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





















Three Dimensions for Protecting the Precious Environment

Cyclical use of resources

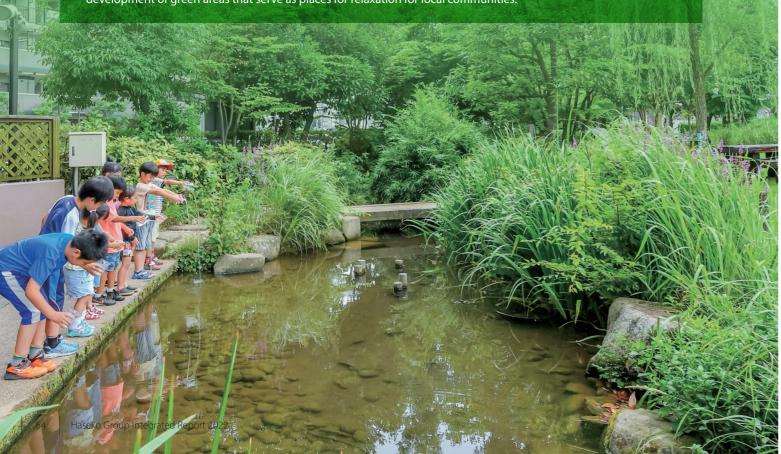
Recognizing that we are operating our businesses by using limited resources of the earth, we are handling resources carefully in all processes of our business activities and are making efforts to recycle them as much as possible.

Energy & CO₂

Condominiums require a lot of energy and release CO₂ not only during their construction but also while in use. We will thus stay cautious of energy consumption and CO₂ emissions in all stages, from planning and designing to maintenance and

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.





The Haseko Group's Climate Change Response

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.



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

Realize the Corporate Philosophy

Addressing climate change management issue

Achieve carbon neutrality by 2050

Acquisition of an SBT certification (June 2022) Introduction of renewable sites (by December 2025) Promotion of low-carbon

Expand/create business opportunities

Analysis of risks and opportunities Transition to net-zero energy housing for for-sale in-house and rental condominiums owned (in 2022 onwards)

Bring together the Haseko Group Promote dialogue cooperation with

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



For more information about the Haseko Group's Climate Change Response Policy "HASEKO ZERO-Emission," please visit the following URL: https://www.haseko.co.jp/hc/english/csr/environment/climate.html



Disclosures Based on the TCFD Recommendations

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 CO2 and other greenhouse gas emissions, while aiming to realize a sustainable society and improve



Metrics & Targets

The Haseko Group has set reduction targets with total greenhouse gas (CO₂) emissions as a metric for assessing and managing the impact of climate issues on our business management.

All Group companies will continue to study measures for achieving greenhouse gas emissions reduction targets (and targets for promoting these measures).

Conn	Pasa year	Targets		
Scope	Base year	Medium-term (FY2030)	Long-term (FY2050)	
Scope1*1 + Scope2*2	FY2020	(42%)	(100%)	
Scope3*3		(13%)	(37%)	



For information on actual emissions, please visit

*1 Scope 1: Direct emissions from burning fuel, etc.

*2 Scope 2: Indirect emissions from the use of electricity, etc. *3 Scope 3: Supply chain emissions related to business activities

The Haseko Group's targets for FY2030 approved by SBT

The Group has set targets for reducing greenhouse gas emissions under Scope 1 and 2 by 42% and under Scope 3 by 13%, both from the levels in fiscal 2020, by fiscal 2030. These targets have been approved by SBT in June 2022.



Protecting the Precious Environment

Governance

The Haseko Group regards CSR as an important management issue, and thus, has aimed to make organization-wide progress in CSR activities. To promote and instill CSR activities throughout the Group, we have established the "CSR Committee," a subordinate organization of the Board of Directors, chaired by the President and Representative Director. The Committee's members include the officers in charge of Haseko Corporation's divisions, and the presidents of Haseko's Group companies.

The CSR Committee meets once a year to deliberate and decide on basic CSR policies and action plans, including the Group's response to climate change, and to monitor and review CSR activities. Matters deliberated and reported at the CSR 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 CSR Committee when developing its business strategy, investment strategy, and other management strategies.

The Haseko Group has moved forward with concrete initiatives for environmental issues. In addition to the "CSR Promotion Conference" and the "CSR Promotion Secretariat," which are subordinate bodies under the CSR Committee for responding to general CSR initiatives, the Group has established the "Environment Promotion Conference" and the "Environment Promotion Secretariat" that implement environmental measures such as decarbonization measures as well as energy and environmental technologies.

Management Structure

Board of Directors					
Supervise $\sqrt{}$	Report				
CSR Co	CSR Committee				
	<u> </u>				
CSR Promotion Conference Environment Promotion Conference					
CSR Promotion Secretariat	Environment Promotion Secretariat				

Role of Each Body

Body	Role	Composition	Frequency of meetings	Secretariat	
CSR Committee	Deliberates and decides on matters relating to CSR management at the management level	[Chairperson] President and Representative Director of Haseko Corporation [Members] Officers in charge of Haseko Corporation's divisions and presidents of Haseko's Group companies	Once a year		
CSR Promotion Conference	Deliberates on and executes specific policies for CSR management	[Members] Officers of Haseko Corporation and Haseko's Group companies	Three times a year	CSR Department	
CSR Promotion Secretariat	Serves as the secretariat for CSR related bodies	[Members] General managers of departments at Haseko Corporation and Haseko's Group companies	Four times a year	S	
Environment Promotion Conference	Deliberates on and executes specific policies to achieve medium- and long-term environmental targets in CSR management	[Members] Officers of Haseko Corporation and Haseko's Group companies	Three times a year	Quality and Environmental Management	
Environment Promotion Secretariat	Serves as the secretariat for environment related bodies	[Members] General managers of departments at Haseko Corporation and Haseko's Group companies	Four times a year	Office	

Strategy

Risk and opportunity identification process

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

The study results are approved by the CSR 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. This time, we did not perform quantitative calculations regarding the financial impact. 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

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

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

We also studied the impact from short-term, medium-term (through 2030), and long-term (through 2050) perspectives. Climate-related issues that have a significant impact,

As a result of the analysis, we identified as significant risks the increase in construction costs due to the adoption of carbon taxes 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 Net-Zero Energy Houses (ZEH) and disaster-resistant houses may lead to an increase in opportunities to receive orders for new construction and renovation.

Based on the results of our analysis, we looked into the current status of our initiatives addressing these risks and opportunities and studied their adequacy and the need for additional measures. As a result, we have confirmed that the current direction of our initiatives is appropriate and that further acceleration is required for several measures, such as the decarbonization technology for concrete and steel, which comprise the greater part of CO₂ emissions from construction materials, and the energy-saving technology for houses and buildings. Going forward, we will substantiate actions for accelerating these measures and move forward with further initiatives

Please see the chart below for details of significant risks and opportunities, their impact, and our response.

- *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.

Catalan		/ Item Description		Impact		Timeframe
Catego	ry item		Description		4°C	
	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
Impact of the transition to a decarbonized	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
society	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
	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
Physical effects	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

Countenneasures		
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 identify climate change risks and analyze their impact on business. The risks analyzed by the working group are deliberated on by the CSR Committee and reported to the Board of Directors.

As a first step, although we did not perform quantitative tests regarding the financial impact this time, we qualitatively assessed the chance of risks materializing, their timeframe, their impact if they do materialize, and the status of current countermeasures. We then categorized the impact into high, medium, and low.

In anticipation of a variety of risks, Haseko Corporation endeavors to collect risk-related information and prepares preventive measures and appropriate countermeasures in advance against risks according to their magnitude and the possibility of them arising. The Risk Management Department has played a central role in implementing measures for systematically coping with risks and minimizing potential losses.

Specifically, Haseko Corporation has set up a system in which respective sections of the Corporate Management Division coordinate with each other and check the status of business operations in accordance with the roles they are assigned, while the Internal Auditing Department conducts further checking. For the corporate approval system that serves as a record of decisionmaking for executing operations, the Company has introduced

an electronic system that enables auditors and the Corporate Management Division to view and check the content whenever

Furthermore, of the issues forwarded to the Board of Directors, the Management Council and the two operation councils (the Business Operation Council and Technology Operation Council), those involving many departments or requiring specialized knowledge are subject to meticulous verification in advance by the advisory meetings and committees we have established. Periodical results reporting is also mandatory for issues that require monitoring.

On top of these, the Company has established the Risk Management Comittee under the chairmanship of the President with the aim of strengthening the risk management system of Haseko Corporation and all its Group companies, and conducts cross-sectional gathering of information, analysis, assessment, and handling of risks in accordance with the internal rules on risk

Going forward, we will continue to strengthen the risk management system, with the aim of further enhancing our risk management.

Concrete Initiatives in Response to Climate Change

For details of concrete initiatives in response to climate change, please visit the related information links below.

After the establishment of the Haseko Group's Climate Change Response Policy, Haseko Corporation joined the Japan Climate Initiative and the TCFD Consortium. Through these bodies, we will work on climate change countermeasures and information disclosure in collaboration with other companies, municipalities, and organizations.

• For more information about concrete measures for addressing climate change, please visit the following URL:



https://www.haseko.co.jp/hc/english/csr/product/consideration.html



https://www.haseko.co.jp/hc/english/csr/environment/energy.html

Haseko Group Integrated Report 2022

Energy & CO₂

We are working on reduction of CO₂ emissions in an effort to create a low-carbon society.

Initiatives to reduce CO₂ emissions at construction sites

The Haseko Group is promoting the following initiatives at certain sites to reduce CO₂ 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.

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 GTL fuel for off-road heavy machinery (on-site)		
Adoption of natural gas pressure welding (Ecospeed Method)	Adoption of electric forklifts		
Adoption of Precast concrete technology	Adoption of ALC hardware non-welding method		

	nitiatives for reduction of Scope 2 emissions (CO ₂ emissions from power consumption at sites)		
Adoption of solar power generation using prefabricated house roofs Adoption of biomass electric power		Use of LED for temporary lighting at sites	

Initiatives for reduction of Scope 3 emissions (CO2 emissions associated with manufacture and transport of construction materials and transport,

Reduction of the number of transport vehicles by reducing volume of Reduction and thorough separation of waste





Adoption of electric forklifts





• For more information about measures for reducing CO₂ emissions at construction sites, please visit: https://www.haseko.co.jp/hc/english/csr/environment/energy.html

Promotion of wood use in construction of housing complexes

In recent years, the effective use of domestic forest resources has been drawing attention as part of efforts to build a sustainable social environment. Moreover, the mental relaxation effect of the warmth of wood we have long been familiar with has been

We have established the Wood Use Promotion Committee and are promoting wood utilization for communal buildings in housing complexes as the first step in an effort to use more wood for the main structure of housing complexes as appropriate.

In order to meet the diversifying needs including from the projects of the Haseko Group, we created the Handbook for Planning and Design of Wooden Communal Buildings to accumulate design and construction know-how on wooden buildings and to add to the menus for proposals for planning and design. This handbook summarizes important points in planning a wooden communal building in the form of a "Planning and Design Flow Chart." By advancing planning in accordance with

the flow chart, we are able to plan rationally wooden communal buildings.

In addition, we constructed common living spaces featuring wooden materials on the second to fifth floors of the student dormitory at ComRezi Akabane. Going forward, we will work on developing various elemental technologies with the goal of providing a specific format for multi-level wood-construction housing complexes.





common living space of the student

ComRezi Akabane: Conceptual CG of the Renai Yokohama Totsuka: Conceptual CG of the communal building

Development of Technology That Reduces Environmental Burdens

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

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 CO₂ 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 of the Gakuen Higashimachi Project, 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. We used approximately 1

million cubic meters of concrete in 2021. If H-BA concrete were to be used for that entire volume, we would be able reduce CO₂ emissions by approximately 50,000 tonnes (equivalent to the quantity absorbed by approximately 3.6 million Japanese cedar trees in a year).

In 2021, we established the Haseko Group's Climate Change Response Policy: "HASEKO ZERO-Emission", and we are working to popularize "H-BA concrete" to reduce greenhouse gas (CO₂) emissions. Following on from the Kamiikedai Project in the Tokyo area, plans have already been made for its first adoption by a Group enterprise in the Kansai area. H-BA concrete will continue to be adopted in other projects of the Haseko Group business. In addition to Group business projects, we will work to popularize H-BA concrete in the projects of other companies to promote the reduction of greenhouse gas (CO₂) emissions across the entire

Buildings where H-BA concrete has been adopted and their greenhouse gas (CO₂) emission reduction effects (as of October 31, 2022)

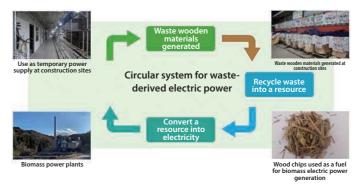
Name	Section of use	Location		Reduction of CO ₂ (t-CO ₂)
Haseko Technical Center	External deck	Tama-shi, Tokyo	125	5.7
Renai Yokohama Totsuka	Corridor floor	Yokohama-shi, Kanagawa	25	1.2
Gakuen Higashimachi Project	Foundations/above-ground framework	Kobe-shi, Hyogo	2,462	144.7
Urayasu Todaijima Project	Parts of above-ground framework	Urayasu-shi, Chiba	252	13.7
Acoustic Experiment Building, Haseko Technical Center	Foundations	Tama-shi, Tokyo	218	10.1
Kamiikedai Project	Above-ground framework	Ota City, Tokyo	Approx. 2,300	Approx. 117

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. In addition, we are gradually adopting renewable energy sources in accordance with

our internal policy to switch 100% of electricity used at construction sites to renewable energy sources by May 2023.

This initiative will reduce CO₂ 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 adopting biomass power generation

Environmental Accounting

We introduced environmental accounting in fiscal 2004 to get a grasp of environmental conservation activities in quantitative terms and promote such activities in an efficient manner.



 For Haseko Corporation's environmental accounting, please visit: https://www.haseko.co.jp/hc/english/csr/environment/environmental accounting.htm

^{*1} Evaluation Method Standard: Standard 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 ction 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.

Protecting the Precious Environment

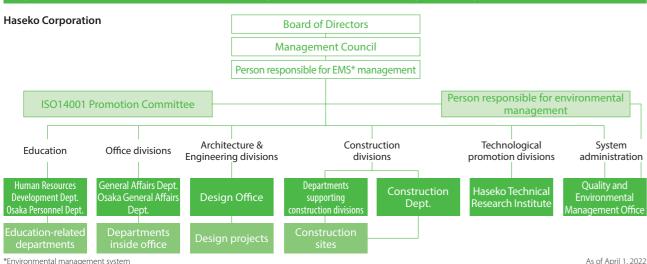
Environmental Management System

To promote and develop environmental activities, each division has set environmental goals and numerical targets and is making steady efforts.

Haseko Group's Environmental Policy/Code of Conduct on Biodiversity

For more information about the Haseko Group's Environmental Policy and Code of Conduct on Biodiversity, please visit the following URL:

Organizational framework for promoting environmental management system



Status of Environmental Management System

Haseko Corporation, Haseko Reform Inc., and Fujikensetsu Co., Ltd. have obtained ISO14001 environmental management system certification and they are continually managing and improving their environmental activities.

Background to obtaining ISO14001 certification

Haseko Corporation obtained ISO14001 environmental management system certification in Kansai and Tokyo regions in July 2001 and October 2001, respectively. In October 2013, we integrated the environmental management systems in Tokyo and Kansai regions and have since been operating the integrated system. As of April 2021, approximately 96% of Haseko Corporation's offices have obtained the ISO14001 certification.

Haseko Reform Inc. obtained the ISO14001 environmental management system certification in March 2014 (at Tokyo and

Kansai branch offices). In April 2018, the system was updated to the 2015 version and integrated with the ISO9001 quality management system, and the integrated system has since been in operation.

In addition, Fujikensetsu Co., Ltd. also obtained ISO14001 environmental management system certification in December 2020 for its Kansai Branch and in February 2021 for its Tokyo Branch. Going forward, we will continue to engage in environmental management activities.

Initiatives and ongoing improvement

Upon conducting environmental preservation activities, we formulate the Environmental Policy, in response to which each division sets environmental goals and numerical targets and carries out the activities accordingly.

The environmental management system is checked by internal audit and external examination as to whether or not it complies with Haseko's arrangements including specification requirements. and whether or not it is implemented and maintained properly. Based on the results, the environmental management system is reviewed and improved on an ongoing basis.

The days on which external examination was conducted and the number of matters pointed out in fiscal 2021 were as follows.

	Registration date Last updated	External examination date	Number of matters pointed out in external examination
Haseko Corporation	Oct. 1, 2001 Oct. 1, 2019	Jul. 27–28, 2021	None
Haseko Reform Inc.	Mar. 13, 2014 Apr. 19, 2021	Mar. 2–11, 2022	None
Fujikensetsu Co., Ltd. (Tokyo Branch)	Feb. 22, 2021	Nov. 24–25, 2021	None
Fujikensetsu Co., Ltd. (Kansai Branch)	Dec. 21, 2020	Oct. 27, 2021	None

Compliance with environmental regulations

Haseko Group Integrated Report 2022

In fiscal 2021, there was no violation of environmental-related laws in our construction works.

Consideration for Biodiversity

Through corporate activities that take biodiversity into consideration, we aim to create a more comfortable and sustainable global environment.

Acquisition of ABINC Business Site Certification

The Association for Business Innovation in harmony with Nature and Community (ABINC) evaluates and certifies the biodiversity-conscious development, management, use, etc. of green areas in companies' facilities (e.g., factories, office buildings, commercial facilities, housing complexes) under its ABINC Business Site Certification (ABINC Certification), with the aim of promoting harmony between nature and people in corporate activities.

In fiscal year 2021, three of the properties designed and constructed by Haseko Corporation obtained the ABINC

Amid the growing social interest in biodiversity consideration, we will contribute toward the improvement of the natural environment in cities by making proposals that take biodiversity into consideration.



Renai Tomio (property owner: Sohgoh Real Estate; design & construction: Haseko Corporation) *Acquired ABINC Certification in fiscal year 2021. We created a new green area in front of the train station, which connect to the greenery of the Yata Hill Promenade. The entire site has been designed to attract wildlife by planting trees that are preferred by birds and installing birdhouses and birdbath





Courtyard and entrance hall





· For more information about the construction of condominiums that take biodiversity into account, please visit the following URL (available only in Japanese): https://www.haseko.co.ip/hc/csr/biodiversity/

Biodiversity Conservation Activities

The Haseko Group has continued volunteer activities by its employees to foster and conserve biodiversity in accordance with the Haseko Group Code of Conduct on Biodiversity.

"Haseko no Mori" project

The "Haseko no Mori" project is one of the projects commemorating the Group's 80th anniversary. The Group has been conducting forest conservation and afforestation activities at two locations, i.e., Chino City, Nagano Prefecture, and Tanabe City, Wakayama Prefecture, based on the themes of social contribution, future-oriented, and collaboration with the local community. We will proactively make Group-wide efforts in this project together with the local communities.

Three roles of Haseko no Mori

- 1. Afforest and reforest
- 2. Restore forests into places that attract people again and again
- 3. Contribute to core businesses and society through ongoing activities







Footpath leading to an open field within Haseko no Mori (Chino City, Nagano

Planting of cherry blossoms (Tanabe City, Wakayama



• For more information about biodiversity conservation activities, please visit the following URL: https://www.haseko.co.jp/hc/english/csr/environment/energy.html#anc_5