

## Initiatives to Address Climate Change and Other Environmental Issues

In its business activities, the Hakuholdo DY Group will comply with environment-related laws, regulations, and industry standards, and we will voluntarily work to reduce our environmental impacts. In addition, we will leverage each employee's creativity, ability to take action, and capacity to make things happen as we aim to support the realization and development of a sustainable society through our business and other activities with our business partners.



### Basic Policy

Through its policies of *Sei-katsu-sha* Insight and Commitment to Partnership, the Hakuholdo DY Group aims to “create and spread new happiness among *sei-katsu-sha* and society” by finding solutions to the challenges faced by our business partners and society. With environmental awareness rising by the day, efforts to realize and develop a sustainable society are essential for the well-being of *sei-katsu-sha* and society as a whole.

The Hakuholdo DY Group is committed to complying with environmental legislation, regulations, industry standards, and other requirements related to its business activities. We are actively working to reduce environmental impact and are leveraging the creativity, ability to take action, and capacity to make things happen to support the realization and development of a sustainable society through our work with our business partners and other initiatives.

Details ▶ [WEB](#) Basic Policy

### Implementation Structure

Reporting to the Hakuholdo DY Group Sustainability Committee, we have arranged for the Hakuholdo DY Group Environmental Manager to be the person responsible for environmental activities across the Group. As part of this, we have set up the Environmental Committee as a subordinate organization that conducts quarterly assessments and consolidates measures to address climate-related issues on a regular basis.

The Board of Directors receives reports from the Sustainability Committee on the evaluation, status, and goal management of climate-related issues. The Board also engages in comprehensive decision-making regarding the formulation of business strategies, taking climate-related challenges into consideration.

### Endorsing the Recommendations of the Task Force on Climate-related Financial Disclosures

The Group endorses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For scenario analysis, we have established the Environmental Committee under the Sustainability Committee, which is chaired by the Representative Director & President, and the Environmental Manager. Relevant departments of the head office and each Group company took part in the committee's efforts that—in fiscal 2022, for the first time—worked to identify significant risks and opportunities arising from climate change, and to evaluate them quantitatively and financially. We are moving forward with disclosure across the Group in accordance with TCFD recommendations.

Details ▶ [WEB](#) Addressing Climate Change and the TCFD

### Risks and Opportunities

In fiscal 2020, the Group identified and assessed its material issues (materiality), which are important issues for achieving sustainable growth for both society and the Group with a view to realizing the SDGs. The Group Compliance Committee will manage progress and review materiality risks, including climate-related issues, on a case-by-case basis to establish an appropriate risk management system.

### Strategy: Scenario Analysis

The scope of the scenario analysis covers the entire value chain from research and development (R&D) to procurement, production, and service provision, with a focus on Japan, the Hakuholdo DY Group's principal area of operation. To consider long-term assumptions for 2030 and beyond, analysis was conducted against two scenarios: a 1.5°C scenario, which assumed an average global temperature at the end of this century of no more than 1.5°C warmer than

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that prior to the Industrial Revolution (in some instances a 2.0°C scenario was also analyzed), and a 4°C scenario, which assumed a rise in average global temperature of around 4°C.

**Indicators and Targets**

To achieve carbon neutrality by fiscal 2050, the Hakuodo DY Group has set an interim target of a 50% reduction in Scope 1 and Scope 2 emissions by fiscal 2030 compared with fiscal 2019 and a 30% reduction in Scope 3 emissions.

To achieve this goal, we will not only conduct existing energy conservation activities but also aim to introduce renewable energy-derived electricity to account for 60% of our total electricity consumption by fiscal 2030 and 100% by fiscal 2050. We will also implement formulate measures in the four main areas of renewable energy introduction, energy conservation (paperless offices), waste reduction, and recycling.

Details ▶ [WEB](#) Addressing Climate Change and the TCFD

**Status of Acquisition of ISO 14001**

In accordance with the Hakuodo DY Group Environmental Policy, certain units are implementing environmental management in conformity with the international environmental standard ISO 14001. Currently, ISO 14001 certification has been acquired by Hakuodo Inc. and Group companies OZMA Inc. and HAKUHODO I-STUDIO Inc.

**Introduction of Renewable Energy**

Following YOMIKO ADVERTISING, which introduced renewable energy in April 2022, we have since 2023 switched electricity used in Akasaka Biz Tower, where various Hakuodo DY Group companies are located, to green power\*1. Utilizing a green power supply service\*2, the Group succeeded in making Akasaka Biz Tower’s electricity use 100% green for all of fiscal 2023.

\*1 Green power: An effectively renewable energy source with environmental value derived from residential solar power generation that has reached the end of its power purchase period under the feed-in tariff (FIT) scheme. Mitsui Fudosan Co., Ltd., and TEPCO Energy Partner, Inc., have concluded a comprehensive agreement related to the greening of power consumption for office buildings to provide a stable supply of electricity to tenant companies.

\*2 Green power supply service: A service developed by Mitsui Fudosan that provides effectively renewable energy for electricity used in office buildings and other facilities through the utilization of non-fossil fuel certificates. This service is designed to flexibly meet tenant needs in achieving the Science Based Targets (SBTs) for the reduction of greenhouse gas emissions, allowing for customizable implementation rates and other specifications.

**Third-Party Guarantee**

A third-party guarantee has been received from Deloitte Tohmatsu Sustainability Co., Ltd., for the CO<sub>2</sub> emissions report available on the Company’s corporate website containing data on Scope 1, 2, and 3 CO<sub>2</sub> emissions from fiscal 2021. We are working to obtain a third-party guarantee for our Scope 1, 2, and 3 CO<sub>2</sub> emissions in fiscal 2022.

Details ▶ [WEB](#) CO<sub>2</sub> emissions report (including third-party guarantee) (Japanese only)

Item	Target	Base year (fiscal 2019)	Results for fiscal 2021	Progress in fiscal 2021
Scope 1 and Scope 2 CO <sub>2</sub> emissions*1	Reduction of 50% by fiscal 2030 (compared with fiscal 2019), carbon neutral by fiscal 2050	11,174 tons	6,959 tons	37.7% reduction
Scope 3 CO <sub>2</sub> emissions*1	Reduction of 30% by fiscal 2030 (compared with fiscal 2019)	30,063 tons	17,747 tons	41.0% reduction
Introduction of renewable energy*1	60% by fiscal 2030, 100% by fiscal 2050	0%	1.8%	1.8%
Energy conservation*1	Reduction of 30% (compared with fiscal 2019)	5,372 kl	2,858 kl	46.8% reduction
Waste reduction*2	Maintain an average reduction of 50% or more (compared with fiscal 2019)	486 tons	228 tons	53.1% reduction
Recycling rate*3	Recycling rate of 85% or more	82.2%	79.0%	79.0%

\*1 Total values for Hakuodo, Daiko Advertising, YOMIKO ADVERTISING, Hakuodo DY Media Partners, and HAKUHODO PRODUCT'S

\*2 Waste volume and waste reduction targets for Hakuodo head office in Tokyo

\*3 Recycling rate at Hakuodo head office in Tokyo

