

# Tokyu Fudosan Holdings Group's Sustainability

In order to achieve sustainable growth and increase corporate value over the long term, we have positioned non-financial efforts as a key management issue and promotes continuous strengthening of human capital strategy, social needs, environment and governance, with the Group Sustainability vision of "solving issues in the society through our business activities and work with stakeholders to realize a sustainable society and growth".

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TOKYU FUDOSAN HOLDINGS GROUP'S SUSTAINABILITY

# Sustainability Vision

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## Sustainability Vision

We solve issues in the society through our business activities and work with stakeholders to realize a sustainable society and growth.

## Sustainability Policy

- We strive for environmental and economic harmony through our business activities.
- We endeavor to collaborate properly with stakeholders and maintain and strengthen relationships with them.
- We pursue sound and highly transparent management and actively disclose sustainability information.

## GROUP VISION 2030

[GROUP VISION 2030](#) ↻

# Promotion Structure

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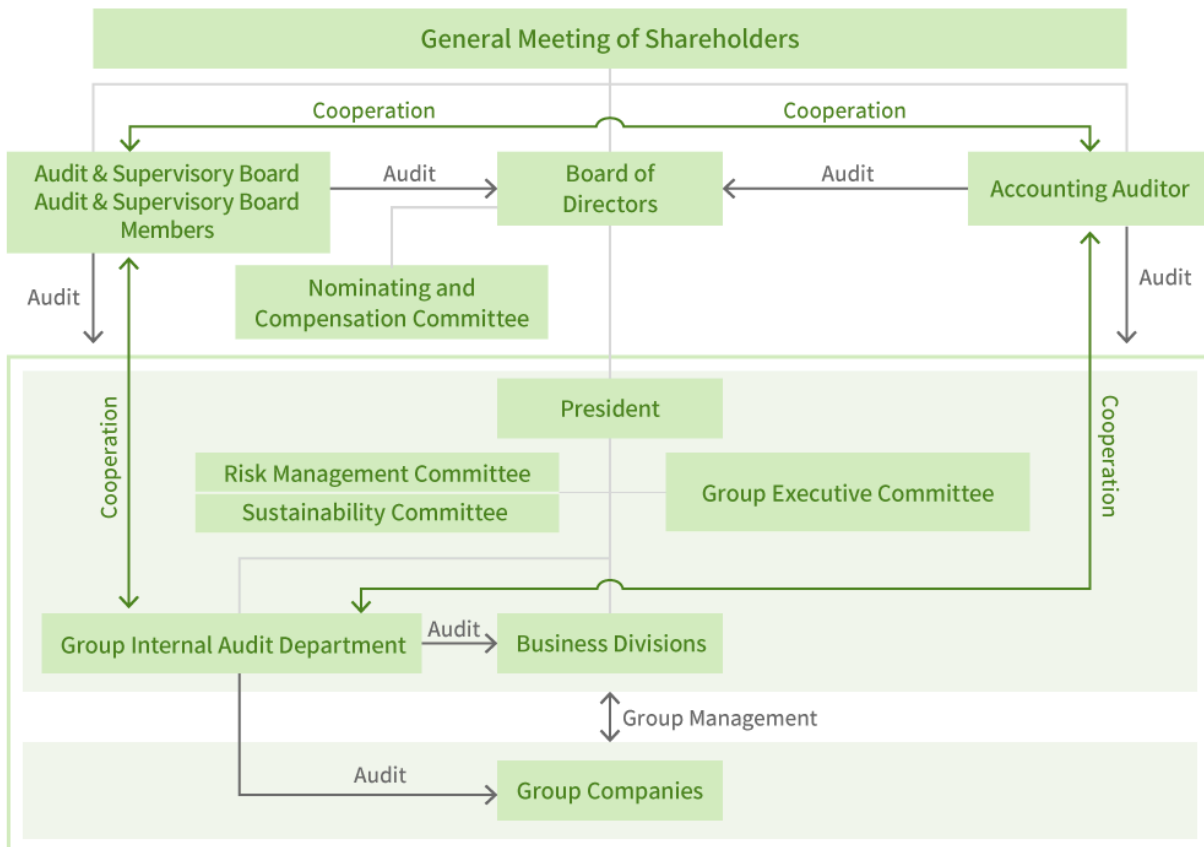
Aiming for continuous value generation, we have made Environmental, Social and Governance (ESG) factors as a vital part of the Group's management.

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, and is promoting efforts that integrate financial and non-financial activities.

We are making Group-wide effort to achieve the KPI targets for FY2030, the last year of the long-term vision.

In particular, in order to monitor climate change, etc., the President and Representative Director serves as the chairman, and the "Sustainability Committee" has been established with executive officers as members.

## ■ Organization chart of CSR promotion



# Tokyu Fudosan Holdings Group Code of Conduct



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Tokyu Fudosan Holdings Group Code of Conduct, which serves as a code of conduct for all officers and employees, is stipulated in the Compliance Regulations. And the Compliance Regulations is supervised by the Board of Directors to ensure that all officers and employees must comply with the Code. The Code of Conduct documents action principles for all executives and employees in order for the Tokyu Fudosan Holdings Group to always be trusted by stakeholders. In addition to compliance, the Code of Conduct also addresses the environment and society to encourage responsible efforts within the group for helping society and the group to achieve sustainability.

| 1. Fulfilling Our Promises to Society   | 2. Creating a Sound Work Environment   | 3. Doing Business with Integrity  | 4. Safeguarding Company Assets   |
|---|--|---|--|
| <ul style="list-style-type: none"> <li>● Respect for human rights</li> <li>● Contribution to society</li> <li>● Coexistence with the environment</li> </ul> | <ul style="list-style-type: none"> <li>● Ensuring a healthy, safe, and comfortable work environment</li> <li>● Prohibiting harassment</li> <li>● Clearly separating public and private life</li> </ul> | <ul style="list-style-type: none"> <li>● Providing value consistently preferred by customers</li> <li>● Practicing appropriate procurement</li> <li>● Ensuring fair transactions</li> <li>● Complying with laws and regulations</li> <li>● Prohibiting bribery and inappropriate entertainment</li> <li>● Severing all relations with antisocial forces</li> <li>● Prohibiting insider trading</li> </ul> | <ul style="list-style-type: none"> <li>● Appropriately managing documents/information and operating information systems</li> <li>● Appropriately managing sensitive, personal, and other information, and rigorously upholding confidentiality obligations</li> <li>● Protecting company property</li> </ul> |

# Identification of Materialities & Opportunities and Risks

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To formulate the Long-term Management Plan, the Tokyu Fudosan Holdings Group determined social issues with a long-term importance to the Group, and identified materialities, taking into account inputs from the management and stakeholders including customers, local community, employees, clients and associates, and shareholders and investors. We are committed to solving social issues through our business activities in order to realize sustainable society and the Group's value creation.

## Identification Process

### Step 1 Determination, Integration and Consolidation of Social Issues

Social issues were determined and aggregated into a list of 561 items by references to stakeholders' comments, the Group companies' views, international frameworks such as SDGs, ISO26000, GRI and SASB, SRI ratings such as FTSE and DJSI, analyst reports, trends in competitors' activities and issues recognized by Japanese government and economic organizations. The list was integrated and consolidated into 37 social issues by sorting out similar ones, taking into account relevance to the Group.

### Step 2 Recognition and Assessment of Stakeholder Expectations

We asked our 5 vital stakeholders, customers, employees, business associates /partners, stockholders/investors and local communities for their expectations to make sure they are sufficiently covered by the 37 issues whose importance were then evaluated.


### Step 3 Clarification of Impacts / Relevance to Management/Business, Selection of Management Issues

For the 37 social issues, we evaluated their risks/opportunities to the Group as a whole and to each Group company to assess their importance. The issues were also considered for their relevance to the long-term management policies to select corresponding management issues.

### Step 4 Identification of Management Issues, Risks and Opportunities

The management issues recognized and selected were discussed at the board meetings, reviewed by Group's management and outside board members before identified by the Board of Directors as especially material issues.

# Materialities and Our SDGs of the Tokyu Fudosan Holdings Group

| Themes to work on (Materialities and Our SDGs)   | Main opportunities   | Main risks  |
|--|--|---|
| <p><b>Create a variety of lifestyles.</b></p> <p>We will realize a vibrant life both physically and mentally by promoting the Lifestyle Creation 3.0 that combines home, work and leisure styles.</p>         | <ul style="list-style-type: none"> <li>● Diversification of work styles, lifestyles home styles and play styles</li> <li>● Fusion of all manner of lifestyle scenes</li> </ul>   | <ul style="list-style-type: none"> <li>● Mismatch to consumer needs</li> <li>● Degraded efficiency accompanying responding to segmented needs</li> </ul>  |
| <p><b>Create well-being communities and lifestyles.</b></p> <p>We will realize a society where everyone can feel happy by building a secure, safe and comfortable life infrastructure and creating mutual aid communities.</p>      | <ul style="list-style-type: none"> <li>● Increasing importance of community creation</li> <li>● Growing needs for disaster preparedness and disaster damage reduction</li> <li>● Increasing awareness regarding mental and physical health issues</li> </ul> | <ul style="list-style-type: none"> <li>● Subordination in competition between cities</li> <li>● Declining attractiveness of city due to community decline</li> <li>● Decreasing value due to insufficient asset maintenance and management</li> </ul> |
| <p><b>Create a sustainable environment.</b></p> <p>As an environmentally advanced company, we will create a carbon-free society and a recycle-oriented society by addressing global issues such as climate change.</p>      | <ul style="list-style-type: none"> <li>● Growing needs to respond to the decarbonized and recycling-oriented society</li> <li>● Expanding procurement of funds from ESG investors</li> </ul>   | <ul style="list-style-type: none"> <li>● Escalation of climate change and natural disasters</li> <li>● Increasing costs due to environmental restrictions, etc.</li> </ul>  |
| <p><b>Create value in the digital era.</b></p> <p>We will work on our business model transformation by utilizing digital technologies to create customer's new experience value.</p>      | <ul style="list-style-type: none"> <li>● Increasing importance of utilizing customer contact points</li> <li>● Improving the scalability of services provided</li> </ul>   | <ul style="list-style-type: none"> <li>● Declining position of real experiences due to enhancement of virtual</li> <li>● Appearance of disruptors to existing businesses</li> </ul>   |
| <p><b>Create an organizational climate under which diverse human capital is enlivened.</b></p> <p>We will continue to create innovation by addressing an organizational climate that respects human rights and under which diverse human capital can exercise their abilities.</p>     | <ul style="list-style-type: none"> <li>● Increasing opportunities to secure diverse human capital</li> <li>● Emergence of innovation due to diversification</li> </ul>   | <ul style="list-style-type: none"> <li>● Intensifying competition and increasing costs in the human capital market</li> <li>● Declining reputation due to the occurrence of human rights issues</li> </ul>  |
| <p><b>Create governance to accelerate growth.</b></p> <p>As a group trusted by all stakeholders, we will aim to enhance our corporate value sustainably by increasing management transparency and fairness.</p>    | <ul style="list-style-type: none"> <li>● Strengthening relationships with stakeholders by improving transparency</li> <li>● Expanding procurement of funds from ESG investors</li> </ul>   | <ul style="list-style-type: none"> <li>● Increasing cost of fundraising</li> <li>● Decline in confidence due to legal violations</li> </ul>   |

# Tokyu Fudosan Holdings Group's ESG Management

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

We have established ESG as a significant management issue. 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.

## Scope of efforts

Regarding society, environment, and governance, we are working on these initiatives targeting 100% of the Group's business activities.

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

As of January 31,2024

\* Results for FY2021 can be found in the CSR Report.

Materiality

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Create a variety of lifestyles



| KPI   | Fiscal 2030 Targets | Fiscal 2025 Targets | Fiscal 2022 results |
|---|---------------------|---------------------|---------------------|
| Customer satisfaction level* <sup>1</sup>   | 90% or more         | 90% or more         | 94.3%               |
| Products and services that contribute to the Lifestyles Creation 3.0* <sup>2</sup> (cumulative) | 100 cases or more   | 50 cases or more    | 35 cases            |

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Create well-being communities and lifestyles.



| KPI  | Fiscal 2030 Targets | Fiscal 2025 Targets | Fiscal 2022 results |
|--|---------------------|---------------------|---------------------|
| Measures to revitalize communities (cumulative)    | 100 cases or more   | 50 cases or more    | 38 cases            |
| Strengthening of safety and security <sup>*3</sup> | 100%                | 100%                | 100%                |

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Create a sustainable environment.



| KPI  | Fiscal 2030 Targets                        | Fiscal 2025 Targets  | Fiscal 2022 results |
|--|--|--|---------------------|
| RE100: Achieve by 2025 <sup>*6</sup>                                   | 100%                                       | 100%   | 66.3%               |
| Percentage of renewable energy power usage                             | 60% or more <sup>*4</sup>                  | 65% <sup>*5</sup>  | 52.9%               |
| CO <sub>2</sub> emissions (compared with FY2019)                       |  |  |                     |
| Scope1・2   | (46.2)%<br>(SBT certification)             | Year 2023(50)%   | (50.7)%             |
| Scope3(category 1・2・11)  | (46.2)%<br>(SBT certification)             | Qualitative goal :<br>Collaborative efforts<br>with business partners<br>such as construction<br>companies | (9.3)%              |
| Water usage  | Reduction compared to<br>the previous year | Reduction compared to<br>the previous year   | +18.98%             |
| Waste volume (compared with FY2019)                                    | (11)%                                      | (6)%   | (22.5)%             |
| Environment certification acquisition (e.g. CASBEE, DBJ) <sup>*7</sup> | 100%                                       | 70%  | 48.7%               |
| Sustainable procurement (wood materials for molds)                     | 100%                                       | 30%  | 2.8%                |
| Midori wo Tsunagu Project (Area of Forest Protected)                   | 3,000ha                                    | 2,400ha  | 2,086ha             |
| Environmental efforts through business (cumulative)                    | 100 cases or more                          | 50 cases or more   | 36 cases            |

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Create value in the digital era.



| KPI  | Fiscal 2030 Targets                | Fiscal 2025 Targets | Fiscal 2022 results |
|--|------------------------------------|---------------------|---------------------|
| Number of initiatives for digital utilization (cumulative) | 100 cases or more                  | 50 cases or more    | 43 cases            |
| DX investment amount                                       | Doubled when compared to<br>FY2021 | 1.5 times           | 2.7 times           |
| IT passport acquisition rate <sup>*6</sup>                 | 100%                               | 80%                 | 71.4%               |





| KPI   | Fiscal 2030 Targets | Fiscal 2025 Targets | Fiscal 2022 results |
|---|---------------------|---------------------|---------------------|
| Percentage of employees who undergo physical examinations   | 100%                | 100%                | 100%                |
| Percentage of female new graduates hire   | 50%                 | 42%                 | 40.1%               |
| Ratio of female managers (Ensuring of diversity in the core human capital)                                      | 20% or more         | 9%                  | 7.3%                |
| Ratio of childcare leave taken by male employees  | 100%                | 100%                | 65.2%               |
| Deepening of understanding of "DE & I" (percentage of employees who took an e-learning course) <sup>*9</sup>    | 100%                | 100%                | 86.5%               |
| Respect for human rights in the supply chain (implementation of due diligence for forced labor and child labor) | 100%                | 50%                 | 62.8%               |



| KPI   | Fiscal 2030 Targets | Fiscal 2025 Targets | Fiscal 2022 results |
|---|---------------------|---------------------|---------------------|
| Engagement with shareholders and investors                                      | 300 cases or more   | 290 cases           | 284 cases           |
| Improvement of effectiveness of the Board of Directors (third-party evaluation) | 100%                | 100%                | 100%                |
| Observation of the code of compliant behaviors                                  | 100%                | 100%                | 98.7%               |

\*1 Tokyu Cosmos Members Club Questionnaire survey

\*2 The creation of ideal lifestyles for customers through the fusion of work styles, home styles and play styles.

\*3 Support people who have difficulty returning home in the event of a disaster in a large, non-residential building, etc.

\*4 The long-term management policy announced in 2021

\*5 The mid-term management plan announced in 2022

\*6 Tokyu Land Corporation

\*7 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

\*8 Infrastructure-related costs incurred since fiscal 2021, including the new development and introduction of apps and zero trust measures. In FY2021, it is 1.4 billion yen.

\*9 LGBT understanding evolution was changed to DE&I understanding evolution beginning in FY2022.

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## 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 TFCF 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.



## RE100

Tokyu Land Corporation has joined the international initiative "RE100," with the goal of sourcing 100% of the electricity consumed in its business activities from renewable energy by the year 2050.

The renewable energy business, entered in 2014, has achieved top-class results domestically. In December 2022, Tokyu Land Corporation became the first business company in Japan to complete the transition to 100% renewable energy for the electricity used in its own offices and owned facilities, meeting the requirements for RE100 achievement.



## TNFD

Tokyu Fudosan Holdings endorses the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and is actively participating as a member of the TNFD Forum and have also registered as TNFD Adopters.



## The environmental committee of The Real Estate Companies Association of Japan

Tokyu Fudosan Holdings has the President & CEO 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.



## Green Building Memberships

A member of our department represents our company in Green Building Japan, which was established to promote sustainable building and community environments in Japan.

## Signatory to Initiatives

Tokyu Land Capital Management Inc. became a signatory of the Principles for Responsible Investment (PRI) as of June 2019, in agreement with the underlying concept.

The PRI is a set of investment principles established for the financial industry in 2006 under the leadership of the then United Nations Secretary-General Kofi Annan. The aim is for companies to include ESG factors in their decision-making processes on investment and enhance the long-term investment performance of their beneficiaries.

*Signatory of:*



## GX League

Tokyu Fudosan Holdings participates in the GX League, which was established by the Ministry of Economy, Trade and Industry. The GX League is a forum for companies that are taking on the challenge of GX (Green Transformation) and aiming to achieve sustainable growth in the present and future society, in order to achieve carbon neutrality and social change by 2050, to collaborate with other companies that are making similar efforts, together with government and academia. Since the direction of our group toward decarbonization and the efforts of the "GX League" match, our group will participate in the GX League and work together with other companies and players to take on the challenge of decarbonization and create value through our business.

## 30by30

"30by30" is the goal of effectively conserving at least 30% of the land and sea as healthy ecosystems by 2030, with the aim of halting biodiversity loss and restoring biodiversity by 2030 (Nature Positive). The G7 2030 Nature Compact, agreed at the G7 Summit held in the U.K. in June 2021, commits each G7 country to conserve and protect at least the same percentage of its own land and oceans. Tokyu Fudosan Holdings Corporation, TOKYU LAND CORPORATION and Tokyu Resorts & Stays Co., Ltd. have been members of the Ministry of the Environment's "30 by 30 Alliance for Biodiversity".

In February 2024, Tokyu Resort Town Tateshina (Chino City, Nagano Prefecture), which is operated and managed by the Group, was certified as a "Nature Coexistence Site". The Ministry of the Environment has been certifying "Nature Coexistence Site", which are areas where biodiversity is being preserved through private initiatives, such as corporate forests, Satoyama, and urban green areas, as part of its efforts to realize nature positivity, since fiscal 2023. We will accelerate our efforts to contribute to the "environment" just by staying at these resort facilities, clarify the values we offer as "experiential sustainable resorts" that co-create with local communities and nature, and provide sustainable experiences to guests visiting our facilities.



## Keidanren Council for Nature Conservation

Tokyu Fudosan Holdings is a member of the Keidanren Council for Nature Conservation. The Keidanren Council for Nature Conservation was established by Keidanren in 1992, the year of the Rio Earth Summit (United Nations Conference on Environment and Development), as an organization to implement the ideas of the Keidanren Charter on the Global Environment in the field of nature conservation. Through exchanges with local companies and NPOs, the organization aims to realize a sustainable society through the creation of a society in harmony with nature.

## Involvement in organisations dedicated specifically to climate-related issues

Tokyu Fudosan Holdings Group is actively involved in organizations working on climate-related issues.

For example, companies and local governments that support the purpose of "participating in the front line of the world aiming for decarbonization from Japan" and participate in the "Japan Climate Initiative" to actively work on climate change countermeasures, NGOs, etc., and are strengthening information dissemination. In September 2022, our employees took the stage at the "JCI Member Exchange Workshop" and gave a presentation on the theme of "CO<sub>2</sub> reduction measures at Tokyu Fudosan Holdings." In addition to explaining our company's goals and initiatives for decarbonization, we introduce energy-saving measures based on building performance and examples of initiatives in the renewable energy business.

In addition, at Tokyu Land Corporation, we serve as the representative director of the 'Renewable Energy Association for Sustainable Power supply (REASP)', a general incorporated association, aiming to reduce greenhouse gas emissions by expanding the introduction of renewable energy and realizing long-term stable supply. We are actively engaged in making suggestions and proposals for identifying issues and solutions.

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

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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.