Protecting the Precious Environment

Housing development has a huge impact on the environment. With a full understanding of such impact, we are not only promoting environmental activities to realize processes and technologies with minimal environmental burden but also engaging in research and technological development.

For more information, please visit ▶

ESG Data ▶

Related SDGs

Material Issues of Protecting the Precious Environment

Response to climate change

As part of efforts toward realizing a sustainable society, we are working to reduce our greenhouse gas emissions from our business activities in accordance with the reduction targets for SBT certification. We are also driving the disclosure of information relating to climate change in line with the TCFD.

Consideration for biodiversity

Ensuring that corporate activities are carried out in a way that takes biodiversity into consideration is an important management issue, and through this we are contributing to the reaching of international goals targeting the realization of a sustainable society.

Pollution prevention and consideration for the local environment

In the course of developing condominiums, we give thoroughgoing consideration to preventing any negative impact of soil, water quality, sunlight, noise, etc. We also proactively make proposals including those for the development of green areas that serve as places for relaxation for local communities.

Response to Climate Change

In accordance with the Haseko Group's climate change response policy, HASEKO ZERO-Emission, formulated in December 2021, the Group has moved forward with initiatives aimed at realizing decarbonization.

For more information, please visit ▶

The Haseko Group's climate change response policy, HASEKO ZERO-Emission (overview)

The Haseko Group will strive to respond to climate change with the following as its basic stance.

Realize the Corporate Philosophy

Addressing climate change as an important management issue

Achieve carbon neutrality by 2050

Acquisition of an SBT certification (June 2022)

Introduction of renewable energy at all construction sites (by December 2025)

Promotion of low-carbon construction

Expand/create business opportunities

Analysis of risks and opportunities

Transition to net-zero energy housing for for-sale condominiums developed in-house and rental condominiums owned (in 2022 onwards)

Bring together all capabilities of the Haseko Group Promote dialogue/ cooperation with stakeholders

Disclosures based on the TCFD recommendations, and response to Carbon Disclosure Project (CDP)

Disclosures based on the recommendations of the TCFD*

The Haseko Group, as a corporate group for housing to create great living, aims "to contribute to society by creating an optimal environment for cities and people." However, in recent years, natural disasters have increased in frequency and intensity due to climate change, which is threatening the safety and security of our lives.

Given these conditions, with the belief that addressing climate change is an important management issue, the Haseko Group endorsed the recommendations of the TCFD, as well as developed and announced its policy addressing climate change, HASEKO ZERO-Emission in December 2021. We will continue to make disclosures in accordance with the recommendations of the TCFD, as well as monitor and appropriately deal with governmental measures and social trends for reducing the effects of climate change and CO_2 and other greenhouse gas emissions, while aiming to realize a sustainable society and improve corporate value.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

For more information, please visit ▶

*TCFD: Task Force on Climate-related Financial Disclosures. It recommends companies and such to disclose items related to climate change-related risks and opportunities.

Metrics & Targets

The Haseko Group has set reduction targets with total greenhouse gas (CO_2) emissions as a metric for assessing and managing the impact of climate issues on our business management.Our targets for 2030 have acquired an SBT certification. *SBT: Science Based Targets

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Haseko Group greenhouse gas emissions reduction targets

Scope	Base year	Targets	
		Medium-term (FY2030)	Long-term (FY2050)
Scope1 + Scope2	FY2020	(42%)	(100%)
Scope3		(13%)	(37%)

Haseko Group greenhouse gas emissions results (by Scope)

Metrics	FY2021	FY2022	FY2023
Scope 1 (t-CO_2): Direct emissions (from burning fuel, etc.)	40,487	34,486	52,224
Scope 2 (t-CO_2): Indirect emissions (from the use of electricity, etc.)	24,258	18,302	8,349
Scope 3 (t-CO_2): Supply chain emissions	6,175,367	5,629,382	5,294,469

Governance

The Haseko Group has established the "Sustainability Committee" under the Board of Directors with the aim of achieving sustainability. The committee, chaired by the President and Representative Director, is composed of the officers in charge of each division and the presidents of Group companies.

The Sustainability Committee meets once a year to deliberate and decide on policies and action plans concerning sustainability, including our response to climate change, and to monitor and review sustainability activities. Matters deliberated and reported at the Sustainability Committee are reported to and supervised by the Board of Directors, and significant matters are brought to the Board of Directors for deliberation and decision-making. The Haseko Group takes into consideration the climate-related management issues addressed at the Sustainability Committee when developing its business strategy, investment strategy, and other management strategies.

As a subordinate body under the Committee, we have the "Sustainability Promotion Conference" and the Committee is working to promote and disseminate CSR activities throughout the Group, including environmental measures such as decarbonization as well as energy and environmental technologies.

Management system

Strategy

Risk and Opportunity Identification Process

The Haseko Group established a company-wide working group (WG) to address climate change under the Environment Promotion Conference. This working group identified climate-related risks and opportunities, analyzed the level of impact, and studied responses thereto.

The study results are approved by the Sustainability Committee after deliberation on the validity of the analysis and the need for additional response, and then reported to the Board of Directors.

Targeted Sectors/Regions and Impact on Financial Plans

As a first step, our analysis targeted the Domestic-construction business. Quantitative calculations were not performed regarding financial impact this time. In the future, we will work to expand the scope of analysis and calculate the quantitative impact.

Explanation of Scenarios and Short-, Medium-, and Long-term Time Horizons

In our analysis, we established the following two scenarios and studied the impact.

Studies were also done from short-term, medium-term (through 2030), and long-term (through 2050) perspectives.

Climate-related Issues That Have a Significant Impact, Resilience

As a result of analysis, we identified as significant risks the increase in construction costs due to the adoption of a carbon tax and tighter regulations in connection with the transition to a decarbonized society, labor shortages due to rising average temperatures in summer, and delays in construction projects due to more frequent and intensified meteorological disasters.

Our analysis also indicates that an increase in demand for ZEH (Net-Zero Energy Houses) and disaster-resistant houses may lead to an increase in opportunities to receive orders for new construction and renovations.

Based on these analytical results, we checked the current state of initiatives addressing these risks and opportunities and studied their adequacy and the need for additional measures. As a result, we confirmed that the current direction of our initiatives is appropriate and that further acceleration is required for several measures, such as decarbonization technology for concrete and steel, which comprise the greater part of CO_2 emissions from construction materials, and energy-saving technology for houses and buildings. Going forward, we will specify actions to accelerate these measures and move forward with further initiatives. Please see the chart below for details on significant risks and opportunities, their impact, and our response.

*Integrated into the Sustainability Promotion Conference in FY2024

1.5–2°C scenario	A scenario in which rigorous measures to mitigate climate change are taken and temperatures as of 2100 are no more than 1.5–2°C warmer than the level before the Industrial Revolution. (References: SDS*1 of the IEA,*2 RCP 2.6*3 of the IPCC,*4 etc.)
4°C scenario	A scenario in which rigorous measures to mitigate climate change are not taken and temperatures as of 2100 are around 4°C warmer than the level before the Industrial Revolution. (References: STEPS*5 of the IEA, RCP 8.5*6 of the IPCC, etc.)

*1 SDS: Sustainable Development Scenario
*2 IEA: International Energy Agency
*3 RCP 2.6: 2°C scenario
*4 IPCC: Intergovernmental Panel on Climate Change
*5 STEPS: Stated Policy Scenario
*6 RCP 8.5: 4°C scenario

Risks and Opportunities

*"Impact" means the impact as of 2030.

Category		Item	Description	Impact		Timeframe
				1.5–2°C	4°C	
Impact of the transition to a decarbonized society	Risk	Adoption of carbon taxes	If carbon taxes are adopted, materials with high CO_2 emissions intensity and transport costs may rise.	Medium	Low	Medium term
	Risk	Tighter regulations	If the Building Energy Efficiency Act is applied more broadly, energy saving standards are increased/ mandated, or regulations are otherwise tightened, construction costs may increase.	Medium	Low	Medium term
	Opportunity	Increased demand for energy-efficient buildings	Demand for ZEH may increase in new constructions and this could give us a competitive advantage. Demand for energy-efficient renovations of existing buildings may also increase and this could lead to more business opportunities for the Company.	High	Medium	Medium term
Physical effects	Risk	Rising average temperatures in summer	If average summer temperatures rise, the risk of heat stroke among construction site workers and the tendency to avoid outdoor work will increase, which may lead to labor shortages.	High	High	Short term
	Risk	More frequent and Intensified meteorological disasters	Due to an increase in the frequency of typhoons and intensified torrential downpours, there may be an increased risk of work interruptions and harm to nearby third parties due to damage to buildings under construction and construction delays from difficulties in procuring materials and labor as a result of damage to suppliers.	Medium	Medium	Short term
	Opportunity	Increase in disaster prevention and mitigation demand	Due to more frequent and intensified meteorological disasters, the demand for disaster-resistant housing may increase, and as a result, opportunities to receive orders for new construction and renovation may also increase.	High	High	Medium term

Countermeasures

Adoption of carbon taxes Tighter regulations Increased demand for energy-efficient buildings	• Promote the reduction of CO_2 emissions during construction • Promote the use of materials with low greenhouse gas emissions	• Promote the development of technologies responding to the growing demand for energy efficient buildings
Rising average temperatures in summer More frequent and intensified meteorological Disasters Increase in disaster prevention and mitigation demand	• Further improve the work environment at construction sites, and promote higher work efficiency by automation and other means • Establish construction methods not affected by Weather	• Strengthen relationships with cooperating companies and suppliers • Promote the development of technologies responding to the growing demand for disaster resistant condominiums

Risk Management

We have established a company-wide working group to sort out climate change risks and analyze their impact on business. For details on other climate change-related risk management systems, please access the information to the right.

For more information, please visit ▶

We have formulated a transition plan as follows, by turning the "countermeasures" in the "risks and opportunities" section on the previous page (P. 86) into concrete actions.

The Haseko Group CO_2 emissions reduction plan (transition plan)

For more information, please visit ▶

The Haseko Group is working to reduce CO_2 emissions in accordance with the following plan in order to contribute to the prevention of global warming, mitigate the risks associated with the transition to a decarbonized society, and pursue opportunities.

1. The plan up to FY2030

(1) Scope 1 and 2 (FY2030 target: -42% compared to FY2020)

① Scope 1

As mentioned below, we will prioritize reducing Scope 2 emissions for the time being, but we will also work to reduce Scope 1 emissions as outlined below in order to achieve our FY2030 targets.

a. Construction sites

Scope 1 emissions from construction sites come from the combustion of fossil fuels in heavy machinery and transportation vehicles. In addition to thoroughly implementing the energy-saving activities we have been working on for some time, such as idling stop systems, proper maintenance of heavy machinery and vehicles, and reducing the number of transportation vehicles by using soil excavated from construction sites on-site, we are also promoting the introduction of low-carbon fuels and electric forklifts with the aim of further reducing emissions. There has been little progress in the commercialization of electric models of large heavy machinery such as backhoes, so at present they are still in the trial stage, but we will aim to introduce them on a full scale in the second half of the 2020s while monitoring their spread.

b. Offices, etc.

Scope 1 emissions from offices, etc., come from the combustion of fossil fuels used in the vehicles for sales activities of each Group company, the vehicles used to transport customers in the senior business, and the cooking and hot water supply facilities at facilities for seniors. In addition to thoroughly implementing the energy-saving activities we have been working on, such as idling stop systems and the proper maintenance of vehicles, we are also promoting the introduction of hybrid and electric vehicles with the aim of further reducing emissions, and we aim for the full-scale adoption of EVs in the second half of the 2020s.

② Scope 2

For the time being, we will prioritize efforts to reduce Scope 2 emissions as follows, with the aim of reducing Scope 2 emissions to zero by FY2026. Scope 2 accounted for 36% of Scope 1 and 2 in FY2020, so reducing Scope 2 to zero would be a major step forward in achieving the FY2030 Scope 1 and 2 reduction target (-42% compared to FY2020).

a. Construction sites

In December 2021, along with the formulation of the Haseko Group's climate change response policy: HASEKO ZERO-Emission, the company announced its target of converting to 100% renewable energy for electricity used at construction sites by the end of 2025. Our efforts to achieve this target are progressing smoothly, and as of May 2023, we have achieved 100% renewable energy at Haseko Corporation's construction sites. We will continue to implement measures at the construction sites of each Group company, as we work towards achieving our targets.

b. Offices, etc.

We are also moving forward with the conversion to renewable energy for the offices used by each of the Group companies and the rental properties they own, etc., starting with the main facilities. We will lower emissions in stages, including through the purchase of Non-Fossil Certificates to make virtual conversions to renewable energy for facilities in leased properties where it is difficult to convert to renewable energy, and aim to reduce Scope 2 to zero by FY2026.

(2) Scope 3 (FY2030 target: -13% compared to FY2020)

The majority of Haseko Group's Scope 3 emissions are from activities up to the manufacturing process of the construction materials, etc. we purchase (Category 1) and from the electricity and gas that the occupants of the buildings we construct and develop consume in their daily lives (Category 11). We are taking the following measures to reduce these emissions.

① Category 1

In addition to promoting the adoption of our proprietary environmentally friendly H-BA Concrete in properties developed by Group companies, we are also stepping up our efforts to propose its use by all of the project owner companies, with the aim of achieving an adoption proposal rate of 80% by fiscal 2030. We are also promoting the use of wooden construction. In order to reduce emissions in Category 1, it is important to work together with suppliers of construction materials and project owners. We will therefore continue to strengthen our partnerships and proposals, with the aim of reducing emissions.

② Category 11

We are engaged in the promotion of ZEH-M. In particular, all newly built condominium buildings (both those for sale and rent) in which our Group has been the main developer and on which the design work began in FY2022 or later shall meet the ZEH-M Oriented standard. We are also intensifying our efforts to encourage project owners to adopt specifications that meet the ZEH-M standard. In order to reduce emissions in Category 11, it is important to work together with the project owners. We will therefore continue to strengthen our partnerships and proposals, with the aim of reducing emissions.

*ZEH-M is an abbreviation of Net Zero Energy House Mansion. These condominiums are built with features that reduce energy consumption, such as improved insulation performance around the exterior, the adoption of high-efficiency equipment, and the use of renewable energy. Out of these features, ZEH-M Oriented condominiums meet certain standards for thermal insulation performance and energy consumption.

*Category 1 makes up 33% of Scope 3 emissions in FY2020, while Category 11 makes up 60%. Combined, the two categories accounted for 93% of Scope 3 emissions in FY2020.

2. Achieving the targets for FY2050

We believe that in order to achieve the FY2050 reduction targets, it is essential to utilize the advanced technologies that are currently being researched and developed (or will be researched and developed in the future) around the world. In addition, in order to implement them as a business, the reduction measures must align with the interests of end users such as condominium residents. In this respect, we believe that the policy trends of various support measures by the government and other organizations will be an important factor. In addition to promoting research and development within our Group and collaboration and cooperation with our stakeholder companies, we will also consider specific reduction measures while keeping a close eye on these external trends.

3. Promotion and management systems of the plans

This CO_2 reduction plan is being formulated and promoted by a working group set up under the Sustainability Promotion Conference that includes members from across the entire Group. The Haseko Corporation Board of Directors has received reports on the details of the plan and approved it. In addition, the Board of Directors regularly receives reports on the progress of the plan. Furthermore, the content of the plan will be reviewed as necessary based on changes in the internal and external environment, etc., subject to the same procedures.

Concrete initiatives in response to climate change

Initiatives to reduce CO_2 emissions at construction sites

The Haseko Group is promoting the following initiatives at certain sites to reduce CO_2 emissions at construction sites. Going forward, we will continue to increase the number of cases of adoption and promotion of these initiatives, while taking the scale and location of project into consideration.

Adoption of battery-driven fully electric rough terrain cranes

Adoption of electric forklifts

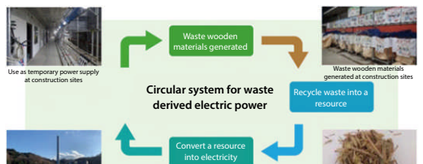
Initiatives for reduction of Scope 1 emissions (CO_2 emissions from fuel consumption of construction vehicles, etc.)	
Reduction of the number of dump trucks transporting soil away from the site through effective on-site use of soil generated from construction	Use of eco-friendly fuel (GTL and B5) for heavy machinery
Adoption of electric backhoes (trial)	Adoption of electric forklifts
Adoption of battery-driven fully electric rough terrain cranes	Adoption of ALC hardware non-welding method
Initiatives for reduction of Scope 2 emissions (CO_2 emissions from power consumption at sites)	
Adoption of biomass electric power	Use of LED for temporary lighting at sites
Adoption of solar power generation using prefabricated house roofs	
Initiatives for reduction of Scope 3 emissions (CO_2 emissions associated with manufacture and transport of construction materials and transport, processing, etc. of waste)	
Reduction and thorough separation of waste	Reduction of the number of transport vehicles by reducing volume of waste

Use of biomass electric power

In cooperation with an outside power generation company, we have introduced a resource recycling initiative to utilize renewable energy from biomass power generation, which uses waste wooden materials generated at construction sites as part of its fuel as a temporary power supply at construction sites.

This initiative can reduce CO_2 emissions from power generation, as compared with the case of using electricity supplied from conventional thermal power plants, contributing to the mitigation of global warming.

A signboard for sites biomass power generation



Development of "H-BA Concrete," an environment-conscious concrete

In 2021, we formulated the Haseko Group's Climate Change Response Policy, "HASEKO ZERO-Emission," and we are working to popularize "H-BA concrete" to reduce greenhouse gas (CO_2) emissions.

Produced by blending ordinary Portland cement and blast furnace cement type-B, H-BA concrete is so versatile that it can replace conventional concrete. It is eco-conscious concrete that reduces CO_2 emissions derived from concrete materials by approximately 20%.

This product had been adopted in several projects, including parts of the common-use area of Renai Yokohama Totsuka (Totsuka-ku, Yokohama-shi, Kanagawa; total 439 units) and the entirety (foundations and above-ground framework) of Feel G Residence, a rental condominium building targeting students (Nishi-ku, Kobe-shi, Hyogo; total 120 units). In August 2022, H-BA concrete obtained the "Special Evaluation Method Certification*2," which is recognized as an alternative evaluation method to methods that comply with the "Evaluation Method Standard*1," from the Ministry of Land, Infrastructure, Transport and Tourism. This certification allows it to be used in for-sale condominiums that use dwelling performance indications.

Following the receipt of the Special Evaluation Method Certification, we fully adopted H-BA concrete in the above-ground framework of The Kensington Residence Kamiikedai in the Tokyo area (Ota City, Tokyo; total 42 units) and the foundations and above-ground framework of Renai Esaka Enokicho in the Kansai area (Suita-shi, Osaka; total 149 units) for the first time.

*1 Evaluation Method Criteria: Criteria for methods of evaluating housing performance to be indicated in accordance with the Japan Housing Performance Indication Standards stipulated in the Housing Quality Assurance Act.
*2 Special evaluation method certification: Certification method approved on an individual basis by the Minister of Land, Infrastructure, Transport and Tourism for new materials and construction methods (e.g., structural safety, reduced deterioration, thermal environment, sound environment) that cannot be evaluated in accordance with evaluation method criteria stipulated in the Housing Quality Assurance Act.

Main properties adopting H-BA Concrete and its greenhouse gas (CO_2) reduction effects

FY	Usage volume (m^3)	Reduction of CO_2 ($t\text{-}CO_2$)	Property adopting H-BA Concrete (completed properties)
2017	125	6.2	Haseko Technical Center
2020	25	1.1	Renai Yokohama Totsuka
2022	2,945	162.6	Feel G Residence/Bransiesta Urayasu/Acoustic Experiment Building, Haseko Technical Center/ Bransiesta Otorii
2023	2,361	140.8	The Kensington Residence Kamiikedai/ LATIERRA académico MITAKA
Total	**5,456**	**310.7**	

Switching to using 100% renewable energy at construction sites*

In May 2023, Haseko Corporation successfully switched 100% of electricity used at construction sites to renewable energy sources. It is planned that by the end of 2025, other Haseko Group companies including Fujikensetsu Co., Ltd., Haseko Reform Inc. and Hosoda Corporation will also switch 100% of electricity used at their construction sites to renewable energy sources.

*This excludes sites pending requests to switch to renewable energy electricity subsequent to the commencement of construction and sites switching to (non-renewable) power company supply before delivery.

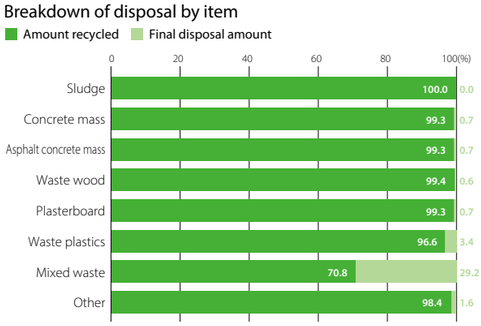
Efforts to reduce construction waste

The status of the recycling of construction waste

The amount of construction waste recycled in FY2023 was 416,500 tons for new building construction and 296,300 tons for demolition for a total of 712,800 tons. In addition, 79.7 tons of CFCs (0.4 tons of halons) were recovered and destroyed, and 3,065.8 tons of asbestos were properly processed and disposed of.

The recycling of construction waste over the years

Breakdown of disposal by item



Pollution Prevention and Consideration for the Local Environment

Response to Soil and Water Pollution

In the acquisition of land, the Haseko Group investigates the usage history and conducts soil surveys by specialists if there is any doubt about soil contamination.

When soil contamination is confirmed, appropriate measures are taken including removal or containment of pollutants in accordance with the Soil Contamination Countermeasures Act and other relevant laws and regulations. Similarly, we are responding appropriately to water pollution when problems are identified.

Consideration for the local environment

When constructing new condominiums or renovating existing properties, the Haseko Group makes efforts to give consideration to the local environment such as using low-vibration and low-noise construction vehicles and machinery. At some construction work sites, we have taken measures to minimize the impact on the surrounding area such as intermittently cleaning up the surrounding area, installing soundproof sheets on top of temporary enclosures, and taking measures to prevent noise during pile head processing.

Cleanup activity