

Message from the Officer in Charge of Sustainability Promotion

We will further deepen our commitment to sustainability to deliver richness in living and create a sustainable society.

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Going into my second year as the officer in charge of sustainability promotion, I am acutely aware that the speed of social change is accelerating, as the environment around us changes rapidly from one moment to the next, including the transition to a decarbonized society, respect for diversity, and innovations in AI technology. These changes are presenting new opportunities and challenges for the business of the Haseko Group, and the importance of sustainability management is greater than ever. As someone tasked with achieving a balance between the sustainable growth of our Company and the resolution of social issues, I am keenly aware of the importance of this mission.

Promoting sustainability based on the most important material issues

In addition to developing a wide range of businesses compositely both in tangible and intangible manner, while making the most of an integrated system that covers everything from the design and construction of homes, centered on condominiums, to after-sales service, management and renovation, the Haseko Group is also promoting various initiatives in the area of sustainability.

In 2023, we reviewed our material issues and identified the following four as having the greatest impact on both our company and our stakeholders: (1) response to climate change, (2) supply chain management, (3) respect of human rights, and (4) human capital (diversity & inclusion (D&I), human resources development).

(1) Response to climate change (see P. 62–65 and P. 84–89)

In December 2021, Haseko Corporation formulated the climate change response policy “HASEKO ZERO-Emission”

and began making disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, with regard to the TCFD’s additional requirement of “plan for the transition to a low-carbon economy,” we disclosed “The Haseko Group’s CO2 Emissions Reduction Plan (Transition Plan)” in July 2024.

Concerning the reduction of CO2 emissions in our business activities, we are systematically working to reduce CO2 emissions at construction sites, improve the efficiency of energy use in our offices, and switch to next-generation vehicles for our sales fleet, with the goal of reducing Scope 1 and 2 emissions by 42% by FY2030 compared to FY2020.

In addition to focusing on delivering housing with high energy-saving performance, we are placing an emphasis on preparing for the risk of natural disasters associated with climate change, and are working to create homes and communities that are conscious of disaster prevention and mitigation, in order to ensure the safety and security of everyone.

(2) Supply chain management (see P. 59)

In housing-related businesses, it is essential to establish connections with many business partners and to build a supply chain through fair, just, and appropriate transactions. We will continue to offer better products and services by sharing our approach to sustainability with our business partners, and strengthening our partnerships with them.

With regard to the Haseko Group’s cooperating companies, we have obtained written agreements to comply with the “Haseko Group CSR Procurement Guidelines” formulated in October 2021, and we also require that they meet certain standards in terms of compliance, human rights, labor, the environment and safety. Through

these initiatives, we will work to mitigate risks and enhance sustainability in our supply chain, and we will continue to promote fair and responsible procurement.

(3) Respect of human rights (see P. 58–59)

Respect of human rights is a fundamental value of the Haseko Group, and we seek to ensure that we address human rights issues properly through the practice of human rights due diligence (human rights DD).

The Haseko Group formulated the Haseko Group’s Human Rights Policy in January 2022, clearly stating our commitment to fulfilling our responsibility to respect human rights in all of our business activities. We began the process of human rights DD based on this policy, and in October of the same year, we identified the human rights risks that could arise in relation to our business activities and determined priorities for addressing human rights issues. Every year since FY2022, we have been conducting questionnaires among our cooperating companies to understand the current situation regarding human rights issues mainly related to the supply chain, such as the state of timber procurement and the employment of foreign technical intern trainees and other foreign human resources.

We will also further bolster our employee education and awareness-raising activities as we endeavor to ensure that our business activities do not infringe on basic human rights.

(4) Human capital

(D&I, human resources development) (see P. 68–79)

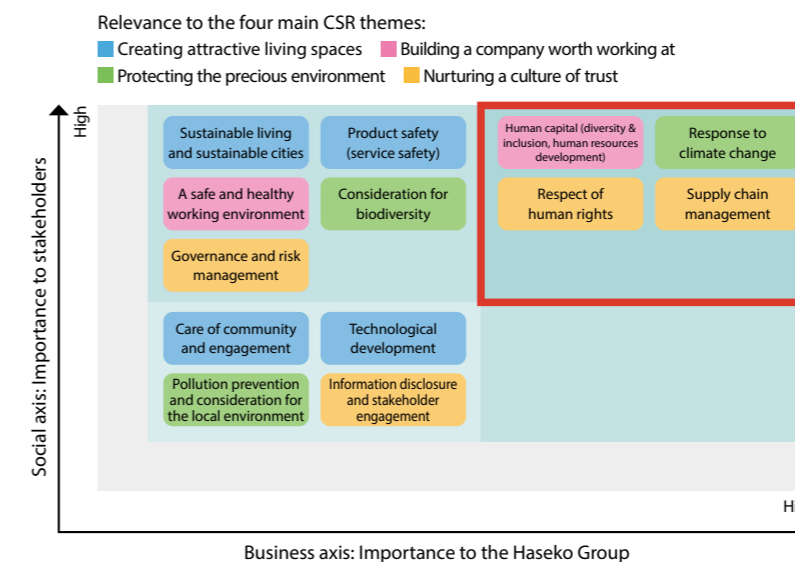
I believe that human resources are the Haseko Group’s greatest asset. It is absolutely critical to create an environment where each and every employee can maximize their abilities and experience fulfillment.

Respecting diversity and drawing on the experience and wisdom of people with different ways of thinking according to the concept of “getting the most out of their qualities” is essential in uncertain times such as the present. By further enhancing the promotion of D&I and investment in human resources, and by accelerating the provision of growth opportunities and workstyle reforms, we hope to motivate our employees to make the most of their abilities and become drivers of value creation.

Working to improve long-term corporate value centered on our corporate philosophy

Society is continuing to change dramatically, with the effects of climate change becoming more apparent, digital technology advancing rapidly, and people’s values diversifying. In times like these, homes are more than just places to live; they play an important role in protecting people’s happiness and peace of mind. Based on the Haseko Group Corporate Philosophy “To contribute to society by creating an optimal environment for cities and people,” we are working toward the creation of a sustainable society, with a view to providing not only safe, secure and comfortable housing, but also to delivering richness in living beyond that.

Dialogue and cooperation with all stakeholders are essential for the promotion of sustainability management. Looking ahead, we will continue to deepen our dialogue with all of our stakeholders, including shareholders and investors, customers, business partners, employees, and local communities, doing our utmost to meet their expectations and enhance our corporate value over the long term.



Identification of material issues

To enhance the effectiveness of sustainability initiatives, it is important to proceed with clearly defined priorities. From a comprehensive list of social and environmental issues, the Haseko Group reviewed its material issues in light of social conditions and the business environment and newly identified 13 items in May 2023.

*The most critical material issues (response to climate change, supply chain management respect of human rights, and human capital) are issues for which society has extremely high expectations and which the Haseko Group has recognized as requiring further action in terms of business as well.