Nurturing a Culture of Trust





For more information, please visit: https://www.haseko.co.ip/hc/english/csr/gov





https://www.haseko.co.ip/hc/english/csr/esg/







Mami Nagasaki



Toshikatsu Ogura **Outside Director**



Shinsuke Fujii **Outside Director**



Six dimensions for nurturing a culture of trust

Corporate ethics and compliance with the law

We are working to thoroughly enforce compliance as the bedrock underpinning the Group's corporate

Information disclosure and stakeholder engagement

In the pursuit of our business activities, we will work to earn the trust of stakeholders through the extensive disclosure of our business and CSR activities and deeper engagement with stakeholders.

Promotion of social contribution activities

We will actively promote social contribution activities to fulfill our social responsibility as a better corporate citizen.

Respect of human rights

We will work with the business partners that form our supply chain to minimize the negative impact on human rights and fulfill our responsibility to

CSR education and training

We will instill the conviction throughout the entire Group that CSR is the foundation of our business

Supply chain management

We lead CSR initiatives across the entire supply chain to maintain a sustainable society.

*This "Nurturing a culture of trust" section reports on the activities of Haseko Corporation in principle. "The Company" in this report refers to Haseko Corporation.

Hope for new challenges toward future growth through the active engagement of diverse human resources

Mami Nagasaki Haseko Corporation Outside Director



What is your assessment and opinion of the Haseko Group's corporate governance system, given the recent changes in the business environment?

In the four years since I became an Outside Director of the Company in 2018, there have been significant developments in the environment surrounding corporate governance. Specifically, with the establishment and revision of the Corporate Governance Code, which are the guidelines for corporate governance, the standards for the effectiveness of the boards of directors of Prime Market-listed companies have been tightened, and boards are now called on to engage in sustainability-related issues more proactively and aggressively. This is one example of the demand for more appropriate governance that is conscious of companies' impact on and responsibility toward society.

In this regard, I believe that the Company's systems of corporate governance system are sufficiently effective. In the Board of Directors, which includes five Outside Directors with diverse background and skills, opinions are exchanged in an open atmosphere, and I sense that the Company has a corporate culture that actively accepts opinions from outside perspective such as ours. I was given many opportunities to talk with employees immediately after my appointment as Director, and in recent years, the speed at which information is provided and answers are given to my questions has increased. I also have the impression that the internal Directors have become more active in speaking up in meetings. In addition to the Board of Directors meetings, meetings are also held to exchange opinions on the creation of new businesses from medium to long-term perspectives, and I strive to make suggestions from my own expert perspectives.

What contributions have you made to specific ESG initiatives in your position as an attorney, and what is your assessment of them?

As the construction business has significant impact on society and the environment, appropriate collaboration with suppliers and consideration of human rights are essential for sustainability initiatives. The Company has always strived to build relationships of trust with its suppliers, and in January 2022, it formulated the "Haseko Group's Human Rights Policy" to respond to more substantial human rights violation risks. Progress is also being made in the formulation of basic policy for respect of human rights in the supply chain in Japan. The Company is eyeing these developments as it acts on the analysis, assessment, and disclosure of risks, so I will also provide

In December 2021, the Company established the Haseko Group's Climate Change Response Policy: "HASEKO ZERO-Emission", under which we have set targets for the reduction of greenhouse gas (CO₂) emissions. (*The 2030 reduction targets were approved as science-based targets by the SBT (Science Based Targets) initiative in June 2022.) Other actions being taken include proposing the use of environment-friendly concrete and making Company-developed condominiums into Net-Zero Energy Houses (ZEH) that offer superior energy-saving performance. We are also accelerating DX initiatives with our unique technologies, including the introduction of Building Information Modeling (BIM), an advanced technology for designing 3D models of buildings on the computer screen. My hope is that trends such as this will be further accelerated to reduce the burden on workers.

As the Company's first female director, what is your view of the Company's approach toward the promotion of women's

In general, the construction industry is perceived as a male-dominated society, but from an early stage, the Company has been making efforts to form networks across the Group and solve problems to realize a workplace environment where women can enjoy a long career. Thanks in part to the hard work of our female employees, in March 2022, Haseko Corporation was selected as a Nadeshiko Brand by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a listed enterprise that is outstanding in terms of encouraging women's success in the workplace. In recent years, in addition to the increase in the percentage of women recruited, we have set a numerical target to reduce the number of female employees leaving the Company. Going forward, I will personally continue to be proactive in making recommendations for the promotion of women's success in the

What are your hopes for the Haseko Group in the future?

Under the Medium-term Business Plan, which ends in the fiscal year ending March 2025, various strategies are currently being deployed, and I am paying particular attention to "Initiatives for future growth." My focus is on how the Group's overseas business, including the comprehensive development in Oahu, Hawaii, upfront investment for which is under way, will be established as a pillar of revenue. I also look forward to growth in non-residential areas, such as the Service-Related Business, as well as condominium reconstruction and redevelopment projects outside the Company's core business of for-sale condominiums.

To promote the expansion and growth of these kinds of initiatives for future growth and to realize a "further leap forward in a corporate group for housing to create great living," the "Haseko Group Long-Term Vision — What the Company Aims to Be for the Fiscal Year Ending March 2030 —,"I believe that the viewpoints and sensibilities of consumers, based on their many and varied needs, will take on increasing importance.

From the perspective of achieving a further leap in the future, I will devote my best efforts to ensuring that the Group will achieve further growth as an enterprise where diverse human resources can shine, including the emergence of many more female executives across the entire Group.

Nurturing a Culture of Trust



Corporate Ethics and Compliance with the Law

As the foundation supporting the Haseko Group's corporate activities, we work for strict adherence to corporate governance and compliance.

Corporate Governance

Basic approach to corporate governance

Haseko Corporation has made it a basic policy of its corporate management to contribute to society and win society's confidence through its business operations that put customers first. The Company has also positioned reinforcement of corporate governance as one of its utmost management priorities as it recognizes that it is indispensable to secure management transparency and objectivity for maximizing corporate value in a

For Haseko Corporation's corporate governance, please visit the following URL:

https://www.haseko.co.jp/hc/english/csr/governance/philosophy.html#anc 1

stable manner over the long term and ensuring shareholders'

As part of its effort to achieve sustained growth and enhance corporate value over the medium- to long-term, the Company has formulated its "Basic Policy on Corporate Governance" and posted it on its website.

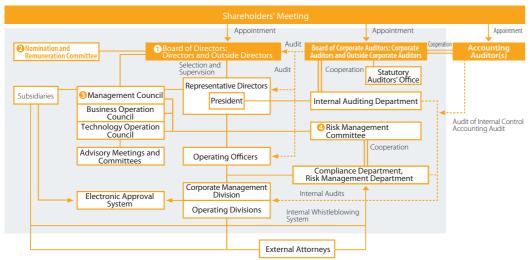
Company institutions

Haseko Corporation has adopted a corporate auditor system as a corporate institution. The Board of Directors of Haseko Corporation serves as the institution where directors with expert knowledge and experience in various operating divisions conduct decision-making on managerial issues and supervise the execution of duties of other directors. As for monitoring of management operations, the Company's system provides the Board of Corporate Auditors, the majority of which are outside corporate auditors, with the monitoring function from an objective and neutral standpoint from outside through implementation of audits. On top of these functions, starting in June 2016, Haseko appointed outside directors with abundant experience and track record to occupy at least one third of the Board of Directors, so that they shall provide appropriate opinions and advice in order to further activate discussions at the Board of Directors and enhance the function to monitor business

management. With this system in place, we are making efforts to build an optimum system for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions. In addition, one of the appointed outside directors is a woman, and we are continuing to work towards ensuring the diversity of the Board of Directors.

Decisions on certain matters authorized by the Board of Directors are made by the Management Council, Business Operation Council, and Technology Operation Council, each of which limits the participation of directors to a certain extent. In doing so, we have developed a system to separate the functions of decision-making and supervising such decision-making, so that each director can supervise the execution of duties by other directors. In addition, the Management Council is also responsible for the function of discussing in advance the important issues to be decided by the Board of Directors.

Company Institutions and Internal Control



Details of company institutions

- 1 The Board of Directors holds regular meetings once a month and extraordinary meetings as necessary, and is responsible for important decision-making and regular reports on matters related to management. In addition, operating officers make reports on business operations on a regular basis to the Board.
- 2 The Nomination and Remuneration Committee is an advisory body for the Board of Directors, in order to secure objectivity, transparency, and fairness of the procedures related to the nomination, remuneration, etc. of directors and enhance corporate governance. The committee comprises all independent outside directors and an equal or smaller number of representative directors, etc.
- The Company has established the Management Council and two operation councils—the Business Operation Council and the Technology Operation Council—to facilitate prompt and flexible decision-making on matters related to daily business operations to

extent they are authorized by the Board of Directors. Participation of directors in the Management Council and the two operation councils is limited to a certain extent so that the functions of decision-making and supervising such decision-making are divided, and clarification is made for the responsibilities and authority for these functions. Moreover, the Management Council is responsible for the function of

sing in advance the important issues to be decided by the Board of Directors 1 The Risk Management Committee is held once every quarter and on an ad hoc basis as necessary whenever any material risk has arisen. It examines and determines the establishment, amendment, or abolishment of internal rules on risk management and risk prevention plans, etc., and discusses and decides on the implementation policies and specific measures for risk management, among other things.

Evaluation of the effectiveness of the Board of Directors

Based on the results of analyzing and evaluating the effectiveness of the Board of Directors in fiscal 2021 in accordance with our Basic Policy on Corporate Governance, we have confirmed that the Board of Directors has held constructive and active discussions and that its effectiveness has been sufficiently ensured. The outline and results of this analysis and evaluation are as follows.

We conducted a questionnaire regarding the effectiveness of the Board of Directors for all directors and corporate auditors. Reflecting on the results of this questionnaire and reports from the secretariat on the operation of the Board of Directors in fiscal 2021, deliberations were held and the effectiveness of the Board of Directors as a whole was analyzed and evaluated at the Board of Directors meeting in April 2022 based on opinions presented by the Board of Corporate Auditors and individual directors.

(1) Institutional design/composition	Number of members, percentage of independent outside directors, diversity, frequency of meetings, meeting length				
(2) Operation	Number and content of agenda items, quality and quantity of agenda materials, timing of prior distribution, quality of prior explanations				
(3) Deliberation	Constructive discussions and multifaceted considerations in meetings, ethos, one's own roles and responsibilities				
(4) PDCA	Addressing issues raised, reporting results after resolutions, efforts toward improvement				



For the evaluation results, please visit the following URL: /www.haseko.co.jp/hc/english/csr/governance/philosophy.html#anc_1

Status of audits

Status of audits by the Board of Corporate Auditors

Haseko Corporation is a company with the Board of Corporate Auditors. It consists of five corporate auditors, of which two are full-time and three are outside, and meets once every month and on an ad hoc basis as necessary.

The two full-time corporate auditors cooperate with each other to conduct audit activities including an audit of the Company's internal control system. More specifically, the corporate auditors attend the Management Council, Business Operation Council, Technology Operation Council, Risk Management Committee, and other important meetings, observe internal audits, interview directors and other officers and employees about the status of business operations as necessary, and inspect approval documents, minutes, meeting materials, and reports, among others. The corporate auditors also hold a Group Corporate Auditors' Liaison Meeting to cooperate with Group companies' corporate auditors.

In accounting audits, all the corporate auditors meet with Ernst & Young ShinNihon LLC., the accounting auditor of the Company, to receive the explanations of accounting audit plans, quarterly reviews, and accounting audit reports from the accounting auditor. As necessary, the fulltime corporate auditors interview the Accounting Department and the accounting auditor.

In internal audits, the Internal Auditing Department comprised of nine members conducts internal audits of information management, risk management, etc. and assesses internal control over financial reporting. Whenever internal control issues are found in an accounting audit, information on the issues is communicated to each division, and improvements to resolve the issues are considered. At the same time, as part of the assessment of internal control, the Internal Auditing Department obtains the information, gives feedback to each division, and monitors the progress of improvements made in each division. The Internal Auditing Department also reports the status of such improvements to the President, the Board of Directors, corporate auditors, and the accounting auditor.

Further, the Internal Auditing Department carries out such activities while reporting the status of them to corporate auditors as appropriate in order to coordinate the roles of internal audits with the roles of audits by the Board of Corporate Auditors and ensure consistency between these roles. Corporate auditors observe internal audits, receive the reports of internal audit results, and exchange information about in-house status with the Internal Auditing Department as appropriate.

Management team



For Haseko Corporation's management team, please visit the following URL: /www.haseko.co.jp/hc/english/company/officer.htm

Independence criteria for outside officers



For the independence criteria for outside officers, please visit the following URL (available only in Japanese): /www.haseko.co.jp/hc/company/pdf/independence.pdf

Skills Matrix

Name	Position	Company management/ Management strategy	Finance/ Accounting	Legal affairs/Risk management	Overseas business	Construction/ Architecture	Sales/Real estate	Urban development	Technology/DX	ESG/Sustainability
Noriaki Tsuji	Chairman and Director									
Kazuo Ikegami	President and Representative Director			•						
Junichi Tani	Representative Director, Executive Vice President	•					•			
Nobuhiro Tani	Representative Director, Executive Vice President	•					•	•		
Toshiyuki Murakawa	Director, Executive Vice President	•				•			•	
Shoji Naraoka	Director, Executive Operating Officer	•	•		•				•	
Masahito Koizumi	Director, Senior Operating Officer	•				•			•	
Satoshi Kumano	Director, Senior Operating Officer	•		•						•
Kazuhiko Ichimura	Outside Director	•	•	•				•		•
Mami Nagasaki	Outside Director		•	•						•
Toshikatsu Ogura	Outside Director	•	•	•					•	•
Shinsuke Fujii	Outside Director	•	•	•	•					•
Toru Izawa	Outside Director	•		•		•	•	•		

Executive remuneration

Nurturing a Culture of Trust

The basic policy for remuneration of directors is stipulated in the Basic Policy on Corporate Governance, which was revised by the resolution of the Board of Directors in March 2021. In accordance with the Basic Policy on Corporate Governance, the remuneration of directors is determined by resolutions of the Board of Directors based on the criteria for payment of remuneration of directors prepared by the President in consideration of discussions at the

Outline of the remuneration system of directors

Composition of remuneration

 Remuneration of directors consists of basic remuneration (fixed remuneration) and performance-linked remuneration.

Basic remuneration

- Basic remuneration is paid monthly in a fixed amount, with a standard amount set for each position.
- The amount of basic remuneration is determined comprehensively based on the position, duties, and term of office of each director and by taking into consideration the Company's business performance, the level of employee salaries, and the level of remuneration of directors at comparable companies.

Nomination and Remuneration Committee, which is comprised entirely of independent outside directors as well as representative directors, etc., numbering not more than the independent outside directors.

The Nomination and Remuneration Committee held a meeting once in fiscal year 2021, and all the members of two inside directors and five outside directors attended the meeting.

Performance-linked remuneration

- Performance-linked remuneration consists of executive bonuses and stock remuneration. This system makes adjustments according to business performance, with the purpose of offering incentives for achieving business plans and increasing corporate value.
- Because the medium-term business plan sets consolidated ordinary income as a specific numerical target, performancelinked indicators are the achievement status of the consolidated ordinary income relative to the initial forecast as of the beginning of each fiscal year and year-on-year changes in the consolidated ordinary income.
- In principle, outside directors and corporate auditors are not eligible for performance-linked remuneration.

Cross-shareholdings

In the case where holding shares of our business partners will help facilitate the operation of business, Haseko's policy is to hold shares as cross-shareholdings in accordance with the "Guidelines for Asset Acquisition in Facilitating Transactions" that is separately prescribed.

The guidelines state that the total book value of assets acquired shall remain within a prescribed amount of the consolidated net assets.

Haseko examines cross-shareholdings individually in terms of medium- to long-term economic rationale and future projections annually at a Board of Directors meeting, and if any shares are determined to be without merit in holding, then those shares will be reduced or otherwise reconsidered. The Board of Directors confirms the status in transactions for the businesses relevant to the cross-shareholdings once every year, including annual amounts of orders received and purchase amounts for those businesses to deliberate the feasibility of continuing shareholding.

Number of issues and amount recorded in the balance sheet (as of March 31, 2022)

	Number of issues	Amount recorded in the balance sheet (millions of yen)
Unlisted shares	10	106
Shares other than unlisted shares	6	16,891

Issue for which number of shares increased in fiscal year 2021Not applicable

Issue for which number of shares decreased in fiscal year 2021

	Number of issues	Total sale amount for decreased shares (millions of yen)
Unlisted shares	1	0

Training for officers

The Company has put in place an education system for directors, corporate auditors, operating officers, and other officers and employees to provide education and training relevant to their positions

For directors and corporate auditors, the "Basic Policy on Corporate Governance" stipulates that "the Company will organize programs that offer seminars, etc., for acquiring essential knowledge and information, offer and help find training opportunities, and provide relevant financial support," and in accordance with this policy, the Company pays the costs of seminars and other programs in which directors and corporate auditors have participated for self-development.

For outside directors, the Company provides an orientation program soon after they take office, where representatives from each department of the Company's Corporate Management Division and each of the other divisions as well as from Group companies join to make presentations about businesses, operations, the Company's current status and major issues facing the Company. In addition, the Company also offers them

opportunities to visit the Company's facilities and construction sites to promote their understanding of the Company's businesses and individual projects. For outside corporate auditors, the Company provides various reference materials about the Company, while also inviting them to participate in some of the visits to the Company's facilities and construction sites, to help deepen their understanding of the Company's businesses.

For operating officers as well as department managers and higher-level managers, the Company provides its "Executive Leader Development Program," a training program that includes, among others, a "New Managing Executive Officer Training Course," "New Officer Training Course," "School of New Corporate Management," and "Corporate Management Course." The Company ensures that these training courses not only cover knowledge essential to their current positions, but also include knowledge necessary for directors and corporate auditors, with the aim of nurturing future candidates for director and corporate auditor.

Compliance

Basic approach and policy for compliance (Haseko Group Standards of Conduct)

With the recognition that strict compliance is indispensable for the continuity of a corporation, the Company established the Haseko Group Standards of Conduct, under which Haseko has been working to establish a management system where all directors, operating officers, and staff respect societal standards and take sensible courses of action in keeping with their duties as

members of society, as well as complying with all laws and regulations both in Japan and abroad, and the Company's articles of incorporation, so that the Company can win the confidence of society.

The Company regularly reviews the Standards of Conduct for relevancy and effectiveness and revises it as needed.

Major points of the "Haseko Group Standards of Conduct"

- Behave with common sense and responsibility / obey laws and regulations / respect human life / honor human rights / prevent risks
- Obey industry laws / observe thorough quality control / ensure complete safety management / raise customer satisfaction / obey laws such as the Antimonopoly Act / prevent unfair competition / prevent infringement upon intellectual property rights / prevent bribery and corrupt practices / make proper donations and political contributions / conduct sound accounting procedures and tax processing / disclose management information / sever ties with antisocial forces
- Develop new technology, products, and services / develop and improve products and services to fulfill customer needs / conduct environmental protection activities / contribute to society
- Manage and properly use corporate assets / manage company information / manage personal information / protect intellectual property rights / operate information systems
- Foster a positive workplace / comply with labor-related laws and regulations / prevent labor-related disasters and preserve the work environment / prohibit harassment / prohibit political and religious activities
- Prohibit the provision of profits related to the exercising of shareholder rights / prohibit conflict of interest / prohibit insider trading / prohibit breach of trust / prohibit any other form of fraudulent activity

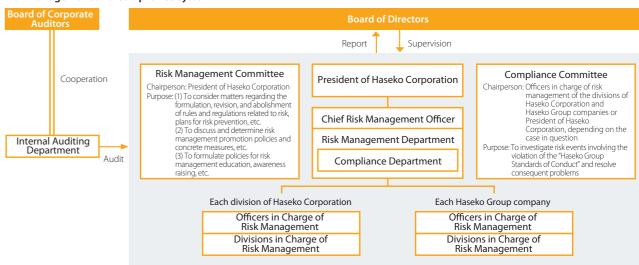
System for promoting compliance

The Compliance Department, established in the Risk Management Department as a department responsible for instilling the Standards of Conduct across the Group and advancing compliance efforts, is working to enhance the Group's compliance.

In addition, pursuant to internal rules and regulations on internal audits, the Internal Auditing Department, which is under the direct control of the President, investigates and evaluates whether activities of respective divisions conform to laws and regulations, the articles of incorporation, the Company's rules and regulations, corporate policies, etc. and whether they are reasonable, and works to make improvements based on the results.

If there is any act violating the Standards of Conduct that causes concern that it might produce a material effect, it will be reported to the President and officers in charge of risk management will make an investigation. As needed, the Compliance Committee chaired by officers in charge of risk management or the President of the Company is convened to work to resolve it through such actions as examining circumstances, analyzing causes, identifying remedies, investigating whether there are any similar events, devising measures for preventing recurrence, and sharing the results in the Company and across the Group.

Risk Management and Compliance System



Internal whistleblowing system

The Haseko Group has set out the "Haseko Group Whistleblower Protection Rules" pursuant to the Whistleblower Protection Act and relevant laws and regulations. In addition, the Company has established an office in the Compliance Department of the Risk Management Department, as well as in a law firm as an external contact, dedicated to receiving public-interest whistleblowing reports by officers and employees and requests for consultation regarding harassment and compliance issues in general (including issues concerning the prevention of corruption such as graft and bribery). The reports and requests may be filed

anonymously. The Company has put in place a system for protecting whistleblowers and preserving their anonymity and created an environment where employees feel free to file a report or request consultation in order to ensure that any wrongful act or misconduct be immediately detected and corrected.

Accounts submitted to the office responsible for consultation on internal whistleblowing, and the status of subsequent responses provided, are reported to the representative directors, outside directors, and corporate auditors on a regular basis.

Information security

In recent years, there has been a growing risk of information assets being exposed to threats in various aspects in line with the progress of information technology.

The Haseko Group is working on the protection of information assets handled in its businesses and the enhancement of management of such assets, including customer information. We are building awareness of information management, having established the "Haseko Group's Information Management Regulations" and "Basic Policy for Information Security" on a Group-wide scale and formulated the "Information Handling Guidelines" shared across the Group. We have also set individual management standards according to the respective

businesses and contents of information handled by Group companies.

Haseko Livenet, Inc., which is engaged in the operational management of rental housing, handles personal information of residents and prospective residents as well as information assets entrusted by clients. For this reason, we have built an Information Security Management System (ISMS) in all divisions in Tokyo and Osaka. We are utilizing international standard ISO/IEC 27001 in the inspection and review of day-to-day information asset management activities, having obtained certification in August 2005

Risk Management

Basic approach to and policy for risk management

The Haseko Group has set out the "Haseko Group Risk Management Policy" with the aim of properly managing various internal and external business risks associated with its operations and continuing to maintain and enhance its corporate value.

The Company has put in place its risk management system, and has ensured that rules and measures under the policy are known and implemented by all Haseko Group officers and employees.



For more information about the Haseko Group's risk management, please visit the following URL: https://www.haseko.co.jp/hc/english/csr/qovernance/philosophy.html#anc 3

Risk management system

The Haseko Group has adopted a risk management system in which the President of Haseko Corporation serves as Chief Officer to implement the "Haseko Group Risk Management Policy." The Company has also appointed a Chief Risk Management Officer, who is responsible for overall risk management, including risk prevention and crisis response across the Group, and officers in charge of risk management, who are responsible for leading risk management in each operating division of Haseko Corporation and Group companies. In addition, each Group company has its risk management department, which makes advice and recommendations regarding the formulation and implementation of Group-wide measures for promoting risk management and monitors the progress of these measures.

The Company has also established the "Risk Management Committee" under the chairmanship of the President of Haseko Corporation. The committee meets once every quarter, while convening an extraordinary meeting as needed when a serious risk event occurs, and works to collect, analyze, assess, and address risk events across the Company. The results of discussions of the "Risk Management Committee" are reported as needed to the Board of Directors, which assesses and oversees the implementation and effectiveness of the risk management system.

Business Continuity Plan (BCP)

The Haseko Group has formulated a "Business Continuity Plan" with the aim of establishing a mechanism of clarifying operations of Group companies in the event of a major earthquake and other natural disasters, ensuring the safety of "housing" provided by us, preventing the suspension of operations or in the event that they are suspended, enabling the resumption of operations within the shortest possible time, as well as promptly preserving offices and tasks after ensuring the safety of employees and their families, enabling employees engaged in restoration activities and restoration support to take action autonomously.

The "Business Continuity Plan" stipulates that it shall be triggered by the authority of the head of Group Control Headquarters (President of Haseko Corporation) in the event

where large earthquakes with a seismic intensity of lower 6 are observed at an earthquake observation point of the Japan Meteorological Agency located within a 50 km radius of the Haseko Group's business bases (earthquakes below the reference seismic intensity are not excluded depending on the degree of the damage, etc.), and also in the event of natural disasters other than earthquakes (including storms, heavy rain, heavy snow, floods, high tides, tsunamis, eruptions, etc.) if the damage is significant. In the event of an emergency, the Company will set up a Group Control Headquarters and a Group Control and Support Headquarters in Tokyo or Osaka and a Regional Control Headquarters in the Tokai and Kyushu areas, while each Group company will set up a control headquarters.



Basic approach to human rights

The Haseko Group explicitly states "respect of human rights" in the Haseko Group Standards of Conduct. Moreover, in order to deepen our initiatives for respecting human rights, in January 2022 we established the Haseko Group's Human Rights Policy in line with the United Nations Guiding Principles on Business and Human Rights. We will instill the Standards and Policy throughout the Group so that each and every employee will deepen his/her understanding of human rights and engage in operations with a high level of awareness at all times, as well as require our cooperating companies and other supply chain constituents to respect human rights in their own business activities. Moreover, we will pursue management that respects human rights through efforts including human rights due diligence initiatives.



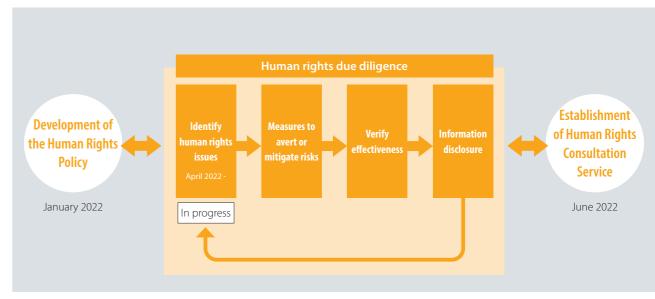
For the Haseko Group's Human Rights Policy, please visit: https://www.haseko.co.jp/hc/english/csr/governance/human_rights.html#anc_1

Status of human rights due diligence initiatives

Coinciding with the development of the Haseko Group's Human Rights Policy, we are currently promoting human rights due diligence initiatives. Specifically, we have formed a working group that identifies potential human rights violation risks related to the business activities of the Haseko Group and assesses those risks in terms of their degree of severity and likelihood of occurring. The working group then verifies the status of actions taken by relevant divisions and Group companies and identifies any human rights issues that require action.

Once human rights issues have been identified, we institute measures to avert or mitigate such risks, before verifying the effects of the measures thus instituted. In this way, we turn the PDCA cycle to improve the effectiveness of our efforts to respect human rights.

Overview of Initiatives for Respecting Human Rights



Consultation Service



The Company may be contacted about any concerns regarding human rights violations in connection with the Group's corporate activities from the following webpage. https://www.haseko.co.jp/hc/english/contact/soudan/input

Haseko Group Integrated Report 2022



Supply Chain Management

The Haseko Group promotes multiple initiatives to fulfill its social responsibility across the entire supply chain.

CSR Procurement

Haseko Group CSR Procurement Guidelines

The Haseko Group has established the "Haseko Group CSR Procurement Guidelines" to fulfill its social responsibility across the entire supply chain. The Group will work to meet the demands of society by having Group companies follow these guidelines in procuring materials, labor and other resources, while also asking its business partners (includes not only suppliers, but

also all entities with whom the Group does business, such as subcontractors and agents) to observe these guidelines in their business activities. The Haseko Group has had its main business partners sign an agreement stating that they commit to these auidelines.

1. Thorough compliance

• We will comply with laws and regulations of the countries and regions in which we operate.

2. Respect for human rights

- We will respect human rights of all stakeholders in the Group's
- We will not discriminate on the grounds of race, nationality, birth, belief, religion, sexual orientation, gender identity, age, presence or absence of disability, or other status, or commit any act that harms the dignity of individuals.
- We will eliminate forced labor and child labor.
- We will respect workers' freedom of association, right to organize, right to collective bargaining, and right to collective action.
- We will comply with minimum wage laws for the payment of
- We will put in place proper working hours, days off, and time off work.

3. Fair business activities

- We will respect the spirit of antitrust laws aimed at promoting fair transactions and will not commit any unfair act, such as acts that restrict competition or abuse superior bargaining positions.
- We will not offer inappropriate benefits to public employees or equivalent parties.
- We will reject any unjust demands from antisocial forces and will not engage in transactions or business with related companies or use antisocial forces for any reason.
- We will put in place an internal whistleblower system to report cases of misconduct and ensure the anonymity of the whistleblower.
- We will not use intellectual property rights unlawfully.

4. Commitment to safety and hygiene

- We will ensure safety and hygiene for all stakeholders in our business, including our customers and people in the communities where we operate.
- We will ensure thorough safety management at construction sites and surrounding areas and work to prevent labor accidents.
- We will put human life first and work to establish a safe and proper working environment.

5. Securing quality

• We will put in place proper management systems to ensure that the quality of our products and services satisfies our customers and strive for higher quality.

6. Care for the environment

- We will work to address the prevention of global warming, the development of a recycling-oriented society and the conservation of biodiversity and always act by taking the protection and improvement of the global environment into consideration.
- We will work on energy saving, resource saving and the reduction of CO₂ emissions.
- We will comply with environmental laws and regulations and properly manage and treat harmful substances and waste.

7. Proper disclosure of information

• We will disclose necessary information to our customers and society in a timely and proper manner.

8. Thorough information security

 We will put in place proper management systems to protect personal information and confidential information.

9. Contribution to society

• We will respect the cultures and customs of the countries and regions where we operate and contribute to building a sustainable society through a wide range of businesses relating to housing

10. Preparation of the Business Continuity Plan (BCP)

• We will work to establish proper risk management systems to prepare for natural disasters and unpredictable emergencies.

Established on October 1, 2021



For Haseko Corporation's CSR Procurement, please visit: https://www.haseko.co.jp/hc/english/csr/governance/philosophy.html

Declaration of Partnership Building

Having joined the "Declaration of Partnership Building" initiative established by Japan's Cabinet Office, we will strive for co-existence and co-prosperity with business partners while working to increase added value across the entire value chain.





Promotion of Social Contribution Activities

The Company cherishes the connection with the local community and actively promotes social contribution activities.

Contributions to the Local Community

Under the Haseko Group's Corporate Philosophy "To contribute to society by creating an optimal environment for cities and people," we are implementing initiatives to promote and revitalize the local community as a focus area of social contribution activities.

Use of corporate *Furusato Nozei* program for Asuka Village

Haseko Corporation has donated taxes to Asuka Village since fiscal 2018 by using the corporate Furusato Nozei (hometown tax donation) program.

In fiscal 2021, the taxes we donated were allocated to finance five projects related to the project for inscription on the World Heritage List on which Asuka Village has been working, namely (1) Asuka Half Marathon project, (2) low-season tourist attraction campaign project, (3) wild animal control measure project, (4) woodland landscape creation and utilization project, and (5) attractive farming village development project.



Donating to cafeterias for children in need

The Asuka Village Regional Development Corporation, Haseko Community, Inc., and Haseko Corporation jointly donated vegetables harvested at Haseko Asuka Village Community Farm to 23 cafeterias for children in need (kodomo shokudo) in Nara Prefecture in July and December 2021. The vegetables were used



at these cafeterias and delivered to single parent families and neighboring children's homes as activities drawing on the closeknit community. We will continue with a social contribution through the donation of vegetables.



Packed and delivered vegetables

The Housing and Community Foundation publishes a book Citizens' Town Development—Learning Housing and Town Planning from Worksites—

The Housing and Community Foundation (chaired by Ikuo Oguri, Executive Advisor to Haseko Corporation) is a general incorporated foundation established by Haseko Corporation in July 1992, with the objective of contributing to the creation of a prosperous living environment. In order to create a high-quality living environment that transcends generations and build a local community full of vitality, we believe that building homes and communities on the initiative of the citizens is crucial, and we make it our social mission to support such activities.

The foundation published a book Citizens' Town Development— Learning Housing and Town Planning from Worksites—marking the 30th anniversary of its establishment. The book introduces some

examples of the activities for which the foundation has given grants, and summarizes intellectuals' comments on each of the activities

The foundation will continue to support town planning activities on the initiative of the citizens through its grant-funding projects for housing and community-building activities.





For our other social contribution activities, please visit the following URL: ww.haseko.co.jp/hc/english/csr/governance/social contribution.htn