustains development of "environment," "economy," and "society" on that foundation, conduct R&D related to cutting-edge technology that contributes to creation of a sustainable society, etc., and implement awareness-raising activities.	Regular Members Board Members Auditor



Partner organization	Overview	Our role
OMY Area Management Association (Commonly known as "Ligare")	The Association handles "soft" components of urban development of the OMY area. It plans and operates events and other activities, conducts public relations, and engages in investigational research, and otherwise conducts activities as the instrument advancing systems established by government, such as the "Tokyo Municipal Ordinance on Promoting the Syareta-Machinamidukuri, the Creating of an Attractive and Exceptional City" and outdoor advertising projects.	Regular Members Deputy Director Board Members
The Industrial Federation for Human Rights, Tokyo The Corporate Federation for Dowa and Human Rights Issues, Osaka	Recognizing that human rights are the foundation of sustainability, the Federation works to solve a variety of human rights problems, such as the problem of discrimination, from a corporate perspective.	The organization is operated independently by members (human rights staff).

Distribution of Economic Value to Stakeholders

See the following for data on economic value distributed to shareholders.

ESG Data > S: Social data > (2) Other






SUSTAINABILITY MANAGEMENT

External Evaluations of ESG Performance

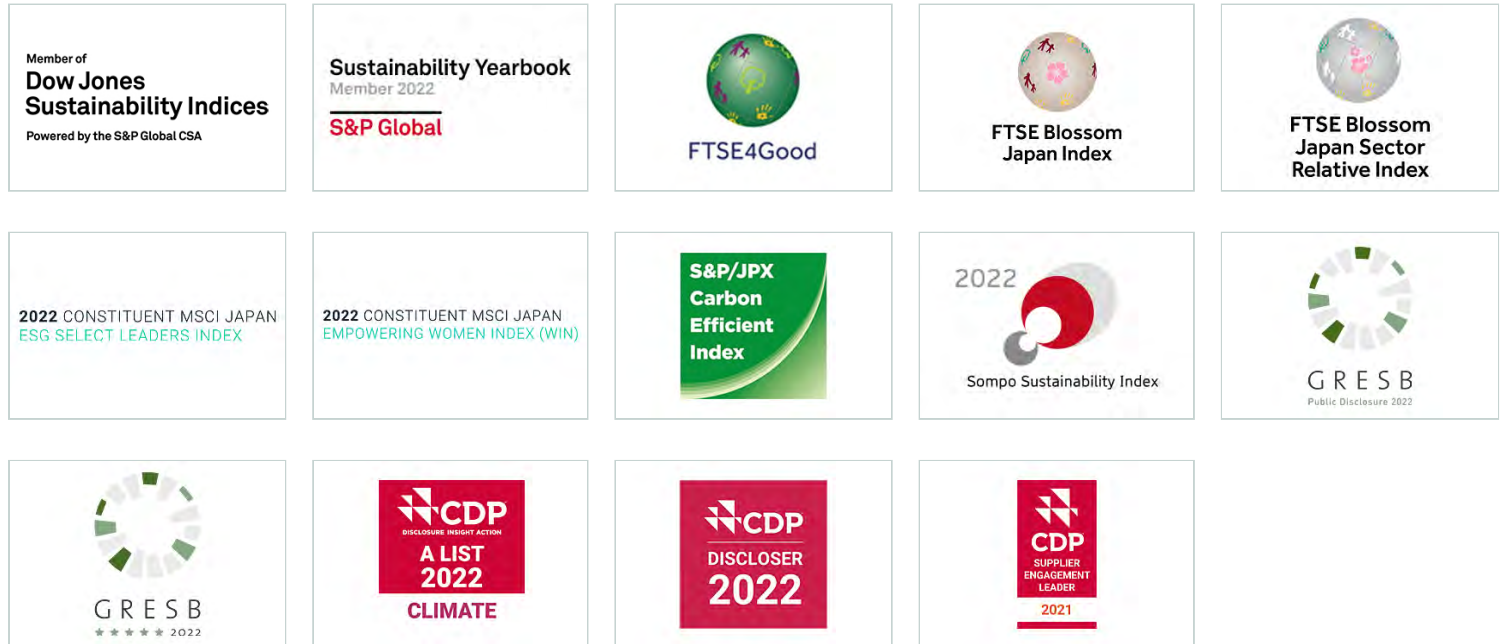
ESG Index Inclusion and External Evaluations

Mitsubishi Estate has been selected for inclusion in the following environmental, social and governance (ESG) indices for socially responsible investment (as of December 13, 2022).

- Dow Jones Sustainability World Index
- Dow Jones Sustainability Asia Pacific Index, 3rd consecutive year
- S&P Global Sustainability Yearbook Member 2022
- FTSE4Good Global Index, 21th consecutive year
- FTSE Blossom Japan Index, 6th consecutive year
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index, 6th consecutive year
- MSCI Japan Empowering Women Select Index, 5th consecutive year
- S&P/JPX Carbon Efficient Index, 5th consecutive year
- SOMPO Sustainability Index, 11th consecutive year
- GRESB Public Disclosure, 6th consecutive year
- 2022 GRESB Real Estate Assessment
 - 5 Stars, the highest rating in GRESB Standing Investments Benchmark^{*1} (3rd consecutive year)
 - 4 Stars, the highest rating in GRESB Development Benchmark^{*2}
- *1 Assessment of the performance of standing investment portfolio
- *2 Assessment of the new construction and major renovation portfolio
- Score: A, CDP Climate Change 2022 Questionnaire
- Score: A-minus, CDP Water Security 2022 Questionnaire
- Score: B CDP Forests 2022 Questionnaire
- CDP2021 Supplier Engagement Leader
- Certified in 2022 as Outstanding Health and Productivity Management Organization



Socially responsible investing is an approach to investing in companies that takes into consideration their environmental and social initiatives and corporate governance as well as economic aspects. We will continue to integrate our business with sustainability as we pursue sustainable corporate management.



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SUSTAINABILITY MANAGEMENT

Mitsubishi Estate Group ESG-Related Rules and Policies

The Mitsubishi Estate Group has established rules and policies based on **the Mitsubishi Estate Group Mission, the Code of Conduct, and the Guidelines for Conduct.**

Mitsubishi Estate Group Basic Environmental Policy

The Mitsubishi Estate Group has established the Mitsubishi Estate Group Basic Environmental Policy, which is based on its corporate mission. The entire Group works together to implement sound environmental management.

[Mitsubishi Estate Group Basic Environmental Policy](#)



Mitsubishi Estate Group Green Procurement Guidelines

The Mitsubishi Estate Group has established the Green Procurement Guidelines as an active effort to be environmentally friendly and help reduce the burden on the global environment. The Guidelines promote green procurement, which refers to procurement or construction methods that use materials and equipment with a low environmental impact.

[Mitsubishi Estate Group Green Procurement Guidelines](#)



Mitsubishi Estate Group Supplier Code of Conduct

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 essential that it work with its business partners to promote socially responsible procurement at all stages of the supply chain. With this recognition, the Group revised its CSR Procurement Guidelines, which was created in April 2016, and established the Mitsubishi Estate Group Supplier Code of Conduct in April 2022.

[Supply Chain Management > Establishment of Mitsubishi Estate Group Supplier Code of Conduct](#)





Mitsubishi Estate Group Human Rights Policy

As a member of society, the Mitsubishi Estate Group has a renewed awareness of the importance of respecting human rights. Accordingly, on April 1, 2018, we established the Mitsubishi Estate Group Human Rights Policy with the aim of fulfilling our responsibility to respect the basic human rights not only of Group companies, but of all stakeholders.

[Human Rights Initiatives > Policy on Human Rights](#)



[Human Rights Initiatives > Mitsubishi Estate Group Human Rights Policy](#)



Mitsubishi Estate Group UK Modern Slavery Act Statement

Mitsubishi Estate has issued the statement to comply with Article 54 of the UK Modern Slavery Act 2015. The aim is to identify slavery and human trafficking risks in the Mitsubishi Estate Group and its supply chain, in addition to outlining the Group's initiatives to prevent and mitigate these risks.

[Human Rights Initiatives > Mitsubishi Estate Group UK Modern Slavery Act Statement](#)



Mitsubishi Estate Group Anti-Corruption Guidelines

The Mitsubishi Estate Group announced the Mitsubishi Estate Group Anti-Corruption Guidelines on July 1, 2018.

[Compliance > Preventing Corruption](#)



Mitsubishi Estate Group Guidelines on Social Contribution Activities

In April 2008, the Mitsubishi Estate Group established the Mitsubishi Estate Group Guidelines on Social Contribution Activities. Each Group company implements its own activities in accordance with the basic policy.

[Social Contribution Activities / Support for Communities > Basic Policy and Approach](#)





Mitsubishi Estate Group Declaration on Customer Respect

The Mitsubishi Estate Group established the Mitsubishi Estate Group Declaration on Customer Respect on April 1, 2018.

[Enhancing Customer Satisfaction > Mitsubishi Estate Group Declaration on Customer Respect](#)

