

— Sustainability

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GROUP VISION 2030 ▶



## Environmental Conservation Initiatives



The Tokyu Fudosan Holdings Group, based on its Environmental Vision, is implementing measures to address five environmental issues (climate change, biodiversity conservation, pollution and resources, water usage, and supply chain) from three viewpoints.



### Environmental Vision

Basic Policy developed in 1998, revised in 2015

#### ● Environmental Philosophy

We will create value to connect cities and nature, and people with the future.

#### ● Environmental Policy

We will make efforts to harmonize the environment and the economy through business activities.

#### ● Environmental Action

We will tackle five environmental issues from three viewpoints.

#### ● Three viewpoints

- Publicize a goal and implement action.
- Endeavor to implement progressive activities.
- Conduct community-based activities in collaboration with local people.

#### ● Five environmental issues

- Climate Change
- Biodiversity Conservation
- Pollution and Resources
- Water Use
- Supply Chain

> Climate Change

> TCFD disclosure

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## Sustainability

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GROUP VISION 2030



# Climate Change

## Policy

The Tokyu Fudosan Holdings Group recognizes that climate change is an important environmental issue that greatly impacts its business activities. The Group formulated our Sustainable Procurement Policy in January 2020. We promote the efficient use of energy and the use of renewable energy not only in our business activities but also throughout the life cycle of our products and services, and limit the impact of greenhouse gas emissions on climate variability. ( 5. Environmental measures, Tokyu Fudosan Holdings Group Sustainable Procurement Policy)

In 2014, the Intergovernmental Panel on Climate Change (IPCC) released the Fifth Assessment Report (AR5). This report found that warming of the climate system is unequivocal and it is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century. Climate change caused by global warming not only causes rising sea levels, but also abnormal weather such as an increase in heavy rains and flooding as well as droughts. The businesses of the Group are not only directly affected by weather conditions, such as snowfall amounts required to operate ski areas, but also indirectly affected as well such as the fact that the worldwide procurement of various supplies required for our businesses may become difficult.

In response to this background, in May 2021, we have set “Environmental Management” as one of The Group policies and included the goal of Reduction of environmental impact through all our businesses (dissemination of clean energy, etc.) toward the realization of a decarbonized society in “Group Vision 2030”. Specifically, we have set the goal of Net Zero Emissions in 2050 and certified for the 2030 target at the SBT 1.5°C level. Furthermore, we have committed to the SBT net-zero target (2050) and also endorsed the Business Ambition for 1.5°C.

## Commitments

It is based on this awareness that the Group is promoting the more efficient use of energy and the utilization of renewable energy to reduce greenhouse gases at its business offices as well as the office buildings, commercial facilities and resorts that it owns in an effort to mitigate the impacts that its business activities have on climate change. The development and operation of energy efficient office buildings, commercial facilities and resorts will create business opportunities and enhance the competitiveness of the Group.

We will continue to work with design firms, construction companies, end users and other stakeholders in an effort to realize a low-carbon society and address the issues of climate change and energy consumption.

Tokyu Fudosan Holdings

## Management Structure

The Tokyu Fudosan Holdings Group has in place the Tokyu Fudosan Holdings Sustainability Committee, which is chaired by the President & Representative Director of Tokyu Fudosan Holdings and co-chaired by the Operating Officer of Tokyu Fudosan Holdings. The committee meets regularly 2 times a year to discuss, plan and confirm results pertaining to material issues, such as compliance, climate change, social contributions, and diversity. In turn, the results of committee deliberations are reported to the Board of Directors, which is led by the President & Representative Director of Tokyu Fudosan Holdings.

Additionally, the Sustainability Council, established as a subcommittee to the Tokyu Fudosan Holdings Group Sustainability Committee, leads relevant management activities across the entire Group.

the Sustainability Council, comprised of environmental managers from each group company, sets group-wide fiscal year targets for greenhouse gas emissions, a major cause of climate change, monitors results and shares information based on a shared policy. This ensures proper reporting under relevant laws and regulations and environmental impacts are reduced through business activities.

Tokyu Fudosan Holdings

## Efforts, Supports and Involvement for activities to avoid climate change

Tokyu Fudosan Holdings Group recognizes that climate change is an important environmental issue that greatly impacts its business activities.

It is based on this awareness that the Group is promoting the more efficient use of energy and the utilization of renewable energy to reduce greenhouse gases at its business offices as well as the office buildings, commercial facilities and resorts that it owns in an effort to mitigate the impacts that its business activities have on climate change.

## For responding appropriately in those instances where the trade association position is significantly weaker than or contradicts that of the company

The Group supports and is actively involved in the activities of organizations working to avoid climate change. In the unlikely event that the policies of those organizations are significantly weaker or inconsistent than the policies of us, We will encourage the organizations to maintain consistency, and at the same time, if there is a large divergence and it is difficult to maintain consistency, we will take appropriate measures such as withdrawing from the group.

### ● United Nations Global Compact

Tokyu Fudosan Holdings Group supports and respects the UN Global Compact. In accordance with the 10 principles of the UN Global Compact broken down by the subjects of human rights, labor, environment, and anti-corruption, we are promoting responsible management aimed at contributing to the realization of a sustainable society.

Among them, the ESG subcommittee holds study sessions, etc. for more than 200 participating companies as a joint secretary company.



### ● TCFD

Tokyu Fudosan Holdings Corporation has agreed to the recommendations of "Task Force on Climate-related Financial Disclosures (TCFD)" established by the Financial Stability Board (FSB). We are a member of the TCFD Consortium.



[Refer to our disclosures in accordance with TCFD recommendation](#)

### ● Japan Climate Initiative

Tokyu Fudosan Holdings Corporation participates in JCI in support of JCI's declaration, "Joining the front line of global trend for decarbonization from Japan."



● **SBT initiative • Business Ambition for 1.5°C • Race to Zero**

Tokyu Fudosan Holdings Corporation has declared to SBT initiative that it will work to set a Science Based Target for GHG reduction by 2030 and has been approved by SBT initiative as "Science-based target" in line with a 1.5°C trajectory.

Additionally, we have joined Business Ambition for 1.5°C and Race to Zero, global campaigns aiming to achieve net-zero emissions (of greenhouse gas) before 2050.



Tokyu Fudosan Holdings

● **RE100**

Tokyu Land Corporation is a member of the international initiative "RE100", which aims to source 100% of the energy required for business from renewable energy by 2050.

Tokyu Land Corporation has set the target achievement year to 2025, which is significantly ahead of the target achievement deadline of "RE100". About 7% of the facilities such as offices, commercial facilities, hotels and resort facilities will be switched to renewable energy in 2021 and about 60% in 2022, and 100% in 2025.



TOKYU LAND CORPORATION

● **The environmental committee of The Real Estate Companies Association of Japan**

Tokyu Fudosan Holdings has the chairman of the board of the Company participating as a vice chairman of the Environmental Committee of the "The Real Estate Companies Association of Japan" and dispatched one employee of the Company to the association to deal with climate change and is actively working to consider and formulate policies. In addition, department heads and managers of related departments participate in the Environmental Committee and the two lower working groups (office buildings and housing) and we are working on promoting environmental action in the real estate industry. The committee periodically collects excellent efforts by member companies that lead to reduction of environmental burden and sustainable society building. They are used to share information among member companies and to further improve environmental awareness. Furthermore, we actively make proposals to public policies and regulations through "Low Carbon Town Planning Action Plan" or "Environmental Voluntary Action Plan".

In this way, we participate in the formulation of climate change strategies as an industry group that reflects national policies and make policy requests directly to the country or through Keidanren, an upper organization, in an effort to realize them.



Tokyu Fudosan Holdings

### Risk management process

Tokyu Land Corporation implements the following management process as a countermeasure against natural disasters such as typhoons and earthquakes.

- BCP manual maintenance
- BCP duty, BCP standby personnel system
- Operation and improvement of BCP system such as property damage totaling system
- Installed a private power generator as a disaster countermeasure.

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TOKYU LAND CORPORATION

## Practice and Implementation

### Program to promote corporate value improvement through decarbon management

Tokyu Fudosan Holdings Co., Ltd. participated in the “Corporate Value Improvement Promotion Program by Decarbonizing Management” sponsored by the Ministry of the Environment in fiscal 2018, and studied internal carbon prices. Reference : [Ministry of Environment HP \(Japanese\)](#).

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Tokyu Fudosan Holdings

### Unquantified, Process CO<sub>2</sub> reduction targets

Tokyu Land Corporation has established process targets for the development projects it is involved in based on the format of these projects. For example, development projects involving new build condominiums must comply with Insulation Performance Level 4 within the Evaluation Methods and Standards based on the Housing Quality Assurance Act. Also, Tokyu Plaza Ginza, a large-scale commercial facility, will be developed with the same level of performance as quasi-top level place of business recognized for outstanding countermeasures taken against global warming by the Tokyo Metropolitan Government.

### Quantified CO<sub>2</sub> reduction targets

#### 【Medium- to long-term quantified target】

- The Tokyu Fudosan Holdings Group aims achieve net zero CO<sub>2</sub> emissions by FY2050.
- As a mid-term goal, we aim to reduce CO<sub>2</sub> emissions per floor area by 46.2% by FY2030 compared to FY2019.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

## GHG(CO<sub>2</sub>) emissions data

(unit: thousand t-CO<sub>2</sub>)

	FY2019	FY2020	FY2021
Scope 1(Energy Origin)	62.0	58.0	63.6
(CFCs Leakage)			1.1
Scope 2	221.3	198.1	192.3
Scope 3	1,913.0	1,618.8	1,801.7

\*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

\*Scope 1 is disclosed separately to "energy origin" and "CFCs leakage" from FY2021.

## Scope 3 CO<sub>2</sub> emissions data by category

(unit: thousand t-CO<sub>2</sub>)

	FY2019	FY2020	FY2021
1 Purchased Goods & Services	708.3	666.4	998.4
2 Capital Goods	430.1	393.8	116.8
3 Fuel- and energy-related Activities (not included in scope 1 or scope 2)	45.2	42.5	43.7
4 Upstream transportation and distribution	0.3	0.2	0.1
5 Waste Generated in Operations	6.6	6.3	19.1
6 Business Travel	3.0	3.0	3.1
7 Employee Commuting	10.0	10.0	9.8
8 Upstream leased assets	-	-	-
9 Downstream transportation and distribution	-	-	-
10 Processing of Sold Products	37.7	30.3	-
11 Use of Sold Products	654.1	451.0	585.7
12 End-of-Life Treatment of Sold Products	10.4	7.4	13.3
13 Downstream leased assets	7.3	7.9	11.8
14 Franchises	-	-	-
15 Investments	-	-	-

\*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

\*Figures that were calculated as Category 10 until FY2020 are calculated as Category 11 from FY2021.

\*Sold properties that have renewable electricity contracts with the electricity supplier are calculated as the emission factor of electricity is zero in Category 11.

\*Category 8, 9, 10, 14, 15 are not applicable.

Tokyu Fudosan Holdings

## Energy usage data

(unit: thousand GJ)

	FY2019	FY2020	FY2021
Scope 1	5,892.6	5,457.3	5,630.8

\*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

Tokyu Fudosan Holdings

## GHG(CO<sub>2</sub>) emissions

(unit: thousand t-CO<sub>2</sub>)

	FY2019 (base year)	FY2020	FY2021	FY2023 (target year)	FY2030 (target year)
<b>Scope1・2</b>	283,3	256,1	257.0	141.6	152.4
<b>Reduction rate</b>		-9.6%	-9.3%	-50.0%	-46.2%
<b>intensity (Unit:kg-CO<sub>2</sub>/m<sup>2</sup>)</b>	86,8	75,1	74.6	-	-
<b>Scope3 (category 1・2・11)</b>	1,792.5	1,511.2	1,700.9	-	964.4
<b>Reduction rate</b>		-15.7%	-5.1%	-	-46.2%

<b>Total floor area of subject facilities (Unit:m<sup>2</sup>)</b>	3,262,124	3,410,445	3,443,397
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\*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

\*Target for FY2030 disclosed in May 2021、Target for FY2023 disclosed in May 2022.

Tokyu Fudosan Holdings

## Reduction of CO<sub>2</sub> emissions / Reduction of energy consumption

### ●Reduction of CO<sub>2</sub> emissions / Reduce energy consumption at properties of Tokyu Land Corporation (office buildings, commercial facilities and resort facilities)

#### ( I ) Unquantified, Process targets

##### (1) Targets in the investment process

- ① Electrical facility: Introduction of LED lamps, renewals of elevator control equipment or power incoming unit
- ② Water supply and sanitation facility: Introduction of water-saving type faucets, renewal of boiler
- ③ Air conditioning equipment : Update, Installation of inverter control device

##### (2) Targets in the management process

- ①Electrical facility
  - Review of lighting time
  - Unnecessary lights go out
  - Review illuminance
- ②Water supply and sanitation facility
  - Revision of temperature setting of cold / hot water
  - Review operating hours
  - Review temperature setting and capacity of hot water tank, bath tub or pool etc.
- ③Air conditioning equipment
  - Operation at proper temperature
  - Stop unnecessary air conditioning and introduce outside air and efficient operation of total heat exchanger
  - Clean filter or fin of air conditioner, ventilator and kitchen exhaust hood

#### ( II ) Achievement status on quantified reduction targets

##### 【Achievement status】

\* Compared to FY2005

FY2016	FY2017	FY2018	FY2019	FY2020
-20%	-24%	-28%	-36%	-43%



## ●Process or quantified targets and records on reduction of CO<sub>2</sub> emissions or energy consumption (FY2020)

### (1) Targets in the investment process and reduction record

#### ① Electrical facility:

Energy reduction target 514MWh ⇒ record 863MWh

CO<sub>2</sub> reduction target 242t-CO<sub>2</sub> ⇒ record 259t-CO<sub>2</sub>

#### ② Water supply and sanitation facility:

Energy reduction target (fuel) 8kℓ ⇒ record 17kℓ

CO<sub>2</sub> reduction target 22t-CO<sub>2</sub> ⇒ record 47t-CO<sub>2</sub>

#### ③ Air conditioning equipment:

Energy reduction target (fuel) 0kℓ ⇒ record 13kℓ

Energy reduction target (electricity) 252MWh ⇒ record 717MWh

CO<sub>2</sub> reduction target 118t-CO<sub>2</sub> ⇒ record 373t-CO<sub>2</sub>

### (2) Targets and records in the management process

No results

TOKYU LAND CORPORATION

## Promotion of Renewable Energy Business

Tokyu Fudosan Holdings has developed a wide range of businesses while always confronting social issues. In the field of renewable energy, we have been working on the brand "ReENE" since we entered the solar power business in Kagawa in 2014. We are steadily expanding our business with the keywords "contribution to decarbonization," "energy self-sufficiency rate improvement," and "regional contribution," and became a member of "RE100" in April 2019. In

addition, we have positioned this business as one of the new investment targets in the "Expansion of the area of the recycling-based reinvestment business," which is one of the growth strategies of the medium-term management plan. The number of solar power plants owned and operated, including those under development, has increased to 50 locations throughout Japan, and the rated capacity has grown to over 1 GW (= 1,000 MW).

We started a capital and business alliance with Renewable Japan Co., Ltd., a renewable energy company in 2017, and have continuing to strength our partnership. We currently are also a sponsor of Renewable Japan Energy Infrastructure Fund, Inc.

ReENE Matsumae Wind Power Plant, (Matsumae-gun, Hokkaido) the first wind power station with a storage battery in Hokkaido, started operation in April 2019. And, Suzuran Kushiro cho Solar power plant, (Kushiro-gun, Hokkaido) which is one of the largest power stations in Japan with a storage battery, has been in operation since February 2020. We plan to expand our assets to include not only the solar and wind power generation business, but also the biomass power generation business and the next-generation renewable energy business in the future.

Renewable energy is positioned as the main power source in Japan, and as the needs and social importance of clean energy increase, power generation companies and related businesses are required to have various functions and specialties. Therefore, Tokyu Land Corporation established the "Renewable Energy Association for Sustainable Power supply (REASP)" in December 2019 jointly with five companies including Renewable Japan Co., Ltd. We will continue to expand our business by creating a system for stable supply over the long term while discussing with related ministries and agencies.

### SDGs in the Renewable Energy Business





Renewable Energy Business Map

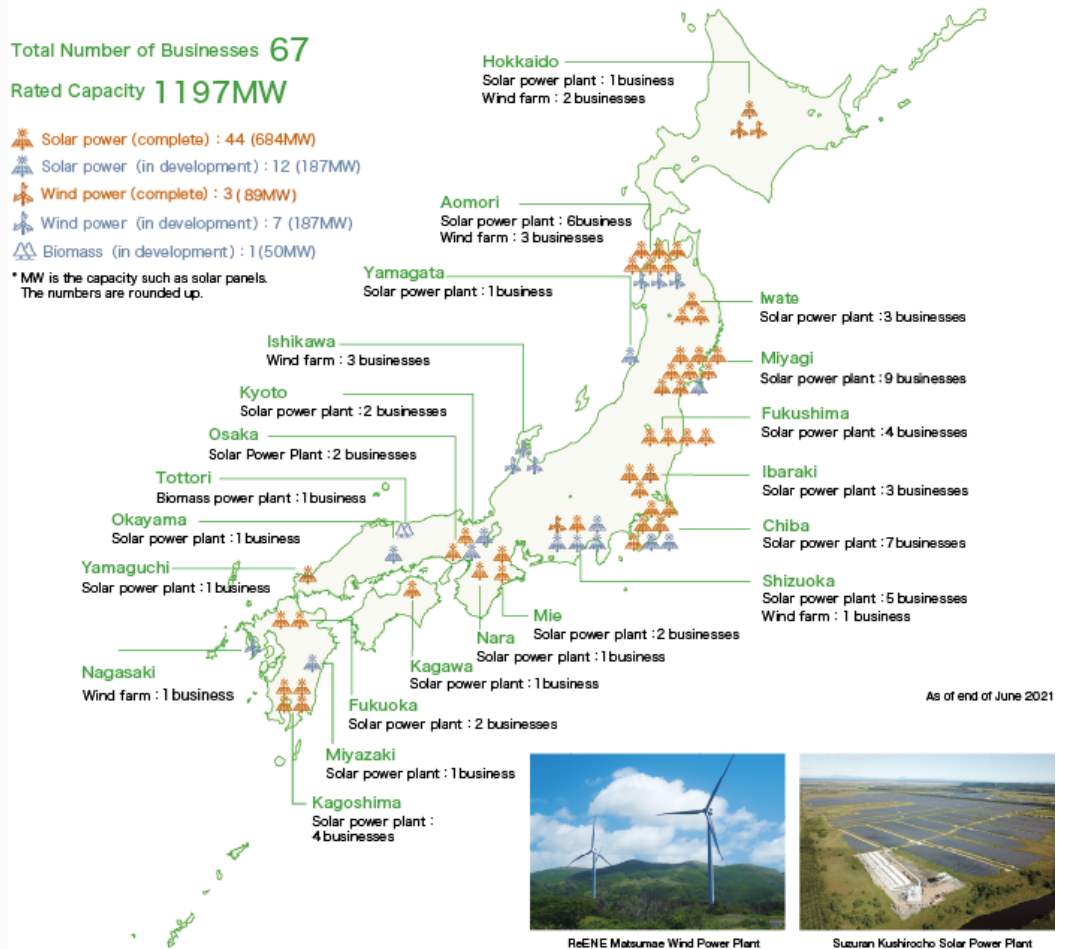


Total Number of Businesses 67

Rated Capacity 1197MW

- Solar power (complete) : 44 (684MW)
- Solar power (in development) : 12 (187MW)
- Wind power (complete) : 3 (89MW)
- Wind power (in development) : 7 (187MW)
- Biomass (in development) : 1 (50MW)

\* MW is the capacity such as solar panels.  
The numbers are rounded up.



As of end of June 2021



ReENE Matsumae Wind Power Plant



Suzuran Kushirocho Solar Power Plant

Tokyu Fudosan Holdings

Reduction in CO<sub>2</sub> emissions in office buildings

The Group works to reduce CO<sub>2</sub> emissions in the office buildings it manages through the installation of energy-saving equipment and in cooperation with its tenants. By implementing these initiatives, the Group aims to serve a pioneering role in achieving the numerical energy conservation targets for new office buildings stipulated in the environmental action plan formulated by the Real Estate Companies Association of Japan.

At the Shin-Meguro Tokyu Building developed by Tokyu Land Corporation, we have achieved visualization through the installation of BEMS (building energy management system) monitors on each floor that allow tenants to confirm their energy consumption and also reduced energy use for the entire building through means such as the installation of natural ventilation systems and automatic dimming equipment.



Shin-Meguro Tokyu Building



Energy management monitor for each floor

### Reduction in CO<sub>2</sub> emissions in condominiums

The 356-unit Branz City Shinagawa Katsushima is a large condominium building in which the collective strengths of the Tokyu Group, including Tokyu Land Corporation and Tokyu Community Corporation, are being used to make it more energy efficient.

As a result of efforts including the adoption of the world's first home use fuel cell for condominiums called Enefarm in all housing units and the installation of HEMS as a system that enables the visualization of home power consumption, it has been estimated that CO<sub>2</sub> emissions have been reduced by at least 60% and the highest S Rank (self-evaluation) has been acquired using CASBEE (Comprehensive Assessment System for Built Environment Efficiency).

We will verify CO<sub>2</sub> reduction results and provide feedback to residents as we aim for even further energy efficiency. In recognition of these efforts, the project was selected as a Low-CO<sub>2</sub> Residence and Building Leadership Project by the Ministry of Land, Infrastructure and Transport.



Branz City Shinagawa Katsushima



Enefarm for condominiums

TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP.

### Use of renewable energy

The Group uses photovoltaic energy, wind power and other forms of natural energy to power various businesses. Solar power generation systems have been introduced to resort facilities, specifically to the Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA. In addition, at the commercial facility Tokyu Plaza Omotesando Harajuku, two wind turbines have been installed on the rooftop to foster the use of natural energy.



Photovoltaic energy  
(Palau Pacific Resort and Tokyu Harvest Club Atami Izusan & VIALA)



Wind power  
(Tokyu Plaza Omotesando Harajuku)

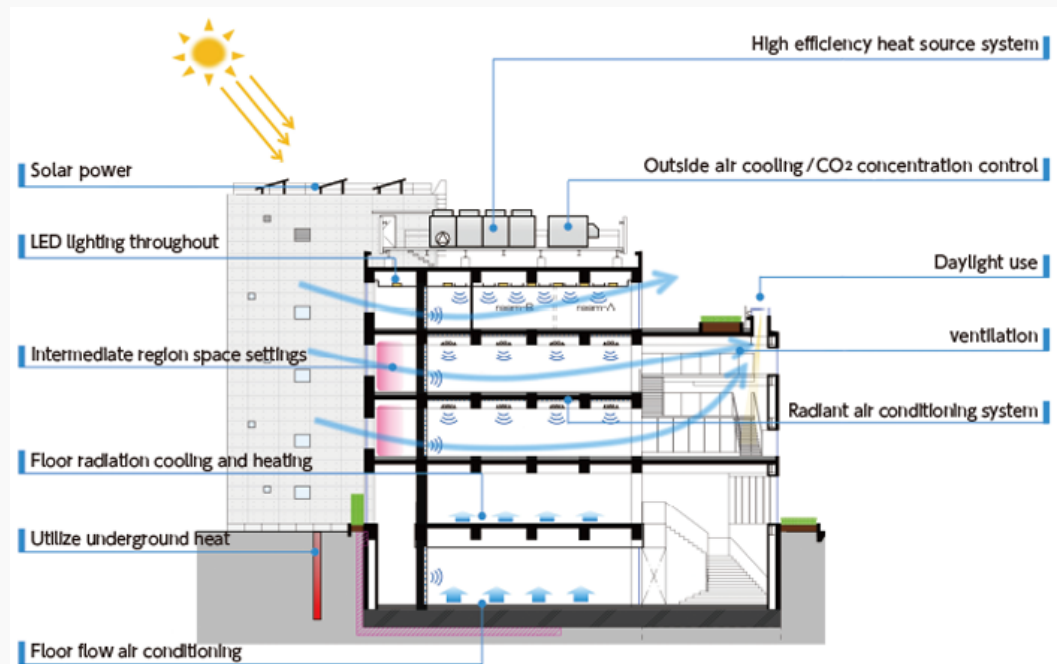
Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

### TOKYU COMMUNITY Technology Training Center NOTIA acquired Nearly ZEB

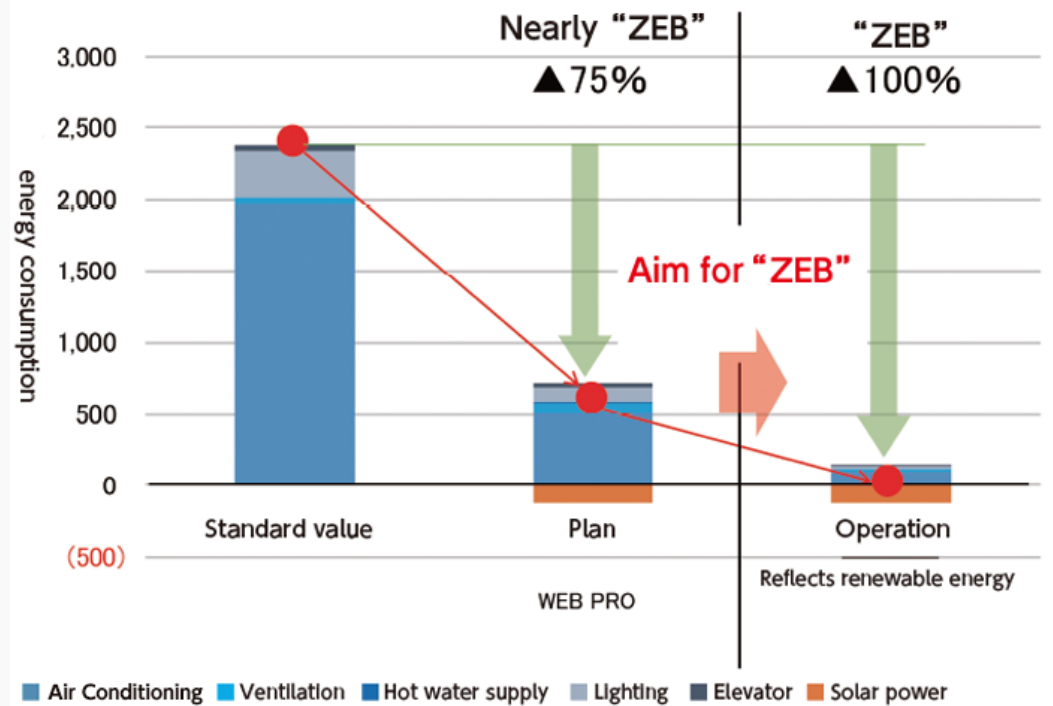
TOKYU COMMUNITY CORP. has acquired "Nearly ZEB" certification of Building-Housing Energy-efficiency Labeling System (BELS) led by the Ministry of Land, Infrastructure, Transport and Tourism at TOKYU COMMUNITY Technology Training Center NOTIA. Zero Energy Building (ZEB) refers to a building that aims to reduce total energy consumption by self-sufficient energy through solar power generation while minimizing energy consumption through energy-saving technologies on construction or equipment. NOTIA became the first office building in Tokyo to acquire "Nearly ZEB" with 75% energy reduction.

TOKYU COMMUNITY CORP., as a comprehensive real estate management company, aims to achieve an energy conservation effect of 75% or higher through further energy conservation operations of Nearly ZEB properties, and accumulate know-how regarding energy-saving operation of buildings and expand it into our sales and proposal activities.

[https://www.tokyu-com.co.jp/service/mansion\\_m/notia/](https://www.tokyu-com.co.jp/service/mansion_m/notia/)




### Process of realizing ZEB



### **Company position on public policy for mitigating climate change**

Tokyu Land Corporation approves the Tokyo Cap-and Trade program.

[Our date is here.](#) 

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TOKYU LAND CORPORATION

### **Building Management Systems in place measuring energy efficiency of properties:**

Tokyu Fudosan Holdings measures the energy efficiency of all real estate properties using an energy management system and uses it for future improvement measures. Specifically, first of all, we measure the energy such as electricity and gas used in the facilities that are continuously operated and managed, and periodically total them. Furthermore, using a simulation program, we estimate the energy-saving effect of renovation work and operational improvement of buildings and commercial facilities, and are promoting concrete measures.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

### **Green leases offered to tenants of underlying property portfolio:**

Tokyu Fudosan Holdings has introduced a green lease clause in some of the lease contracts for office buildings, commercial facilities, and housing that we operate and manage. In collaboration with tenants, we are actively promoting efforts to reduce the environmental load of facilities and compliance with environment-related laws and regulations.

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TOKYU LAND CORPORATION, Tokyu Housing Lease Corporation, TOKYU LAND SC MANAGEMENT CORPORATION, NATIONAL STUDENTS INFORMATION CENTER CO., LTD.

### **Smart meters used in property portfolio**

Tokyu Land Corporation has installed smart meters in all offices, commercial facilities, and condominiums that are operated and managed in Japan in order to promote efficient energy use.

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TOKYU LAND CORPORATION

### **Phase out investments in carbon intensive assets**

In office buildings and commercial facilities operated and managed by Tokyu Land Corporation, we will gradually decarbonize by replacing energy-efficient and carbon-intensive equipment with energy-efficient equipment at the time of renewal.

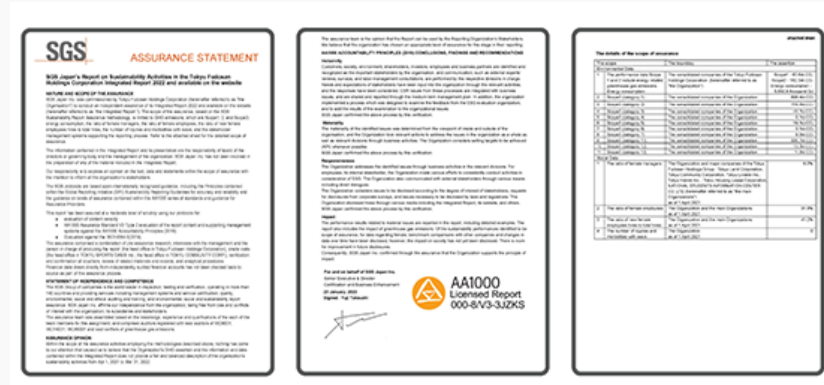
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TOKYU LAND CORPORATION

# Third-party Independent Verification of Environmental Data

The Tokyu Fudosan Holdings Group receives independent verification of its environmental data from a third-party in order to ensure the reliability of this information. For fiscal 2021, the scope of this verification includes data for our greenhouse gas emissions (Scope 1, Scope 2, Scope 3 (Category 1-7 and 11-13) and energy consumption).

## Third-party Verification Report on Environmental Data (Greenhouse Gas Emissions)



[Third-party Verification Report.pdf \(PDF:183KB\)](#)

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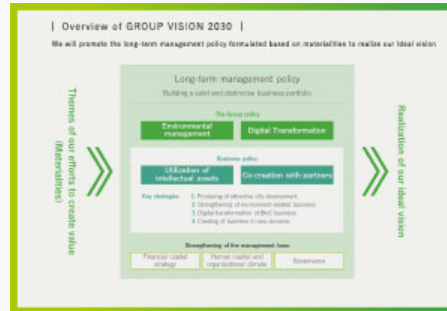
**GROUP VISION 2030**



# TCFD disclosure

Tokyu Fudosan Holdings Group makes a commitment to environmental issues an integral part of our true corporate value. To this end, we have rolled out a Group-wide environmental management policy in Group Vision 2030, our long-term vision. Climate change is a foremost issue in the vision, and we strive to create decarbonized society and better lifestyle for consumers that contributes to the environment.

While climate change poses business risks, it also brings new business opportunities. Recognizing the importance of climate-related financial disclosures we have declared support for the TCFD in March, 2019, and joined Japan TCFD Consortium to effectively implement TCFD recommendations to advance our approaches in 4 categories, Governance, Strategy, Risk management and Metrics and Targets.



**Governance**

Corporate governance around climate related risks and opportunities

**Strategy**

Actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning

**Risk Management**

Process to identify, assess and manage climate related risks

**Metrics and Targets**

Metrics and targets used to assess and manage relevant climate-related risks



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**GROUP VISION 2030** ▶

TOKYU FUDOSAN HOLDINGS GROUP

**Recovery Support Project**

Great East Japan Earthquake



# TCFD disclosure

## Governance

### Sustainability Committee to assess and manage climate-related risks and opportunities

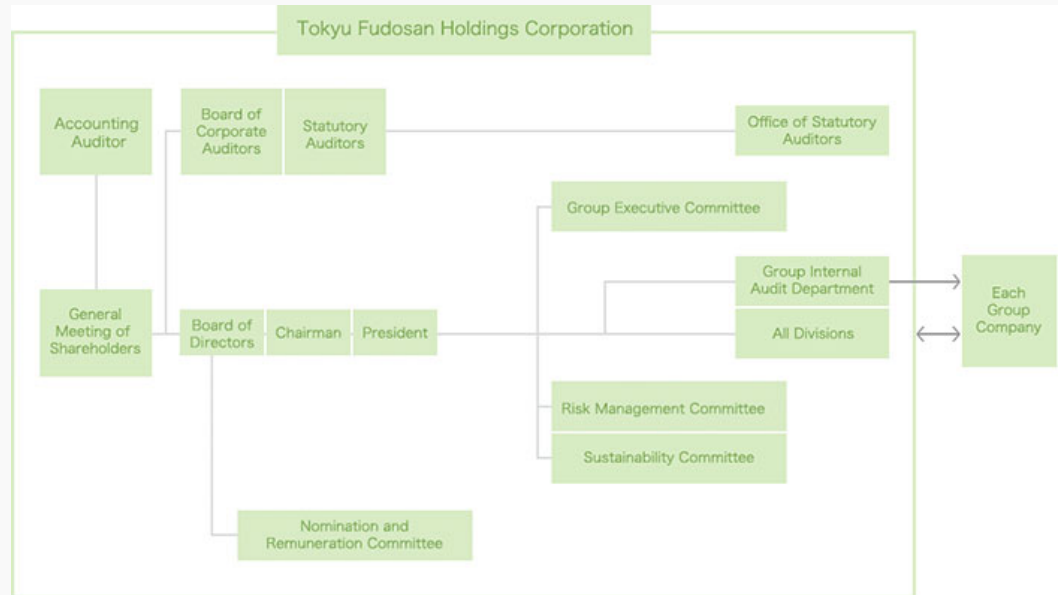
Tokyu Fudosan Holdings has in place the Sustainability Committee, comprising executive directors and chaired by the company president, which meets twice a year in conjunction with the Risk Management Committee to address, develop action plans and oversees performance against the targets, and other important issues including compliance, climate change, social contribution and diversity. The outcomes of these joint meetings are reported to Board of Directors.

### Board's oversight of climate-related risks and opportunities

Based on reporting from the Sustainability Committee on prominent climate-related issues including those that influence management strategy, financial planning and goal setting, Tokyu Fudosan Holdings Board of Directors oversees climate-related risks and opportunities.

### Sustainability Committee structure

#### ■ Organization Structure



Tokyu Fudosan Holdings



## Strategy

Faced with mounting threats of climate change and environmental challenges, it has become imperative to find solutions to these issues, and we are aware that our business operation's contribution to the environment is crucial in gaining market acceptance.

In our long-term GROUP VISION 2030, we have set "Creating sustainable environment" as a materiality for our value creation efforts, and included environmental management in our company-wide policies. The key environmental opportunities and risks have been identified as follows and KPI targets set accordingly.



With our robust Group-wide effort in environment management, we are implementing climate change initiatives based on TCFD recommendations and reducing environmental impact through our supply chain, aiming to achieve our quantitative targets. At the same time, viewing global-scale environmental challenges as business opportunities, we endeavor to build cutting edge businesses that lead the industry in the pathway to decarbonized society.

### Time horizons for climate-related strategy

We define following short, medium and long-term time horizons for our climate-related strategies:

【Short-term】 1- 2 fiscal year(s)

【Medium-term】 3- 9 years. Medium-term management plan falls in this time horizon. Our medium-term scenario analysis assumes SBT of 1.5°C in year 2030.

【Long-term】 10- 30 years. Long-term management policy falls in this time horizon. Our long-term scenario analysis assumes zero-emission in year 2050.

### Financial impacts of climate-related risks and opportunities

In setting climate-related strategies, we define magnitude of impacts on our business portfolio: (refer to disclosure rules in Tokyo Stock Exchange's Guidebook)

【High】 10% or more (of consolidated operating revenue)

【Medium-high】 10% or more (in each segment of the business portfolio)

【Medium】 5 to 10% (in each segment of the business portfolio)

【Medium-low】 2 to 5% (in each segment of the business portfolio)

【Low】 Less than 2% (in each segment of the business portfolio)

### Businesses subject to climate change scenario analysis

The Group uses scenario analysis to assess impacts including on upstream and downstream value chain of our different business operations. Scenario analysis has been applied to, and expanded to include, following businesses in accordance with their relevance to climate change risks/opportunities.

【In 2018】 Urban development business(medium-term), Resort business(long-term)

【In 2020】 Urban development, Resort, Residential, Renewable energy businesses(all medium/long-term)

【Yet to be analyzed】 Logistics, Overseas, Human capital-utilizing business

## Climate change scenario analysis process

Serving as the secretariat for the scenario analysis, the Group Sustainability Promotion Department identified, in consultation with the relevant departments, risks and opportunities that may have significant impacts on the business strategy and financial plan. With the help of external consultants, Sustainability Promotion Department conducted quantitative evaluation of the impacts and shared the information within the organization. Furthermore, strategies for likely scenarios are formulated in consultation with the relevant departments, approved by the Sustainability Committee, and reported to the Board of Directors.

## Material climate-related issues

We have identified following material climate-related risks and opportunities that have potential impact on the Group :

Category	Type	Material issues
Current regulation	Current regulation	Energy conservation reporting requirement Energy Efficient Building Codes
	Emerging regulation	More stringent GHG emission reduction regulations Carbon taxation
	Technology	Increase in cost for ZEB/ZEH construction/renovation
	Legal cost	Credit purchase under Tokyo Cap-and-Trade Program
	Market	Delayed response to price trend reflecting environmental value Increasing energy cost
	Reputation	Changing customer/investor behavior
Physical risks	Acute	Intensified extreme weather events
	Chronic	Rising temperature / sea level
Opportunities	Resource efficiency	Transition to high-efficiency buildings, Recycling
	Energy source	Wider use of renewable energy source, government subsidies
	Products /services	Expanding low carbon products/services
	Market	Utilizing ESG finance
	Resilience	Energy efficiency renovations of operating assets BCP compliance

## Scenario Analysis ① 1.5°C

### 【Selected scenario】

This scenario assumes steady shifts in policies/technologies/market toward decarbonized society in line with Paris Agreement, and expects to limit average global temperature rise to well below 2°C above pre-industrial level at the end of the 21st century.

- SDS developed by IEA World Energy Outlook, consistent with limiting the global temperature rise to 1.65°C with a 50% probability.
- B2DS developed by IEA Energy Technology Perspectives, consistent with limiting the global temperature rise to 1.75°C.
- RCP2.6 scenario developed by IPCC, consistent with global temperature rise of 0.9~2.3°C (average of 1.6°C) above pre-industrial level at the end of 21st century(2081~2100), referenced for gauging physical risks.
  - ◆ IEA(International Energy Agency), SDS(Sustainable Development Scenario), B2DS(Beyond 2 Degrees Scenario), IPCC(Intergovernmental Panel on Climate Change), RCP(Representative Concentration Pathways)

### 【Summary of scenario analysis assessment】

In the medium term (2030), we expect carbon pricing and ZEB construction cost to have substantial financial impact on our urban development business. For the long term (2050), however, we will complete ZEB

conversion, which improves our buildings' market competitiveness, leading to higher rental revenue. We also expect the renewable energy business to expand.

As for physical risks, natural disasters due to extreme weather conditions will increase moderately, but the magnitude of impact is expected to be low thanks to improved BCP and LCP.

#### Results of Scenario Analysis ① 1.5°C Scenario

<b>Type</b>	<p>【Transition risks】 Policy/regulation Market/reputation</p> <p>【Opportunities】 Energy source Products/services Market</p>	<p>【Physical risks】 Acute Chronic</p> <p>【Opportunities】 Resilience</p>
<b>Time horizon</b>	Medium-term	Long-term
<b>Description of risks/opportunities</b>	<p>【Risk】 Increase in construction/renovation costs to meet stringent energy efficiency and ZEB/ZEH requirements</p> <p>【Risk】 Increase in construction/operation costs to adapt to carbon pricing program</p> <p>【Risk/Opportunity】 Impact of increasing tenant demand for ZEB on rent/occupancy rate</p> <p>【Risk/Opportunity】 More homebuyers demanding ZEH intensifies competitions among products</p> <p>【Opportunity】 Substantial increase in renewable energy demand</p>	<p>【Risk】 Gradual increase in damages to facilities by natural disasters</p> <p>【Risk/Opportunity】 Impact of increasing tenant demand for BCP on rent/occupancy rate</p> <p>【Risk/Opportunity】 Intensified competition among regions and products due to more homebuyers demanding LCP</p> <p>【Risk】 Shorter business season for ski resort due to rising temperature</p>
<b>Our approach</b>	<p>【All】 Aggressively advance ZEB/ZEH conversion of new buildings, renovation of existing facilities, and early adoption of renewable energy sources to differentiate in the market</p> <p>【All】 Introduce internal carbon pricing to encourage each business unit to become low-carbon, so as to mitigate the impact of its nationwide implementation</p> <p>【All】 Cooperate with general contractors in reducing CO<sub>2</sub> emission before and during construction, so as to mitigate the impact of carbon pricing</p> <p>【Resort】 Utilize locally available natural energy sources</p> <p>【Renewable energy】 Expand renewable energy business to meet increasing demand</p>	<p>【All】 Select right building locations and work with tenants/occupants in improving BCP/LCP to differentiate</p> <p>【Resort】 Operate resort facilities off-season to secure additional revenue source</p>
<b>Financial impact</b>	<p>【Urban development】 High in mid term: Building investment increase Medium-low in long term: Higher rent from ZEB converted buildings offsets some negative impact</p> <p>【Residential】 Medium-low: Adequate response to market demand</p> <p>【Resort】 Medium-low: Introduction of renewable energy sources</p> <p>【Renewable energy】 High positive impact: Steady increase in demands</p>	<p>【All】 Medium-low: Increased cost for renovation/repair, but successful differentiation leads to revenue growth</p>

## Scenario Analysis ② 3°C Scenario

### **【Selected scenario】**

This scenario assumes that all nations adhere to their NDCs, and the average global warming will be about 3°C above pre-industrial level at the end of the 21st century.

- STEP developed by IEA World Energy Outlook, reflecting policies declared by each nation.
- RTS developed by IEA Energy Technology Perspectives, consistent with each nation's existing energy and climate-related commitments including the NDCs of the Paris Agreement.
- RCP6.0 scenario developed by IPCC, consistent with global temperature rise of 2.0~3.7°C (average of 2.8°C) above pre-industrial level at the end of the 21st century(2081~2100).
  - ◆NDC(Nationally Determined Contribution), STEPS(Stated Policies Scenario), RTS(Reference Technology Scenario)

### **【Summary of scenario analysis assessment】**

Compared to 1.5°C scenario, we expect financial impact over medium term(- 2030) to be lower due to slower ZEB conversion in our urban development business, but the impact from ZEB conversion is likely to persist into long-term (-2050). On the other hand, we expect to see some growth in our renewable energy business.

As for physical risk, although our resort business will experience bigger impact from faster increase in natural disasters and global warming compared to 1.5°C scenario, its financial impact can be limited given successful differentiation strategies including selecting right building locations and utilizing resort facilities during off season.

**Results of Scenario analysis ② 3°C Scenario**

<p><b>Type</b></p>	<p>【Transition risks】 Policy/regulation Market/reputation 【Opportunities】 Energy source Products/services Market</p>	<p>【Physical risks】 Acute Chronic 【Opportunities】 Resilience</p>
<p><b>Time horizon</b></p>	<p>Medium/Long-term</p>	<p>Long-term</p>
<p><b>Description of risks/opportunities</b></p>	<p>【Risk】 Increase in construction/renovation costs to meet stringent energy efficiency and ZEB/ZEH requirements 【Risk】 Increase in construction/operation costs to adapt to new carbon pricing program 【Risk/Opportunity】 Impact of increasing tenant demand for ZEB on rent/occupancy rate 【Risk/Opportunity】 Spread of remote work reduces demand/rent/occupancy rate of office space, but increases demand for satellite office space. 【Risk/Opportunity】 More homebuyers demanding ZEH intensifies competitions among products 【Opportunity】 Increase in renewable energy demand</p>	<p>【Risk】 Increase in damages to facilities by natural disasters 【Risk/Opportunity】 Impact of increasing tenant demand for BCP on rent/occupancy rate 【Risk/Opportunity】 Intensified competition among regions and products due to more homebuyers demanding LCP 【Risk】 Rising temperature leads to shorter business season for ski resort and cost increase in golf-course operation/maintenance</p>
<p><b>Our approach</b></p>	<p>【All】 Aggressively advance ZEB/ZEH conversion of new buildings, renovation of existing facilities, and early adoption of renewable energy sources to differentiate in the market 【All】 Introduce internal carbon pricing to encourage each business unit to become low-carbon, so as to mitigate the impact of its nationwide implementation 【All】 Cooperate with general contractors in reducing CO<sub>2</sub> emission before and during construction, so as to mitigate the impact of carbon pricing 【Urban development】 Anticipate spread of remote work and develop satellite office space 【Resort】 Utilize locally available natural energy sources 【Renewable energy】 Expand renewable energy business to meet increasing demand</p>	<p>【All】 Select right building locations and work with tenants/occupants in improving BCP/LCP to differentiate 【Resort】 To differentiate from competitors, operate resort facilities off-season, concentrate investment in ski resorts in high latitude areas with high snowfall, use heat-tolerant golf course turfgrass</p>
<p><b>Financial impact</b></p>	<p>【Urban development】 Medium-high over medium-/long-term: Slower ZEB conversion, hence more gradual impact on building investment 【Residential】 Medium-low: Adequate response to market demand 【Resort】 Medium-low: Introduction of renewable energy sources 【Renewable energy】 Medium-high positive impact: Steady increase in demands</p>	<p>【All】 Medium-low: Cost increase for renovation/repair, but successful differentiation leads to revenue growth 【Resort】 Medium: Selection of right locations and successful differentiation measures offset some of the significant revenue decrease due to shorter business season and limited areas suitable for ski</p>

## Scenario Analysis ③ 4°C Scenario

### **【 Selected scenario】**

This scenario assumes that policies, technologies and markets advance on the current trend and rate, allowing average global warming to exceed 4°C above pre-industrial levels at the end of the 21st century and expects greater risk of climate change-induced natural disasters.

- RCP8.5 scenario developed by IPCC, consistent with global temperature rise of 3.2~5.4°C (average of 4.3°C) above pre-industrial level at the end of 21st century(2081~2100).

### **【Summary of scenario analysis assessment】**

There will be limited impact of climate change for medium term(-2030) and transition risk will not emerge as significant financial impact during this period. For long-term(-2050), however, we will experience more severe natural disasters and rising temperature which likely aggravates financial impact. We expect to be able to alleviate the risk to some degree with successful differentiation through developing satellite office spaces(urban development business), selecting right building locations and off-season use of resort facilities. As for our renewable energy business, we look to expand in response to market trend.

**Results of Scenario analysis ③ 4°C Scenario**

<p><b>Type</b></p>	<p>【Transition risks】 Policy/regulation Market/reputation 【Opportunities】 Energy source Products/services Market</p>	<p>【Physical risks】 Acute Chronic 【Opportunities】 Resilience</p>
<p><b>Time horizon</b></p>	<p>Long-term</p>	<p>Long-term</p>
<p><b>Description of risks/opportunities</b></p>	<p>【Risk】 increased construction cost for general contractors and running cost of air conditioner due to rising temperature 【Risk/Opportunity】 Spread of remote work reduces demand/rent/occupancy rate of office space, but increases demand for satellite office space. 【Risk/Opportunity】 Warmer temperature increases home buyers demand for housings with high environmental performance 【Opportunity】 Volatile market trends due to limited government support for renewable energy</p>	<p>【Risk】 Substantial increase in facility damages from natural disasters aggravated by sea level rise 【Risk/Opportunity】 Impact of increasing tenant demand for BCP on rent/occupancy rate 【Risk/Opportunity】 Intensified competition among regions and products due to more homebuyers demanding LCP 【Risk】 Rising temperature leads to shorter business season for ski resort and cost increase in golf-course operation/maintenance including heat stroke preventive measures, decrease in PV efficiency</p>
<p><b>Our approach</b></p>	<p>【All】 Improve environmental performance of new buildings, upgrade existing buildings, and adopt renewable energy early to differentiate from competitors and alleviate impact of rising temperature, 【Urban development】 Anticipate spread of remote work and develop satellite office space 【Resort】 Offer new resort lifestyle( i.e. workation) 【Renewable energy】 Expand renewable energy business to meet increasing demand</p>	<p>【All】 Select right building locations and work with tenants/occupants in improving BCP/LCP to differentiate 【Resort】 To defferentiate from competitors, operate resort facilities off-season, concentrate investment in ski resorts in high latitude areas with high snowfall, use heat-tolerant golf course turfgrass 【Renewable energy】 Introduce storage batteries and other measures to improve community infrastructure to differentiate</p>
<p><b>Financial impact</b></p>	<p>【Urban development】 Low positive impact: Satellite office demand offsets decrease in demand for conventional office space 【Residential】 Medium-low: Adequate response to market demand 【Resort】 Medium: Introduction of renewable energy sources 【Renewable energy】 Low positive impact: Uncertain trend in demand</p>	<p>【All】 Medium: Cost increase for renovation/repair, but successful differentiation leads to revenue growth 【Resort】 Medium-high: Shorter business season and limited areas suitable for ski.</p>



## Impact of climate change risks/opportunities on business strategy

The Group's business strategy has addressed climate change risks/opportunities in following areas:

Area	Impact and our response
Products/services	In addition to our ongoing effort to mitigate risks by energy efficient remodeling and adapt to risks by strengthening BCP for facilities the Group operates, the Group's long-term vision formulated in 2021 aims to further advance ZEB/ZEH. Moreover, Tokyu Land Co. strives to expand and advance ReENE, its renewable energy business.
Supply chain/value chain	For upstream, we have addressed climate change issues in the Sustainable Procurement Policy formulated in 2020, and begun exploring how we can cooperate with general contractors to decarbonize construction process. As for downstream, we are expanding ZEH and renewable energy uses into condominiums and rental housings.
Research/development investment	Tokyu Community Co., a building management company, has built and acquired Nearly ZEB Certificate on NOTIA, a technical training center to improve its technical proposal capability.
Facility operation	Tokyu Land Co. operating urban/resort facilities, is set to expand use of its own renewable energy, and joined RE100 in 2019, a global environmental initiative which brings together companies committed to 100% renewable energy by 2050. The company aims to achieve this goal earlier and step up its mitigation measures.

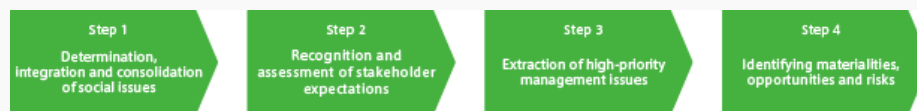
## Impact of climate change risk/opportunity on business strategy and financial planning

The Group's financial plan integrates the following in response to climate change risks/opportunities:


Area	Impact and Response
Indirect cost	Based on scenario analysis and simulation on marginal CO <sub>2</sub> emission reduction effect of energy efficient renovations and operational improvements at their existing facilities over the medium-/long-term, it was inevitable that Tokyu Land Co. must start purchasing renewable energy and reduce the emission even further if they are to meet the SBT. Intending to offset the emission with electricity from its own renewable energy business, the Company estimated the increase in overhead costs associated with renewable energy purchases. Given the estimate, the Company decided to expedite the introduction of renewable energy at their operating facilities while assessing the budget impact for each fiscal year, aiming to achieve RE100 early.
Capital allocation	Aligned with the government's renewable energy promotion measures, Tokyu Land Co. expanded into the large-scale solar business in 2014, in which they have been stepping up investment as the scenario analysis since fiscal 2018 helped them envision the business as a climate-related opportunity. The company operates 66 renewable energy facilities as of the end of March 2022 and has 7 solar power plants, 6 wind power plants, and 2 biomass power plants under development.
Liabilities	Based on the scenario analysis, Tokyu Fudosan Holdings Co. issued 10 billion yen in Green Bonds in fiscal 2019 to underscore its commitment to environmental issues and to win good reception from investors. The bond was issued with a maturity of 5 years for "Shibuya Solasta", an office building with an S-rank in CASBEE architecture, and "Riene Matsumae Wind Power Plant". Additionally, in fiscal 2020, we assessed the positive environmental and social impact of our initiatives, which led to a 5 billion yen positive impact financing.
Assets	We have made environmental impacts one of the evaluation indicators for our long-term business portfolio management.

## Risk management

### Identifying / assessing climate-related risks/opportunities



“Creating a sustainable environment” is one of our 6 priority themes(materiality) on the path to Tokyu Fudosan Holding's long-term GROUP VISION 2030, and environmental management has been the company-wide policy. We reflect on risks and opportunities associated with each materiality in the entire value chain and set KPI targets.

Materialities	Opportunities and risks ■ Opportunities ■ Risks	Ideal vision for 2030	Non-Financial KPI (FY2030)	SDGs Targets 
 Environment	<div style="border: 1px solid green; padding: 2px; margin-bottom: 5px;">Growing needs to respond to decarbonization and recycling</div> <div style="border: 1px solid red; padding: 2px;">Intensification of disasters and increase in response costs</div>	A carbon-free society and a recycle-oriented society	<ul style="list-style-type: none"> <li>• RE100* to be achieved by 2025* 7.2</li> <li>• Percentage of renewable energy power usage 60% or more 7.2</li> <li>• CO<sub>2</sub> emissions (compared with FY2019) (46.2)% (SBT certification) 13.1</li> <li>• Reduce water usage (compared with the previous fiscal year) 6.4</li> <li>• Waste volume (compared with FY2019) (11)% 12.2</li> <li>• Waste volume (compared with FY2019) (11)% 12.5</li> <li>• Environment certification acquisition* (e.g. CASBEE, DBJ) 100% 9.4</li> <li>• Sustainable procurement (wood materials for molds) 100% 15.5</li> <li>• <i>Midori wo Tsunagu</i> Project (area of forest protected) 3,000ha 15.2</li> <li>• Environmental efforts through business 100 cases or more 11.6</li> <li>• Environmental efforts through business 100 cases or more 11.7</li> </ul>	

### Climate-related risk management process

Under the direct oversight of the company president, Tokyu Fudosan Holdings Sustainability Committee develops action plans and oversees performance against the targets on climate change and other important issues.

To ensure reporting compliant with relevant mandates and operate our business in a way that reduces environmental impact including GHG emission, waste, and water consumption, Group Sustainability Promotion Department, serving as a secretariat for the Sustainability Committee, sets targets for GHG emission reduction and other climate-related issues for each fiscal year, monitors performances and communicates information across the Group.

In January 2020, we laid out a Sustainable Procurement Policy to mitigate the impact of GHG emissions on climate change. To achieve this, we work with our stakeholders not only in our business operations but also upstream and downstream value chain and promote better energy efficiency and greater use of renewable energy throughout the lifecycle of products and services.

## Integrating climate-related risk identification/assessment/management into organization's overall risk management

Tokyu Fudosan Holdings Co. identified 7 risks that possibly hinder the Group's management objectives, and recognized climate change risk as another highly significant emerging risk. To manage these risks, we formulated a Basic Risk Management Policy on which we developed and run a risk management framework.



Tokyu Fudosan Holdings

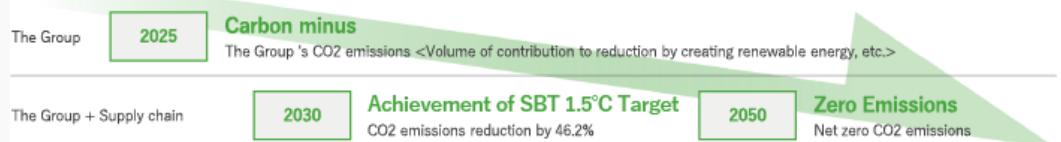
## Metrics and targets

### Climate change-related targets in our long-term GROUP VISION 2030

Tokyu Fudosan Holdings Group has set forth medium- and long-term targets linked to climate change in line with our long-term GROUP VISION 2030 developed in 2021, and is committed to materializing decarbonized society through our business.

- With our strength in the renewable energy business, we expect the reduction of scope 1 and 2 CO<sub>2</sub> emissions to exceed the Group's overall CO<sub>2</sub> emissions, essentially achieving net negative in 2025. Additionally, Tokyu Land Co. plans to expedite achieving RE100.
- We aim to reduce emissions from our own and controlled facilities and supply chain (scope 1, 2 and 3) and achieve SBT (Science Based Targets) to limit global warming to 1.5 °C by 2030, and net zero emission by 2050.

### Targets related to climate change



### Tokyu Fudosan Holdings Group's ESG Management

Based on our identified social materiality, the Group's long-term vision "GROUP VISION 2030" has been organized into six themes with KPI targets in terms of ESG aspects. We established KPI goals for fiscal 2030 for each of these themes, and we are progressing across the Group with initiatives aimed at achieving these goals, while following the PDCA cycle.

## Themes of our efforts to create value (Materialities) and KPI target for FY2030

Materiality

As of March 31, 2022

E



Create a sustainable environment.



KPI	Fiscal 2030 Targets	Fiscal 2025 Targets	Fiscal 2021 results
RE100: Achieve by 2025 <sup>*3</sup>	100%	100%	5.8%
Percentage of renewable energy power usage	60% or more <sup>*1</sup>	65% <sup>*2</sup>	4.0%
CO <sub>2</sub> emissions (compared with FY2019)			
	Scope1・2	(46.2)% (SBT certification)	Year 2023(50)% (9.0)%
	Scope3	(46.2)% (SBT certification)	Qualitative goal : Collaborative efforts with business partners such as construction companies (3.7)% (Calculated as of June 30, 2022)
Water usage	Reduction compared to the previous year	Reduction compared to the previous year	+7.3%
Waste volume (compared with FY2019)	(11)%	(6)%	(11.2)%
Environment certification acquisition (e.g. CASBEE, DBJ) <sup>*4</sup>	100%	70%	35.0%
Sustainable procurement (wood materials for molds)	100%	30%	0%
Midori wo Tsunagu Project (Area of Forest Protected)	3,000ha	2,400ha	2,031ha
Environmental efforts through business	100 cases or more	50 cases or more	22 cases

\*1 The long-term management policy announced in 2021

\*2 The mid-term management plan announced in 2022

\*3 Tokyu Land Corporation

\*4 Applies to large non-residential properties (with floor space of 10,000 m<sup>2</sup> or greater) that are owned Excluding some joint projects

Tokyu Fudosan Holdings

## Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

Environmental Conservation Initiatives

> Climate Change

> TCFD disclosure

> Biodiversity Conservation

> Pollution and Resources

> Water Use

> Supply Chain (Environment)

+ Contributions to Local Communities

+ Employment and Labor Practice Initiatives

+ Management Structure

> Integrated Reports / CSR Reports

+ For ESG Investors / (Index)

> Main External Evaluation

> Facts and Figures



> Long-Term Vision

GROUP VISION 2030



# Biodiversity Conservation

## Policy

Tokyu Fudosan Holdings Group's business activities rely heavily on ecosystem services for land development and materials procurement. Given this, we are strongly aware that biodiversity conservation represents an important environmental issue.

The loss of biodiversity would make it difficult for us to reap the benefits of ecosystem services that until now have benefited our businesses in terms of land use and construction materials procurement, which carries with it the risk of much higher costs. Furthermore, the loss of biodiversity is an extremely critical issue that could threaten the very existence of society and human life.

The development and operation of housing, office buildings, commercial facilities and resorts that help to conserve biodiversity will create business opportunities and enhance the competitiveness of the Group. At Tokyo Port City Takeshiba, the largest office building in which Tokyu Land Corporation is involved, we are working on biodiversity conservation as Takeshiba Shinpachikei.

<https://tokyo-portcity-takeshiba.jp/skip-terrace/>

## commitment

It is based on this awareness that we will continue to work with design firms, construction companies, customers, local communities and other stakeholders to carry out responsible materials procurement and conduct ecosystem studies at the time of development for our business activities as well as the office building, commercial facilities and resorts we develop in an effort to mitigate impacts on biodiversity and conserve biodiversity.

[Policies on biodiversity conservation]

1. We will grasp the relation between our operation and biodiversity.
2. We strive to minimize the effect of the operations on biodiversity.
3. We strive for sustainable use of biological resources.

Tokyu Fudosan Holdings

## Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address climate change issues, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

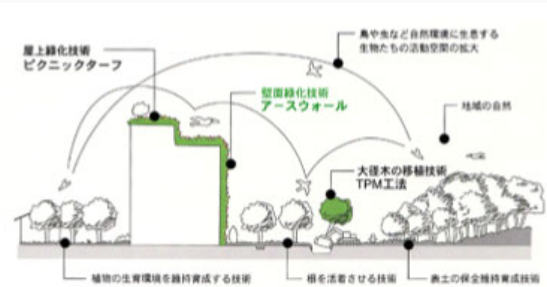
The Sustainability Council, comprised of environmental managers from each group company, manages the results of group-wide efforts on biodiversity issues and shares information based on a shared policy. This ensures biodiversity conservation is addressed throughout all business activities.

## Responding to the impact on biodiversity ~ KPI Targets for Fiscal 2030

We believe that urban greening is important for addressing biodiversity issues. Therefore, in the wide-area Shibuya area, which the Group has designated as a priority development area, we are actively greening our business bases in order to conserve the ecosystem. We are working to form an ecological network in the wide-area Shibuya area by connecting the surrounding greenery and acting as a relay base for the creatures that live there.

Green buildings(roofs,walls,etc)\* Fiscal 2020 Results 100% , Fiscal 2030 Targets 100%

\*Tokyu Land Corporation new large office buildings and commercial facilities.



Tokyu Fudosan Holdings

## Biodiversity Action Plan (BAP)

The Group formulates a Biodiversity Action Plan (BAP) by identifying areas in all of our business regions that have sites, species, and functions of particular importance for conservation. In the relevant areas, biodiversity monitoring by experts is conducted on a regular basis, and the results are reflected in the management plan in an effort to conserve biodiversity.

Resort Town Tateshina plans to establish a monitoring plan to survey the habitat and growth environment of plants and animals in the villa area and surrounding wooded areas, etc., and if there are any rare plant or animal species or threats to the habitat or growth environment, countermeasures will be considered and utilized in the green space management plan.

TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

## Biodiversity-related certification system

Especially for properties that have a lot of natural environment in the surrounding area and can secure a lot of green space on the premises, we encourage to obtain certification such as ABINC in order to support the securing of biodiversity.

Tokyu Fudosan Holdings



## Practice and Implementation

### Biodiversity risk assessment(Disclosure of biodiversity habitat) ~ Conducting ecosystem studies and conserving biodiversity using greenery in the project

《New project》 The Group actively introduces greenery at its condominium, office and commercial facility buildings, which links with community greenery to form ecological networks considerate of biodiversity. When developing large-scale properties that will impact the local community, we conduct ecosystem studies on the local environment during the planning stage in order to introduce greenery through planters or other means that will provide a habitat for native birds and insects. Such formation of greenery networks helps to conserve the biodiversity of the entire community.

Tokyu Fudosan Holdings

《Existing project》 For example, at the roof terrace garden named Omohara Forest at Tokyu Plaza Omotesando Harajuku, we conduct regular studies on living organisms throughout the year with Regional Environmental Planning, Inc., a specialist in natural environment conservation in order to gain an understanding of the ecosystem created there,.



Ecosystem study in progress  
at Tokyu Plaza Omotesando Harajuku



Seven-spot ladybug



Japanese white-eye

Tokyu Fudosan Holdings, TOKYU LAND SC MANAGEMENT CORPORATION, ISHIKATSU EXTERIOR INC.

At "Tokyo Port City Takeshiba Office Tower", we are working on environmental education and reduction of environmental load through contact with living things and farming experience. We will improve people's awareness and understanding of biodiversity by developing the "Takeshiba Shinhakkei", which consists of eight views of "rain, water, islands, paddy fields, incense, vegetable gardens, bees, and the sky." In addition, in order to contribute to the creation of a habitat for birds of prey such as peregrine falcons, we have set up nest boxes for nesting and are working to maintain and improve biodiversity and ecosystems.



Rice planting



Pre-harvest strawberries



Bee hive

TOKYU LAND CORPORATION



"Tambara Ski Park" has been working to protect 'forest green tree frogs', which are registered as near-threatened and mild concerns on the Red List of Gunma Prefecture and the International Union for Conservation of Nature IUCN. During development, we preserved the pond inhabited to protect the forest green tree frogs. After that, every year, we carry out conservation activities in collaboration with local volunteer groups (Nature Lovers Association), such as cleaning the pond and replenishing water in the summer when the water level drops.



Newborn forest green frogs



Swimming forest green frog



Cleaning the pond

The coast in front of the resort hotel "Palau Pacific Resort" in the Republic of Palau was a sea where coral did not easily inhabit due to the outflow of mud. In 2002, the sea across the hotel was designated as a marine life reserve by state ordinance and is now a great snorkeling area where you can see many species of fish and corals. In April 2010, we transplanted 30 giant clams to the beach of the hotel with more than 30 guests. We are also co-sponsoring the holding of an educational event "Dugong Week" for all elementary and junior high school students in Palau to protect the endangered dugong that lives in the waters near Palau.



Seventy Island in Palau, designated as a Wildlife Sanctuary



"Dugong" inhabiting the Palauan waters

TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

### Participation in the biodiversity certification system ~ Acquired the top AAA rank for JHEP Certification

The FUTAKO TAMAGAWA Rise integrated commercial and residential complex that is a joint venture between Tokyu Land Corporation and Tokyu Corporation acquired the top rank (AAA) for JHEP Certification, which is Ecosystem Conservation Society - Japan's system for certification of biodiversity assessments. We developed the building's roof garden into an open space containing water and greenery as a large-scale roof garden with features such as a vegetable garden and a killifish pond in an aim to create a community that is in harmony with the abundant natural environment in the surroundings.



FUTAKO TAMAGAWA Rise



Killifish pond created as part of the roof garden



TOKYU LAND CORPORATION

### Creation of “Invasive Alien Species Response Manual”

According to the Invasive Alien Species Act (Ministry of the Environment), an invasive alien species is a species of fauna or flora that did not originally reside in Japan and was brought to Japan intentionally or unintentionally by human actions and that may cause damages to local ecosystems. The Group has created a manual that outlines ways to deal with an invasive alien species if it is found in order to protect the community's ecosystem.



(Non-native fauna)  
Nettle caterpillar



(Non-native flora)  
Annual fleabane

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Tokyu Fudosan Holdings

### Disclosure of engagement on efforts to reduce loss of biodiversity

Dialogues conducted to mitigate biodiversity loss Tokyu Resort Town Tateshina is an integrated resort developed by concluding a nature conservation agreement with Nagano Prefecture. Currently, we have concluded a comprehensive cooperation agreement with local governments, etc., and are strengthening our efforts for biodiversity by introducing biomass boilers using thinned wood generated in forest conservation.

Tokyu Fudosan Holdings is a member of the Keidanren Nature Conservation Council and aims to realize a sustainable society through the construction of a society that coexists with nature through exchanges with local companies and NPOs. In February 2022, the Nature Conservation Council held an online dialogue with the Mangrove Tree Planting Operation Liaison Council in the "Large-scale Mangrove Tree Planting Project in Sabua Tasara District, Nakhon Si Thammarat Province, Thailand".

In addition, Tokyu Fudosan Holdings is participating in the 30 by 30 initiative organized by the Ministry of Environment to achieve the goal of halting and restoring biodiversity loss by 2030 (Nature Positive) and to achieve the conservation and protection of at least 30% of our terrestrial and marine areas by 2030.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

## Sustainability

+ Tokyu Fudosan Holdings Group's Sustainability

+ Create Value for Customers

Environmental Conservation Initiatives

> Climate Change

> TCFD disclosure

> Biodiversity Conservation

> Pollution and Resources

> Water Use

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GROUP VISION 2030

TOKYU FUDOSAN HOLDINGS GROUP  
**Recovery Support Project**  
 Smile for Japan  
 Great East Japan Earthquake For smiling faces all over Japan

# Pollution and Resources

## Pollution

### Policy

The Tokyu Fudosan Holdings Group believes that one of its duties is to mitigate the release of pollutants from its business activities. This is why we are working with design firms, construction companies and other stakeholders to prevent the release of pollutants and mitigate pollutants by avoiding the use of materials that are a source of pollutants in order to reduce our impacts on the environment.

Tokyu Land Corporation has established specific measures for the development projects it is involved in based on the format of these projects. For example, development projects involving new build condominiums or detached housing must be in compliance with Formaldehyde Abatement Level 3 and the company has created an in-house manual on soil contamination and asbestos abatement to ensure it takes proper measures.

Tokyu Fudosan Holdings

### Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address the issue of pollutants, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, manages the results of efforts on pollutants and shares information based on a common policy. This ensures pollutants are addressed throughout all business activities.

Tokyu Fudosan Holdings

### Practice and Implementation

#### Process targets to reduce or avoid pollution:

Tokyu Land Corporation has set the following process-type goals for the facilities it operates and manages and is working to reduce pollution.

- (1) Removal of asbestos in buildings. Periodically inspect some unremoved areas and pay close attention to prevent the situation from deteriorating.
- (2) Disposable plastic products abolished in hotels, stores, etc. (straws, muddlers, etc.)

#### ● Progress in 2020

- (1) Implemented in 4 office buildings
- (2) Conducted at 3 hotel facilities

TOKYU LAND CORPORATION

### Setting standards to ensure residential indoor air quality

Tokyu Land Corporation has rigorous performance standards for its newly built condominiums in order to prevent indoor air pollution caused by building materials, some of which are as follows:

- All formaldehyde-emitting building materials are to meet JIS(Japanese Industrial Standards) and F☆☆☆☆ rating under JAS (Japanese Agricultural Standard).
- Aside from formaldehyde, toluene, xylene, ethylbenzene, styrene and other toxic emission from building materials have to be minimal.
- Newly built condominiums are subject to our indoor air quality testing to ensure that indoor chemical substance concentration does not exceed guideline values set forth by the Ministry of Health, Labour and Welfare.

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TOKYU LAND CORPORATION

### Handling of hazardous substances

The Group's office buildings, commercial facilities and resorts manage and dispose of hazardous substances in a responsible manner in accordance with relevant laws and regulations.

We carry out procedures and dispose of fluorocarbons used in air conditioners and PCBs used in electrical facilities in accordance with the law. These substances are handled with the utmost care to prevent leakage or release. For asbestos and soil pollution, we carry investigative studies in a timely manner and implement proper measures or controls based on the situation.

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TOKYU LAND CORPORATION

### Measurement of NOx, SOx, emissions

According to the Air Pollution Control Act, the Group measures the concentration of soot and dust at a certain frequency in the operation and management facilities such as office buildings and commercial facilities, and we keep records of the measurement results. We are working to prevent air pollution by ascertaining the status of emissions of soot and NOx into the atmosphere associated with our business activities and confirming that they do not exceed emission standards.

(unit : t)

	FY2018	FY2019	FY2020
NOx	0.268	0.278	0.151
SOx	-	-	-

Annual emissions at Northport Mall (at Yokohama)

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TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP., TOKYU LAND SC MANAGEMENT CORPORATION

# Waste

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## Policy

The Group recognizes that the mitigation and proper disposal of waste is an important environmental issue because increased business activities will result in increased waste.

We also believe that it is important to endeavor to reduce waste emissions based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses.

The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting recycling in business activities, will contribute to reduction of pollution through curbing the use of resources in business activities.

It is based on this awareness that we will continue to work with design firms, construction companies, end customers and other stakeholders to reduce waste through responsible recycling and achieve a recycling-oriented society.

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Tokyu Fudosan Holdings

## Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address the issue of waste, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, manages the setting of group-wide targets, results of efforts, and shares information about waste based on a common policy. This ensures data on the use and storage of waste by each company is understood and that proper management/disposal is carried out in accordance with relevant laws and regulations. This also ensures that we are making efforts to reduce waste through our business activities.

The Group has established the following target for waste.

### Target

We aim to reduce waste emissions per floor area of our business offices and real estate portfolio 11% compared to FY2019 by the FY2030.

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Tokyu Fudosan Holdings

## Practice and Implementation

### Process targets to reduce or avoid waste:

Tokyu Land Corporation has set the following process-type goals for the facilities it operates and manages, and is working to reduce waste.

- (1) Reduction of food waste by recycling by compost, etc. and devising meal provision methods, etc.
- (2) Recycling of waste cooking oil generated from the kitchen of a restaurant
- (3) Reduce the volume of excess sludge in sewage treatment facilities

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TOKYU LAND CORPORATION

### Waste reduction through remodeling

The Tokyu Fudosan Holdings Group is working to reduce waste through home renovations. Tokyu Resort Corporation is conducting the sales of vacation homes that have been seismically diagnosed and guaranteed and also ecologically remodeled under its REWORTH program.

Tokyu Fudosan Holdings, TOKYU RESORT CORPORATION

### Data on waste volume

	2019(FY) (base year)	2020(FY)	2018(FY)	2030(FY) (target year)
VOC emissions (Unit:liters)	0	0	0	
Non-recyclable waste emissions (Unit:t)	17,837	18,000	10,947	
Hazardous waste emissions (Unit:kg)				
Recyclable waste emissions (Unit:t)	11,414	9,637	17,092	
Waste emissions (Unit:t)	29,251	27,637	28,039	
intensity(Unit:kg/m <sup>2</sup> )	9.6	8.3	8.5	8.5
Reduction rate	-	-13.6%	-11.2%	-11.0%
Cost of environmental fines (Unit:yen)	0	0	0	
<b>Total floor area of subject facilities (Unit:m<sup>2</sup>)</b>	<b>3,053,380</b>	<b>3,338,518</b>	<b>3,297,684</b>	

\*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

Tokyu Fudosan Holdings

### Ratio of establishments receiving environmental management certification

There are no office that have received environmental management certification such as ISO14001 or EMAS.

Tokyu Fudosan Holdings

### Reduce waste by collaboration with other companies

The Tokyu Fudosan Holdings Group is continuously working to reduce waste. At commercial facilities, used cooking oil that is discarded at restaurants is recycled into biofuel in collaboration with oil and fat business companies, and they are used as alternative fuels for light oil in Japan and overseas. In fiscal 2020, we recycled about 10,000 liters of used cooking oil.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION



## Use of LCA (Life Cycle Analysis)

The Tokyu Fudosan Holdings is developing a wide range of businesses related to the development, operation, and management of the real estate, and in that, we analyze and examine the life cycle of buildings and promote the reduction of environmental burden.

Tokyu Land Corporation calculates the primary energy consumption at the operation stage when designing a condominium, and reports on it based on the Building Energy Conservation Law. For CASBEE-certified properties, life cycle CO<sub>2</sub> is calculated for each category such as construction, repair/renovation/demolition, and operation. We aim to reduce environmental pollution and utilize resources by using the results of comparisons with general buildings (reference values) in our design process.

In addition, Tokyu Community Corp. analyzes the life cycle of the building when entrusting the management of condominiums and formulates a long-term repair plan for building maintenance. As a result of examining these, it was found that the cycle of large-scale renovation work can be extended more than before by adopting highly durable materials. This will reduce the number of large-scale renovations during the entire building life cycle and reduce building materials and waste during construction. This has made it possible for us to extend the cycle of large-scale renovation work at Brands City Hongodai from 12 years to 16 years.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TOKYU COMMUNITY CORP.

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## Use of Resources

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### Policy

The Group recognizes that the responsible use of resources is an important environmental issue because increased business activities will result in increased use of resources, even though these resources are limited in nature.

We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses. The development and construction of long-life housing, office buildings, commercial facilities and resorts, and curbing the use of resources by promoting the reuse of resources in business activities, will create business opportunities and enhance the competitiveness of the Group.

It is based on this awareness that we will continue to work with design firms, construction companies and other stakeholders to use resources responsibly and more effectively.

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Tokyu Fudosan Holdings

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### Management Structure

The Group has established the Sustainability Committee headed by the President & Representative Director, and to address the issue of use of resources, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, shares information from across the group based on a common policy. This ensures that we are using resources responsibly and efficiently.

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Tokyu Fudosan Holdings

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### Progress against previously set targets to reduce resource use:

Our group strives to reduce the use of resources by recycling waste.

#### ● Quantified targets

We have set a target of 80% waste recycling rate at our head office building for FY2030, and are increasing the waste recycling rate to achieve this goal by distributing recycling guides and reducing burnable waste, etc. The actual waste recycling rate in FY2021 was 60.4%.

#### ● Unquantified, process targets and Achievement

- Recycling of waste materials
  - Energy generation by recycling waste oil
  - Conversion of food waste into compost
- Education and awareness of tenants
  - Distribution of recycling guides to building tenants

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

## Practice and Implementation

### Forming a reuse cycle for wood resources

The Green Connection Project is an initiative with customers and other stakeholders of the Group to help preserve forests. This initiative has preserved forests in various uses, from condominium purchases to use of offices and resorts, with more than 1,000 hectares saved to date. Wood produced from forests is utilized in various businesses operated by the Group and also provided to customers, which forms a reuse cycle.



Eave materials for  
the Shin Aoyama Tokyu Building



Morinomiya Q's MALL  
BASE playground equipment

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

### Investment in R&D on reducing impacts

The Tokyu Fudosan Holdings Group has invested in a company that promotes the furniture recycling business. They are researching and developing recyclable furniture and distribution methods in order to create a mechanism for repairing furniture returned after renting it for a certain period and distributing it again. In this way, we are actively working to conserve the global environment by realizing a sound material-cycle society that does not throw away things.

Tokyu Fudosan Holdings

## Sustainability

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GROUP VISION 2030

TOKYU FUDOSAN HOLDINGS GROUP  
Recovery Support Project

Great East Japan Earthquake For smiling faces all over Japan



# Water Use

## Policy

The Tokyu Fudosan Holdings Group recognizes the importance of water conservation in its capacity as a fundamental component of social infrastructure.

Today, water shortages are growing more serious worldwide due to desertification and other factors. Although Japan, where the vast majority of the Group's business offices are located, has yet to experience chronic water shortages, in light of the water resources used to produce the materials we import, so-called "virtual water", the issue of water shortages and water pollution around the world is not irrelevant to our business operations. The development and operation of homes, office buildings, commercial facilities and resorts that excel at water conservation through the use of water saving systems and features will create business opportunities and enhance the competitiveness of the Group.

### Commitments ~Group-wide actions to reduce water usage

It is based on above awareness that we will continue to work with design firms, construction companies, customers, local communities and other stakeholders to carry out responsible management and efficient use of local water resources for our business activities and at the office buildings, commercial facilities, and resorts we own.

Tokyu Fudosan Holdings

## Management Structure

The Group has established the Sustainability Committee headed by the President & CEO, and to address the issue of water resource conservation, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

The Sustainability Council, comprised of environmental managers from each group company, sets group-wide fiscal year targets for water use and shares information based on a common policy. This ensures we are able to understand water use volume for each group company, report proper information in accordance with relevant laws and regulations, and work to reduce water use throughout all business activities.

We have set the following target for water use.

### Actions to reduce water use

#### Unquantified targets (corporate level)

- Development of new condominiums for sale, etc.: Installation of water-saving showerheads, water-saving toilets, water-saving faucets, etc. Use of rainwater, well water, etc.
- Development of new office buildings, etc.: Installation of high-efficiency water heating equipment, water supply systems, water-saving fixtures, automatic faucets, automatic flushing devices, etc.
- Environmental actions related to own business: Implementation of daily water saving actions

#### Unquantified, Process type targets (project level)

Tokyu Land Corporation has established process targets for the development projects it is involved in based on the format of these projects.

### Quantified targets (corporate level)

We aim to reduce water use per floor area of our business offices and real estate portfolio by fiscal 2030 compared to the previous fiscal year.

For example, development projects involving new build condominiums or detached housing must use water efficient toilets that use less than six liters of water per flush as well as efficient hot water saving kitchen, shower, and bathroom vanity fixtures.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

## Practice and Implementation

### Water management plan

Tokyu Land Corporation has established water management plans for all the facilities it operates and manages. Based on the actual water consumption compared to the planned amount of tap water, we are working to reduce water consumption by installing water-saving devices in toilets and showers. Where possible, we recycle used tap water. There are 23 facilities that use gray water or rainwater to reduce the amount of tap water used.

Tokyo Port City Takeshiba uses gray water for toilet flushing. The gray water is supplied from the facility's kitchen drainage, rainwater, and air conditioning drain water, and can be replenished from the heat storage tank in case of emergency. Kitchen wastewater is purified by a gray water desalination system (membrane treatment + bioreactor system) via a grease removal system installed in a restaurant in the building, while rainwater and air conditioning drain water are purified by a filtration system (pressure type rapid filtration system + activated carbon adsorption system) and used respectively.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

### Reducing water use with water saving systems and features

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. The resort hotel has been making efforts to conserve water resources through the use of water-saving toilets and reducing the use of tap water.

At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, we are also promoting the effective use of water by using well water on the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

### Engagement with stakeholders at water-stressed sites

Tokyu Land Corporation develops and operates hotels, golf courses, villas, etc., but in areas where water resources are scarce, we are discussing water use with local governments. Tokyu Resort Town Tatেশina, which was developed in Nagano Prefecture, is engaged in a water supply business for 23.5 km<sup>2</sup> in consultation with Chino City. During the operation period, we have continuous discussions, engage in water supply population and water supply amount every 10 years and supply water based on the decided plan.

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

### Initiatives Along the Tama River - Environmental Conservation of the River and its Basin

The Tokyu Foundation (formerly known as The Tokyu Foundation for Better Environment) works to improve the environment of the Tama River area by conducting surveys of the Tama River and its basin, supporting environmental activities, and disseminating information.

Tokyu Fudosan Holdings

### Business activities in a water shortage area

The Republic of Palau is chronically suffering from a shortage of water. At Palau Pacific Resort, we have our own water supply facilities from the time of opening, we operate the hotel with our own drinking water, and we strive to conserve water resources in the Republic of Palau by thorough water conservation.

TOKYU LAND CORPORATION

### Works with others to reduce water use

Tokyu Fudosan Holdings is a regular member of the Real Estate Association, and in 2013 we formulated the "Real Estate Business Environment Implementation Plan" at the Environment Committee. Among them, as concrete actions to reduce the amount of water used, we aim to use water-saving appliances such as toilets and showers, automatic faucets, automatic cleaning devices, rainwater, etc. In addition, we are working to further raise environmental awareness by sharing information on excellent initiatives, and we are working to save water in collaboration with not only real estate companies but also construction companies and other industry companies as a whole.

Tokyu Fudosan Holdings

### Implementation of industrial ecology in collaboration with local governments

At Tokyu Plaza Totsuka, industrial water supplied by Yokohama City is used for cleaning toilets. This will prevent ground subsidence due to excessive pumping of groundwater, and will work in collaboration with local governments, such as energy reduction by subsidence treatment and use of raw water without performing chemical treatment or filtration treatment processes such as water supply. We are promoting industrial ecology.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

### The number of incidents of non-compliance with water quality/quantity permits, standards and regulations

The following table shows the number of violations of water quality/water quantity permits, standards, and regulations at facilities operated and managed by Tokyu Land Corporation.

	FY.2019	FY.2020	FY.2021
the number of incidents of non-compliance	0	0	0

TOKYU LAND CORPORATION

## Water use

### Water withdrawal / Recycled water usage

(Unit:m<sup>3</sup>)

	FY2019 (Base year)	FY2020	FY2021	FY2030 (Target year)
Surface water from rivers, lakes and natural ponds	0	0	0	
Seawater, water that takes in the sea	0	0	0	
Groundwater from wells and mining	1,077,369	958,387	942,480	
Water collected at the quarry	0	0	0	
Tap water	4,673,697	3,623,252	3,924,422	
Total water intake	5,751,065	4,581,639	4,866,901	
Basic unit(m <sup>3</sup> /m <sup>2</sup> )	1.8	1.3	1.4	
Year-on-year comparison		-27.3%	7.3%	decrease from the previous year
Recycled water usage	69,733	108,589	138,058	

### Water discharge

(Unit:m<sup>3</sup>)

	FY2019	FY2020	FY2021
Total drainage to surface water (river)	984,814	869,810	929,748
Total drainage to the sea area	0	0	0
Total drainage to groundwater / well water	0	0	0
Total amount of wastewater to an external water treatment plant (sewerage)	4,835,985	3,820,418	4,075,211
Water provided to a third party / total amount of other wastewater	0	0	0
Total drainage	5,820,798	4,690,228	5,004,959
<b>Total floor area of subject facilities (Unit:m<sup>2</sup>)</b>	<b>3,174,972</b>	<b>3,480,665</b>	<b>3,444,317</b>

\*The scope covers Tokyu Fudosan Holdings Inc. and its consolidated subsidiaries.

## Sustainability

Tokyu Fudosan Holdings Group's Sustainability

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Climate Change

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Long-Term Vision

**GROUP VISION 2030**



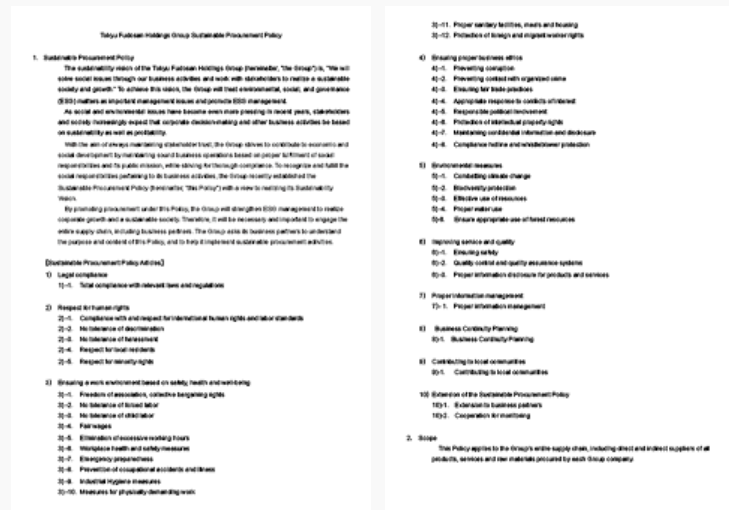
# Supply Chain (Environment)

## Policy

In the real estate business involving the Tokyu Fudosan Holdings Group, since development and operation of houses, office buildings, commercial facilities, resort facilities, etc. are going on for a long time and many stakeholders are involved, we recognize that we need to work on the entire supply chain in cooperation with stakeholders (design companies, construction companies, customers etc.).

Also, since we utilize large amounts of resources from the environment for our business activities, we will work on the entire supply chain for energy use, water resources conservation, biodiversity conservation, saving resources, reduction of pollutants and waste and appropriate treatment.

## Sustainable Procurement Policy



[Tokyu Fudosan Holdings Group Sustainable Procurement Policy\(PDF:137KB\)](#)

[Tokyu Fudosan Holdings Group Sustainable Procurement Policy Article Text\(PDF:41.7KB\)](#)

## Supplier policy in the environmental supply chain

– **Energy use** – We will promote the efficient use of energy and the use of renewable energy throughout the entire group and will endeavor to reduce the impact of CO<sub>2</sub> / GHG emissions from business activities on climate change.

– **Water Resource** – In order to properly manage water resources according to region / time and efficiently use water resources , it is necessary to work in cooperation with stakeholders.

Also, Japan, where many of our business sites are concentrated, has yet to experience chronic water shortage, but in our business activities, we recognize that it is necessary to consider the water resources used for the production of imported materials (so-called “virtual water”).

– **Biodiversity Conservation** – Land development and materials procurement in our business activities are highly dependent on ecosystem services. Because damaging the ecosystem makes it difficult to receive such service, the Group will conduct appropriate material procurement and ecosystem surveys in collaboration with our stakeholders and work on biodiversity conservation.

– **Saving Resources** – The Group recognizes that the responsible use of resources is an important environmental issue because global environmental resources are finite. We also believe that it is important to endeavor to use resources more effectively based on an approach incorporating the 3Rs (reduce, reuse, recycle); instead of using vast amounts of resources for our businesses. The Group will work with stakeholders to use resources responsibly and more effectively.

**– Reduction of Pollutants and Waste and Appropriate Treatment –** The Group recognizes that the reducing emissions of pollutants and waste in business activities is one of the corporate social responsibilities. The Group will work to reduce the impact for the environment in cooperation with design firms and construction companies to reduce pollutants and waste discharges, reduce materials causing the pollutants and waste, and apply appropriate treatment when discharging it we will work.

### **Property portfolio management policy**

Tackling the real estate business in consideration of global environmental issues such as energy use, water resource, biodiversity conservation, resource saving, reduction of pollutants and waste and appropriate treatment will create business opportunities and enhance the competitiveness of the Group. It is based on this awareness that we will work with tenants and other stakeholders to help protect the environment across the entire supply chain of our businesses.

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Tokyu Fudosan Holdings

## **Management Structure**

The Group has established the Sustainability Committee headed by the President & CEO, and to address environmental issues within the supply chain, the Sustainability Council, established as a subcommittee, leads relevant management activities across the entire Group.

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Tokyu Fudosan Holdings

### **Existing suppliers to identify those that are high risk**

In fiscal 2020, we conducted interviews on human rights and procurement with 24 construction companies, and conducted a questionnaire survey on the environment with three of them to evaluate risks. As a result, we did not find any non-compliance, so we did not take any concrete measures.

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TOKYU LAND CORPORATION



## Practice and Implementation

### Results on quantified reduction targets for CO<sub>2</sub>(GHG) emissions and energy consumption

	FY 2005 (base year)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2020 (short-term target year)	FY 2030 (long-term target year)
GHG (CO <sub>2</sub> ) emissions (Unit:thousand t-CO <sub>2</sub> )	65.5	210.7	233.0	227.5	230.5	219.5	234.6	-	-
Energy consumption (Unit:thousand GJ)	-	4374.3	4542.6	4463.5	4555.4	4583.4	5004.1	-	-
GHG (CO <sub>2</sub> )emissions (intensity) (Unit:kg-CO <sub>2</sub> /m <sup>2</sup> )	133	98.4	106.7	101.0	96.1	84.7	79.0	100	93
Achievement rate	-	-26%	-20%	-24%	-28%	-36%	-41%	-25%	-30%
Energy consumption (intensity) (Unit:GJ/m <sup>2</sup> )	-	2.0	2.1	2.0	1.9	1.8	1.7	-	-

Number of target facilities	-	210	192	204	213	216	217
Office buildings	-	80	70	73	78	76	78
Commercial facilities	-	64	59	64	65	67	67
Resorts facilities	-	58	55	55	59	61	61
Other	-	7	7	11	11	12	11
Overseas	-	1	1	1	-	-	-
Floor area	492.6	2291.9	2184.3	2251.3	2399.3	2592.6	2970.4
Office buildings	-	718.3	599.3	655.3	673.4	728.7	837.6
Commercial facilities	-	1226.3	1042.4	1050.8	1142.3	1240.0	1518.0
Resorts facilities	-	296.3	491.6	491.6	543.5	601.2	602.3
Other	-	35.7	35.7	38.3	40.2	22.7	12.5
Overseas	-	15.3	15.3	15.3	-	-	-

- As greenhouse gases other than CO<sub>2</sub> are extremely small amounts, CO<sub>2</sub> emissions are regarded as greenhouse gas emissions.
- One overseas property was transferred to a resort facility from 2018.
- Data as of June 15,2021

Tokyu Fudosan Holdings

### Results on goals of acquisition of environmental performance certification, including LEED and CASBEE

《Quantified target》 FY2021 : 100%

\*Tokyu Land Corporation new large office building and commercial facilities.

《Results》 The Group works with stakeholders to obtain environmental performance certification to improve the environmental practices of its entire supply chain. The achievement ratio to the acquisition target in FY 2021 was 100%.

《Case study》 In November 2015, the entire Futako Tamagawa Rise development became the first location in the world to receive LEED for Neighborhood Development Gold certification. This neighborhood development project received high marks not only for its verdant surrounding environment next to the Tama River, but also for its excellent access to public transportation, high density, compact development, and its initiatives for biodiversity and the more efficient use of energy.

In fiscal 2020, we received the DBJ Green Building 5 Star as a building with outstanding "environmental and social considerations" that is one of the best in Japan at Tokyo Port City Takeshiba Office Tower.

In addition, we are also actively working to acquire CASBEE and DBJ Green Building certification for our residential, office and commercial facility developments as part of our efforts to display environmental performance.

\*LEED

A green building certification program administered by the U.S. Green Building Council.



Futako Tamagawa Rise



Tokyo Port City  
Takeshiba Office  
Tower

#### 《Environmental Certifications》

		FY.2021
DBJ Green Building	Number of properties	20
	Floor space (m <sup>2</sup> )	650,259
	Floor area ratio	34.1%
CASBEE	Number of properties	3
	Floor space (m <sup>2</sup> )	77,928
	Floor area ratio	4.1%
ABINC	Number of properties	2
	Floor space (m <sup>2</sup> )	212,404
	Floor area ratio	11.1%
BELS	Number of properties	3
	Floor space (m <sup>2</sup> )	22,564
	Floor area ratio	1.2%
Certification Total	Number of propaties	24
	Propaties ratio	22.8%
	Floor space (m <sup>2</sup> )	692,429
	Floor area ratio	36.3%
Total properties subject to certification (Excluding duplicates of each certification.)	Number of propaties	105
	Floor space (m <sup>2</sup> )	1,906,667

※Properties owned excluding minor share

### Reducing water use with water saving systems and features

The Tokyu Harvest Club Atami Izusan & VIALA was opened as a resort hotel in harmony with nature in 2013. The resort hotel has been making efforts to conserve water resources through the use of water-saving toilets and reducing the use of tap water by actively using mountain groundwater. At Tokyu Harvest Club Hotel Hakone Koshien and VIALA Hakone Hisui, efforts are also being made to use water effectively through the reuse of underground spring water from the premises.



Tokyu Harvest Club VIALA Hakone Hisui uses underground spring water

Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, Tokyu Resorts & Stays Co.,Ltd.

### Reduction of water usage by using rainwater

The office building "Kasumigaseki Tokyu Building" developed by Tokyu Land Corporation has introduced facilities to utilize rainwater falling on the roof.

The collected rainwater is used for miscellaneous water such as toilet wash water to save water usage. Water retention pavement for suppressing the rise in road surface temperature is laid on a part of the outer structure by thermal evaporation of water vapor, and it is expected that the heat island phenomenon will be mitigated.

TOKYU LAND CORPORATION

### Operating energy management systems together with tenants

Tokyu Land Corporation actively employs energy saving equipment and is constantly working to improve the management and operation of equipment that consume large amounts of energy, such as air conditioners.

At Abeno Q's Mall in the Abeno Ward of Osaka, Tokyu Land Corporation together with business owners and tenants jointly operates the Motto Save system with Osaka Gas Co., Ltd. that makes it possible to mitigate CO<sub>2</sub> emissions. This system aggregates energy usage data for the common space and private space of the mall on a cloud so that business owners and tenants can check, analyze and share findings about the energy usage data of each tenant.

We will continue to work on energy saving measures with the goal of realizing a low-carbon society in the future.

TOKYU LAND CORPORATION, TOKYU LAND SC MANAGEMENT CORPORATION

### Visualizing energy usage with smart meters

Tokyu Land Corporation installs smart meters for all facilities to encourage the visualization of energy usage. At Branz Sapporo Nakajima Koen, smart meters come standard that automatically read electricity usage data in 30-minute increments using telecommunications.



Smart meter (sample image)

TOKYU LAND CORPORATION

### Aggregate energy data at all facilities for efficient energy use

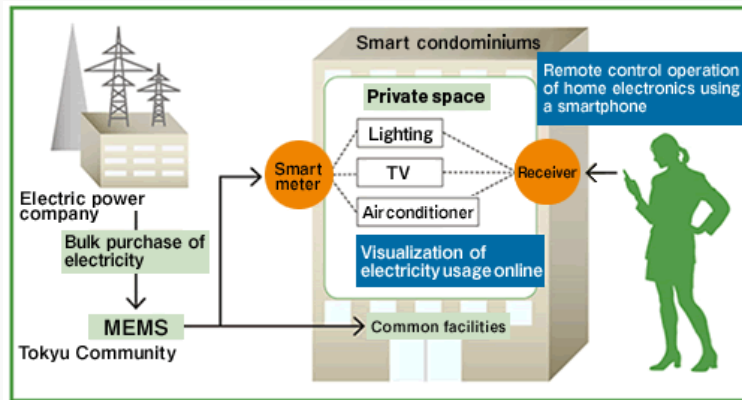
Tokyu Land Corporation has introduced energy data aggregation systems at some 200 office buildings, commercial facilities and resorts that it owns or uses in an effort to reduce CO<sub>2</sub> emissions. The visualization of energy usage enables tenants of office buildings and commercial facilities to check and analyze their energy usage to carry out activities that more efficiently help to reduce CO<sub>2</sub> emissions.

TOKYU LAND CORPORATION

### Managing energy usage of condominiums

Tokyu Community Corporation has been selected to be an MEMS aggregator as an energy management service provider by the Ministry of Economy, Trade and Industry. It is adopting MEMS (condominium energy management systems) and bulk high-voltage electricity receiving services (a type of energy-saving system) in the condominiums that it manages.

These systems were introduced for approximately 786 housing units during FY2014 as part of efforts to reduce energy use at existing condominiums.



Conceptual diagram of bulk electricity purchases and MEMS

TOKYU COMMUNITY CORP.

### Dialogue /engagement to mitigate biodiversity loss

As a member of the Keidanren Nature Conservation Council, we engage in dialogue /engagement with related organizations and NGOs.

Tokyu Fudosan Holdings

### Participation in initiatives on environmental impacts

Tokyu Fudosan Holdings participate in the Environmental Management Committee of the Global Compact Network Japan.

Tokyu Fudosan Holdings

### **Training and providing programs to raise employees' environmental awareness and sustainability awareness**

Tokyu Fudosan Holdings Group implements various programs and training to raise awareness of sustainability (including environmental themes) among group employees. In addition, we conduct a survey once every six months to check the progress.

- Tokyu Fudosan Holdings distributes a newsletter on sustainability to group employees once a month. We carry out e-learning once every six months, and we always take up the theme of sustainability.
- Tokyu Land Corporation conducted e-learning on the basics of sustainability in June 2021 and TLC REIT Management Inc. conducted it in August 2021.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION, TLC REIT Management Inc.

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### **Environmental policy/policies integrated with suppliers**

Tokyu Land Corporation distributes sustainable procurement policies to the suppliers, construction companies, and confirms the status of suppliers' compliance with environmental policies. If there are issues, we aim to build a responsible supply chain by coordinating and cooperating with each other.

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TOKYU LAND CORPORATION

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Tokyu Re・design Corporation conducts training every year for the managers and staff of construction companies as suppliers at safety competitions, etc. Among them, we explain the environmental policy and strive to spread it. In fiscal 2021, we conducted training on the handling of construction waste and measures to prevent environmental pollution caused by harmful substances generated in the work.

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Tokyu Re・design Corporation

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### **Applying biodiversity commitments to the supply chain**

Tokyu Fudosan Holdings distributes the Sustainable Procurement Policy to its supplier construction companies and at the same time conducts questionnaires to check the status of each company with the goal of achieving a 100% compliance rate with the Environmental Policy by fiscal 2030. If any issues arise during this process, Tokyu Land Corporation and the construction companies will work together to address them, aiming to build a responsible supply chain. In fiscal 2021, 36% of the construction companies surveyed confirmed that their suppliers had a sustainable procurement policy that includes biodiversity.

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Tokyu Fudosan Holdings, TOKYU LAND CORPORATION

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### **No-Deforestation Commitment**

Much of plywood used for concrete formwork in Japan is made of south-sea timber logged in Malaysia, Indonesia and other nations, and environmental destruction in the native forests and land grabbing from indigenous peoples have become a problem. In light of this situation, Tokyu Land Corporation, in cooperation with its tier-1 suppliers, construction companies, has pledged to procure 100% of its plywood for concrete forms from sustainable sources such as FSC or PEFC certified or domestic timber by fiscal 2030, with emphasis on environmental protection and human rights issues. In fiscal 2021, 48% of construction companies indicated that certified or domestic lumber was available for formwork plywood.

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TOKYU LAND CORPORATION

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## Commitment to Green Field Development

Tokyu Land Corporation is committed to utilizing underutilized and underutilized agricultural land and green spaces in a way that contributes to the local community.

- In December 2022, we started operation of the "Riene Solar Farm Higashimatsuyama Solar Power Plant" as part of our efforts to simultaneously solve the dual problems of energy and agriculture.
- Aiming to eliminate idle farmland, we will develop a highly productive next-generation facility horticultural park, and realize a land improvement project that involves the creation of non-agricultural land that systematically responds to urban land demand. Agricultural land conversion and development permission has been obtained for a non-agricultural land area created in a land improvement business district in Shiraoka City, Saitama Prefecture.

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TOKYU LAND CORPORATION

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