

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,



For more information, please visit:



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 corporate value.

*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 (CO₂) 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.



SBTs reduction target

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	FY2020	FY2021	FY2022
Scope 1 (t-CO ₂): Direct emissions (from burning fuel, etc.)	38,596	40,487	34,486
Scope 2 (t-CO ₂): Indirect emissions (from the use of electricity, etc.)	21,786	24,258	18,302
Scope 3 (t-CO ₂): Supply chain emissions	5,495,690	6,175,367	5,629,382

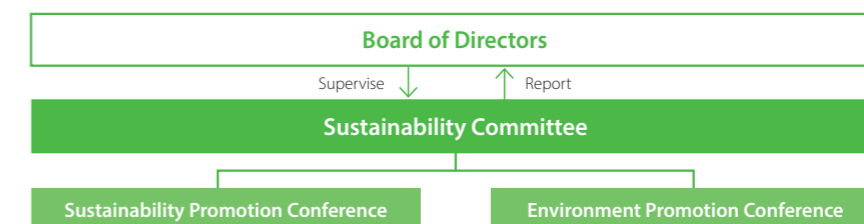
Governance

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 subordinate bodies under the Sustainability Committee, we have the "Sustainability Promotion Conference" to address general CSR initiatives and the "Environment Promotion Conference" to implement environmental measures such as decarbonization measures as well as energy and environmental technologies. We are striving ahead with environmental measures linked to our CSR activities as a management strategy.



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 CO₂ 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.

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

Category	Item	Description	Impact		Timeframe
			1.5–2°C	4°C	
Impact of the transition to a decarbonized society	Risk	Adoption of carbon taxes	Medium	Low	Medium term
	Risk	Tighter regulations	Medium	Low	Medium term
	Opportunity	Increased demand for energy-efficient buildings	High	Medium	Medium term
Physical effects	Risk	Rising average temperatures in summer	High	High	Short term
	Risk	More frequent and intensified meteorological disasters	Medium	Medium	Short term
	Opportunity	Increase in disaster prevention and mitigation demand	High	High	Medium term

**Impact* means the impact as of 2030.

Countermeasures

Adoption of carbon taxes Tighter regulations Increased demand for energy-efficient buildings	<ul style="list-style-type: none"> Promote the reduction of CO₂ emissions during construction Promote the use of materials with low greenhouse gas emissions 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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. The risks analyzed by the working group are deliberated by the Sustainability Committee and reported to the Board of Directors.

As a first step, we did not perform quantitative calculations regarding financial impact this time, but we qualitatively evaluated the chance of risks materializing, their timeframe, impact if they do materialize, and the state of current countermeasures, and we categorized the impact as high, medium, and low.

In anticipation of a variety of risks, Haseko endeavors to collect risk-related information and prepares preventive measures and appropriate countermeasures in advance against risks according to their magnitude and possibility of arising. Through these efforts, Haseko aims to minimize the potential losses and to systematically cope with risk management centering on the Risk Management Department.

Concrete initiatives in response to climate change

Initiatives to reduce CO₂ emissions at construction sites

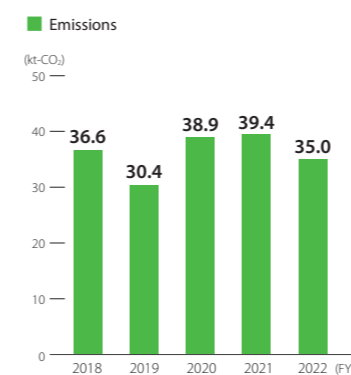
For more information, please visit:



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.

CO₂ emissions trends (Haseko Corporation)



Initiatives for reduction of Scope 1 emissions (CO₂ 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 Precast concrete technology	Adoption of ALC hardware non-welding method

Initiatives for reduction of Scope 2 emissions (CO₂ emissions from power consumption at sites)

Adoption of solar power generation using prefabricated house roofs	Use of LED for temporary lighting at sites
Adoption of biomass electric power	

Initiatives for reduction of Scope 3 emissions (CO₂ emissions associated with manufacture and transport of construction materials and transport, processing, etc. of waste)

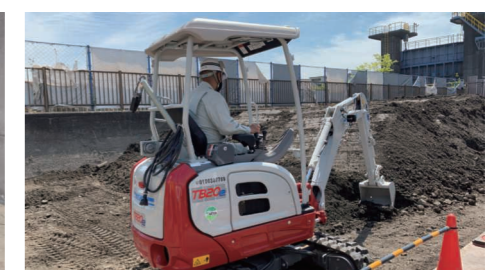
Reduction and thorough separation of waste	Reduction of the number of transport vehicles by reducing volume of waste
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Use of GTL fuel (a GTL sticker)



Adoption of electric forklifts

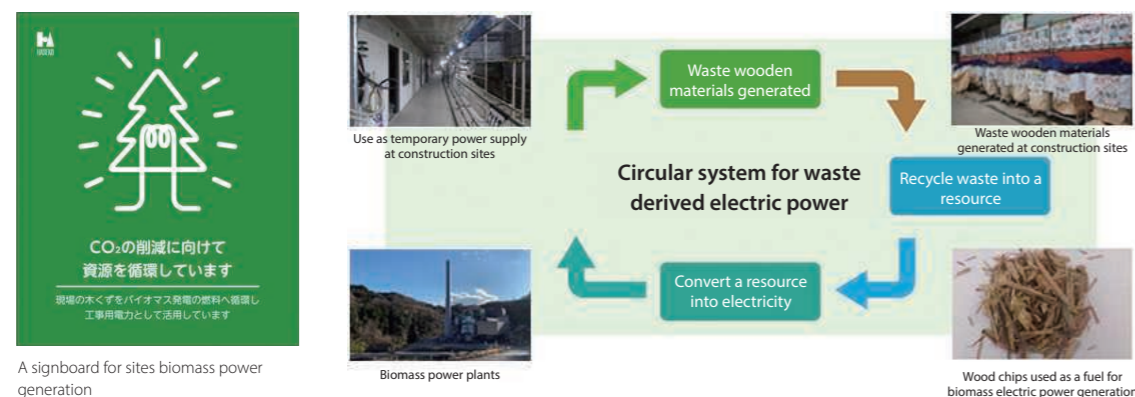


Adoption of electric backhoes (trial)

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 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.



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.

Promotion of wood use in construction of condominiums

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

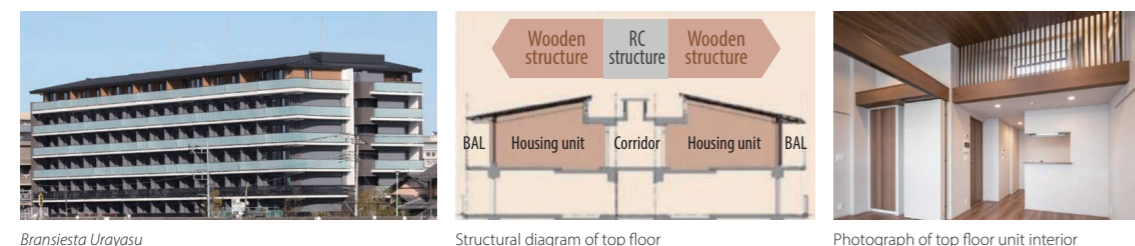
We have established the Wood Use Promotion Committee and are promoting wood utilization for communal buildings in condominiums as the first step in an effort to use more wood for the main structure of condominiums as appropriate.

ComRezi Akabane (Kita City, Tokyo), utilizes wood for the common living spaces on the second to fifth floors of the student residence building. Bransieta Urayasu (Urayasu City, Chiba) was our first completed condominium featuring wooden construction in private-use areas, with the top floor residential units (14 in total) being constructed from wood.

The Haseko Group has worked on research and development of wooden architecture since 2014, and we have completed 14 projects and have 9 projects currently under construction. (as of August 2023).

A project featuring fire-resistant wooden structure on the its top four floors, "(provisional name) Meguro-ku Chuocho 1-chome Plan" is scheduled to be completed in March 2025. We will continue our efforts to challenge the adoption of wood in high-rise buildings and expand its application from the current rental condominium to include for-sale condominium development.

We will continue to promote wooden architecture with a view to achieving carbon neutrality by 2050.



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

For more information, please visit:



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 (CO₂) 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 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 (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 Kamiikedai Project 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 our first time. We will continue to adopt H-BA concrete in other projects of the Haseko Group business. In addition to our 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 supply chain.

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.

Aiming for virtually zero CO₂ emissions by completely renovating an existing residential building: "Sustaina Branche Hongyotoku"¹

The Haseko Group is working on a condominium project to achieve virtually zero CO₂ emissions during operations of buildings by completely renovating an existing corporate housing apartment. The Group conducted renovation work on "Sustaina Branche Hongyotoku."

The condominium, aiming to achieve net zero CO₂ emissions by improving the energy-saving performance of housing and using renewable energy, has acquired Building-Housing Energy-efficiency Labeling System (BELS) certification². It meets the reinforced envelope standard (UA value)³ and primary energy consumption⁴ equivalent to the ZEH-M Oriented standard, which involved renovation such as improving its internal and external insulation performance, upgrading to Low-E multilayered glass using the covering method, and upgrading to LED lighting.

Furthermore, we renovated the existing electric and gas combined infrastructure facilities to all-electric; installed solar

power generation equipment on roofs, outer walls, and balcony handrails; adopted pure hydrogen fuel cells; and introduced the "Kenes Green Supply"[®] environmental value plan of Kanden Energy Solution Co., Inc., an environmentally enhanced option that harnesses renewable energy sources. All of these enhancements make this condominium the first domestically renovated property to achieve net zero CO₂ emissions during operation.

¹ For related information, please see "Renovation Example: Sustaina Branche Hongyotoku" on p. 59.
² A system for evaluating and certifying the energy-saving performance of buildings
³ An index which shows the ease that heat escapes from the overall housing, with a smaller value indicating higher insulation performance; 0.6 is the standard value for the Tokyo metropolitan area
⁴ Energy consumption of air conditioning, ventilation, lighting, hot water supply and such

Pollution Prevention and Consideration for the Local Environment

Upon the development of condominiums, we give consideration to environmental pollution, noise, vibration, etc. and proactively propose the development of green areas.

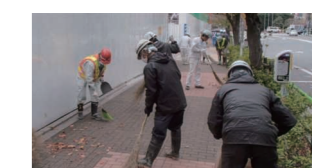
Response to Soil and Water Pollution

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 at the "Shibaura 2-chome, Minato-ku New Construction Project (tentative name)"

Consideration for Biodiversity



For more information, please visit:

Certification for Natural Symbiosis Sites from the Ministry of the Environment

Haseko Corporation applied for and received certification from the Ministry of the Environment, designating Haseko Technical Center as a Natural Symbiosis Site (October 6, 2023).

The 30by30 target, which aims to effectively protect or conserve at least 30% of land and sea areas as healthy ecosystems by 2030, has been set as a global biodiversity goal. Haseko Corporation has been participating in the Natural Symbiosis Sites project, which contributes to the achievement of Japan's 30by30

target, since its trial phase in fiscal year 2022 and has now received the certification.

By obtaining this certification, the Haseko Group will further contribute to the achievement of Japan's 30by30 target by preserving the value of biodiversity and enhancing its quality.



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 2022, one of the properties designed and constructed by Haseko Corporation obtained the ABINC Certification.

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.



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

For more information, please visit:

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.

Afforestation activity "Haseko no Mori" in Chino City, Nagano Prefecture

The Haseko no Mori project in Chino City, Nagano Prefecture started in 2017. We strive to conserve an approximately 13-ha forest by thinning trees and doing other forest management activity on an ongoing basis to keep the forest healthy by our employees and their families in cooperation with Nanakakouchi Zaisanku, a local company that owns the forest, as well as the Forestry Division and the Suwa Regional Development Bureau of Nagano Prefecture. The activity provides an opportunity for us to interact with the local community and for our employees and their families to learn about and appreciate the natural environment.

The activity was not carried out in the fiscal years 2020 and 2021 due to the pandemic, but took place on a smaller scale than usual in the fiscal year 2022, with 29 participants taking thorough measures to prevent the infection.

Afforestation activity "Haseko no Mori" in Tanabe City, Wakayama Prefecture

The Haseko no Mori project in Tanabe City, Wakayama Prefecture started in 2018 as the second activity of the project. We strive to conserve an approximately 3-ha forest by doing an ongoing afforestation activity with a focus on tree planting and underbrush clearing by our employees and their families in cooperation with Nakahechi-cho Sinrin Kumiai, a forestry association that manages the forest, and the local community. The activity provides an opportunity for us to interact with the local community and for our employees and their families to learn about and appreciate the natural environment.

In the fiscal year 2023, 47 participants of our employees and their families planted a total of 500 saplings, which include those of ubame oak and mountain cherry.

Haseko biodiversity seminar

We hold events jointly with Tama City for children of elementary school age and older living in the city to learn about biodiversity, such as the relationships of Satoyama landscapes, thickets and living things, through observation of plants and animals at the biotope installed in Haseko Technical Center and in the Tsurumaki Nishi Park.

Our fourth event of Ikimono Hakken in Tamatsurumaki in the fiscal year 2023, where participants observed nature under the theme of water. A total of 25 participants in 11 groups (of which, 13 were children) enjoyed the event, commenting that they were impressed by the many new things they discovered along the

paths they usually walk casually, and that it was very interesting to learn more about the plants they are familiar with.



Observing living creatures

Biotope

Environmental Management System



For more information, please visit:

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

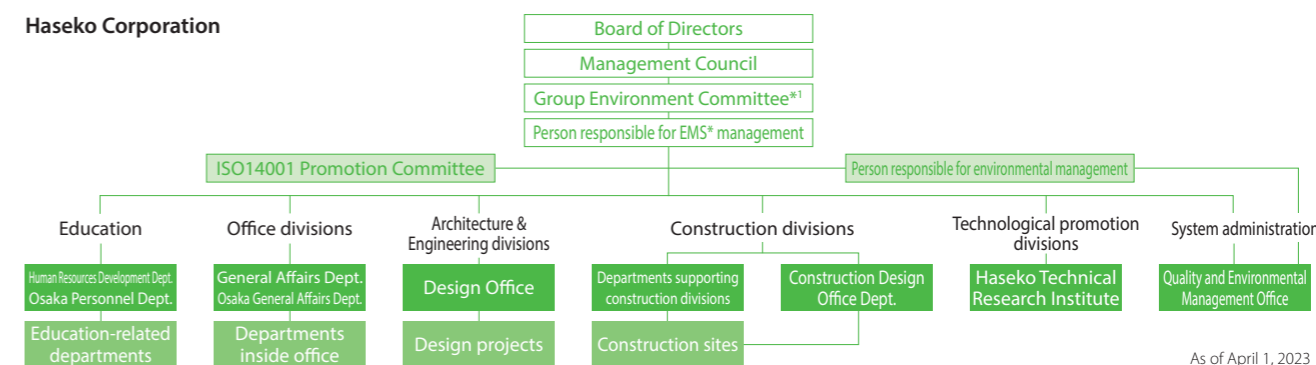


Haseko Group's Environmental Policy/Code of Conduct on Biodiversity

For more information, please visit:

Please scan the QR code to access information about the Haseko Group's Environmental Policy and Code of Conduct on Biodiversity.

Organizational framework for promoting environmental management system



*1. It is responsible for the Haseko Group's environmental policy and operations. *2. 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 2023, 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 2022 were as follows.

	Registration date Last updated	External examination date	Number of matters pointed out in external examination
Haseko Corporation	2001.10.1 2022.10.1	2022.7.25~27	None
Haseko Reform Inc.	2014.3.13 2021.4.19	2023.2.27~3.2	None
Fujikensetsu Co., Ltd. (Tokyo Branch)	2021.2.22	2022.12.8	None
Fujikensetsu Co., Ltd. (Kansai Branch)	2020.12.21	2022.10.19~20	None

Compliance with environmental regulations

In fiscal 2022, there was no violation of environmental-related laws in our construction works.



For more information, please visit:

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.