

Sustainability Policy

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Mitsui Fudosan Frontier REIT Management Inc.

1. Our Approach to Sustainability

Mitsui Fudosan group, which we belong to, has established and pursued the following three principles under its group vision of “& Earth”, aiming to contributing to the coexistence of social/economic development and preservation of global environment.

- I. “Policy for Environmental Initiatives” addressing “Reducing the impact of products and services on the environment”, “Enhancing safety, security, and comfort while ensuring sustainability” and “Collaborating and cooperating with various stakeholders”.
- II. “Policy for Social Initiatives” as four core areas of “the global environment”, “local communities”, “culture and education” and “international exchange”.
- III. “Policy for Governance Initiatives”, from the standpoint of improving the soundness, transparency and efficiency of management in order to gain the trust of its stakeholders.

We, as part of Mitsui Fudosan group, will make efforts to execute the above principles from I to III for ESG challenges in our group.

Frontier Real Estate Investment Corporation (hereinafter referred to as “the investment corporation”) aims to secure stable earnings for medium- to long-term and maximize unitholders’ values.

We, as an investment management company for the investment corporation, recognize the needs to operate real estate business in harmony with the society, the economy, and the earth, as well as the needs to reduce environmental burdens, to develop sustainable relationships with a variety of our stakeholders and to develop governance system so that our investors can rest assured that their unit holdings in the investment corporation will continue rewarding them over the long term.

After considering the roles that we should play in the relationships with our stakeholders, we hereby formulate “Sustainability Policy”, aiming at operation with the environment, social and governance factors in mind.

We will put in place this policy in day-to-day operation and communicate the effort status properly.

2. Sustainability Policy

2.1 Reducing environmental impact

2.1.1 Reducing carbon emissions through pursuing energy efficiency

We aim to contribute to reducing carbon emissions through implementing power saving and energy efficiency measures in our operations as well as installing energy efficient equipment. And furthermore, we work to achieve low carbonization and non-carbonization in the portfolio through the use of renewable energy or other approaches, in order to adapt to the forthcoming decarbonized society.

2.1.2 Conserving water and other natural resources while reducing waste

We aim to introduce high-efficiency fixtures to conserve water and promote 3Rs, i.e., reduce, reuse, recycle, to contribute to realizing resource-saving and recycle-oriented society.

2.1.3 Reducing hazardous substances with health and safety

We aim to reduce hazardous substances or environmental pollution, brought by the operation in commercial facilities, to the extent possible, properly manage environment quality in the building space and promote efforts to enhance health, safety and hygiene for tenant employees or visitors.

In parallel, we take all possible measures in preparation for large-scale earthquakes or serious climate disasters like typhoon or flood in order to secure “safety and security” for building users.

2.2 Developing sustainable relationships with a variety of stakeholders

2.2.1 Cooperation and coexistence with local communities

We aim to operate our retail facilities as a “core of local community”, providing place of human interaction and information exchange and thus contributing to regional vitalization.

2.2.2 Collaborating with Mitsui Fudosan group companies and tenants

We strive to create comfortable and environmentally-conscious retail space, collaborating with Mitsui Fudosan group companies and our tenant companies,

so as to improve customer satisfaction as well as to enhance sustainability awareness among our visitors. In addition, we adopt ESG factors as one of criteria to select outsourcing companies related to property operation and suppliers of goods and services, and also require them to proceed with operation with sustainability in mind.

2.2.3 Engaging with our employees

We endeavor to raise environmental awareness and literacy among our employees through conducting organized training programs including environmental seminars as well as to realize work-life balance by supporting diversified work styles.

Moreover, we strive to increase employee engagement by improving the workplace environment and creating opportunities for active internal communication.

2.2.4 Establishing trusting relationships with investors

We make the best efforts to disclose non-financial information including environment, social and governance (ESG) factors in addition to financial information in a timely and adequate manner, aiming to establish trusting relationships with investors.

2.3 Enhancing governance system

2.3.1 Clarifying corporate governance structure

We make utmost efforts to disclose decision-making process, secure the traceability, raise awareness about compliance and achieve risk management in order to make decision-making process more transparent.

2.3.2 Enhancing corporate governance system

We pursue to increase diversity in the Board of Directors and to establish effective governance structure, in an effort to enhance the corporate governance system.