

CSR Basic Policy

The Takara Leben Group will achieve its corporate vision of "THINK HAPPINESS AND MAKE THE HAPPINESS" while working to earn the trust of various stakeholders and society. We will contribute to solutions to social issues and achieving the Sustainable Development Goals (SDGs) by undertaking CSR initiatives through our business including supplying housing and introducing natural energy as we strive for continuous growth.



CSR Promotion Framework

To link CSR activities to the improvement of corporate value for all Group companies, the Takara Leben Group is building a promotion framework which spans across all companies. We are also building a vertical promotion framework unifying management with business activities by making decisions and reporting at our Executive Committee meetings as appropriate. In addition, we are organizing training for executives of all Group companies and staff in charge of CSR. We are also providing opportunities for information sharing and discussion with ground staff. Moving forward, we will further strengthen our activities and create new value by creating environments where employees can take ownership in working on CSR activities, and by reaffirming awareness of critical issues.

Representative Director
Executive Committee Frequency: Once each month Participants: Directors, auditors, and executive officers Content: Decision on measures; confirmation of progress
Executive in charge of CSR
CSR Promotion Team Scope of work: Formulation of direction; proposal of measures; implementation and awareness-raising of measures; progress management
Takara Leben Group CSR staff Business activities: Execution of policies and progress management

Process of Selecting Key CSR Themes and Identifying Key Issues

At the Takara Leben Group, we have identified key CSR themes and key issues through the following steps.

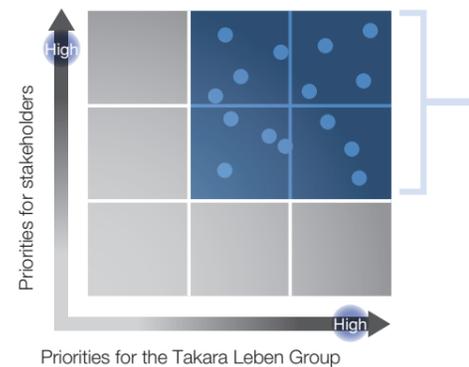
STEP 1 Grasp and organize social issues
We identified 31 issues relating to the business environment based on GRI, SDGs, SASB and other international guidelines, as well as our Group philosophy and Medium-Term Management Plan and demands from our customers, shareholders and investors, local communities, employees and other stakeholders.

STEP 2 Evaluate significance from the Takara Leben Group's perspective
We utilized questionnaires completed by all employees including management and officers to identify relations between social issues and our business and Group philosophy, and rank them in accordance with priority.

STEP 3 Evaluate importance from our stakeholders' perspectives
We utilized questionnaires completed by customers, shareholders and investors, and business partners and drew on international guidelines such as the GRI and the SDGs to rank issues.

STEP 4 Identify key issues
Priorities were revised from the perspectives of the Takara Leben Group and our stakeholders, a review was conducted by management, and then the key issues were identified.

STEP 5 Set policies for key CSR themes
Policies were set for the four key CSR themes.



The 15 Issues Identified	
1 Support for diversifying lifestyles and globalization	8 Providing safe, secure products and services
2 Responses to changes to business models brought by an ageing society and depopulation	9 Improving customer satisfaction
3 Urban development and creating towns	10 Improving value of buildings
4 Construction and maintenance of a corporate governance system	11 Providing buildings and spaces that consider the environment and culture
5 Promoting compliance	12 Responses to global warming
6 Employee health management	13 Initiatives for renewable energy
7 Encouraging the strong roles of diverse human resources	14 Effective use of resources
	15 Responses to disasters

GRESB

Takara Leben Infrastructure Fund took part in the fiscal 2020 GRESB* Infrastructure Assessment and was rated four out of five Stars in the Infrastructure Fund Assessment for the second consecutive year in recognition of its initiatives relating to ESG information reporting systems, risk assessments, and building relationships with stakeholders.

In the Infrastructure Asset Assessment, Takara Leben Infrastructure Fund received three Stars for its infrastructure assets as well as the establishment of CSR strategies by Takara Leben, the operator of those assets, and its initiatives. In addition, Takara Leben Real Estate Investment Corporation received a Green Star in the fiscal 2020 GRESB Real Estate Assessment for the second consecutive year as a result of high evaluations for both management and performance relating to ESG.



* GRESB (Global Real Estate Sustainability Benchmark) GRESB is the name of the benchmarks used to measure the environmental, social, and governance (ESG) performance of real asset (real estate, infrastructure facility, etc.) portfolios, established by a group of major European pension funds that led the Principles for Responsible Investment (PRI), as well as the name of the organization that manages this benchmarking.

Takara Leben Signs UN Global Compact

In 2020, the Takara Leben Group signed the United Nations Global Compact promoted by the UN and registered as a participating company. We will continue our efforts to achieve the Ten Principles of the UN Global Compact in four areas: human rights, labour, environment, and anti-corruption.

The Ten Principles of the UN Global Compact	
Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2 make sure that they are not complicit in human rights abuses.
Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4 the elimination of all forms of forced and compulsory labour; Principle 5 the effective abolition of child labour; and Principle 6 the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges; Principle 8 undertake initiatives to promote greater environmental responsibility; and Principle 9 encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



Message from Executive in Charge of CSR

The Takara Leben Group has contributed to urban and community development through the provision and management of residences. Among our long-standing ESG initiatives are business in clean energy fields including development of solar power condominiums as well as development and operation of mega solar power generation facilities. As the ideals of society and lifestyles undergo major changes amidst increasingly severe climate change issues and the spread of COVID-19, the roles demanded of companies and the expectations of stakeholders are increasing in conjunction with the spread of the SDGs, and we are being required to make ever greater reforms. The Takara Leben Group addressed ESG responses in the previous Medium-Term Management Plan, by identifying key issues, linking them with key CSR topics for the Group and the SDGs, and formulating policies. Actively addressing ESG is one element of the new Medium-Term Management Plan announced in May 2021, and we have set KPIs for this fiscal year in order to steadily implement measures. We believe that in order to carry out more effective measures, it is extremely important that each employee have an awareness of the roles of their own jobs within society and the significance of those roles, and further, that we create environments where Takara Leben Group employees can work with vitality and transform the Group into an organization with more diverse values. With our corporate vision—THINK HAPPINESS AND MAKE THE HAPPINESS—in mind, we will contribute to solving society's issues through our business in a way that links to sustainable growth. We look forward to your continued support in the future.



Kazuyuki Shimizu
Director, COO and
Vice President Executive Officer

Key CSR Themes	Related SDGs	Policies	Key Issues	KPI	Target for FY2021
Creating Lifestyles with Value We contribute to improving the richness of people's lifestyles by creating new value.		<ul style="list-style-type: none"> Provide products and services that respond to changing social issues and needs. Provide lifestyles that harmonize residents and surrounding environments, such as the LEBEN or NEBEL brands. 	<ul style="list-style-type: none"> Support for diversifying lifestyles and globalization Responses to changes to business models brought by an ageing society and depopulation 	Propose new services for lifestyles	5 proposals
				Provide new built-for-sale condominiums overseas	3 properties (FY2024)
Forming Communities We form communities with stakeholders—such as local communities, trading partners, and employees—and aim for growth together.		<ul style="list-style-type: none"> Contributing to the revitalization of regional areas through our regional city revitalization business, which connects urban and regional areas. Improve our ability to respond to risk through thorough risk assessment and management. Provide opportunities and environments where a diverse range of people can work energetically. Corporate activities that can respond to social needs with an emphasis on dialogues with our stakeholders. 	<ul style="list-style-type: none"> Urban development and creating towns Construction and maintenance of a corporate governance system Promoting compliance Employee health management Encouraging employment of diverse human resources 	Provide NEBEL properties	3 properties
				Number of redevelopment projects	2
				Support for local communities	10 projects
				Evaluate the effectiveness of the Board of Directors	
				Enhance and reinforce corporate governance systems	
				Investigate introducing clawback provisions	
				Conduct anti-corruption education and training	
				Promote understanding by officers and employees of human rights issues	
				Number of incidents of disadvantageous treatment	0
				Use questionnaire surveys to determine rates of awareness of internal whistle-blowing systems	
Medical examination rate	100%				
Stress check rate	100%				
Paid leave utilization rate	70%				
Percentage of persons with disabilities employed	2.30%				
Percentage of women in management	9.5% (FY2024)				
Rate of return to work after taking maternity or childcare leave	100%				
Training time per employee	24 hours				
Sales staff questionnaire satisfaction rate	90%				
Providing Comfortable Spaces of High Quality We support the comfortable and safe living of our customers by providing products bringing great satisfaction to our customers.		<ul style="list-style-type: none"> Improve customer satisfaction levels through the use of our proprietary Service Quality Management System (SQMS®). Create housing that combines both design and habitability, pursuing the performance of housing. Improve building value through regular repairs and renovations to improve building comfort, functionality, and safety. 	<ul style="list-style-type: none"> Providing safe, secure products and services Improving customer satisfaction Improving value of buildings 	Number of nonconformities relating to business processes and quality standards	No more than 10
				Hold briefings concerning preventive measures	At least 5
				SQMS® Master certifications (other than operations management departments)	At least 2 employees
				Housing performance evaluation report acquisition rate	100%
				Accident frequency rate; lost time injury frequency rate (scope: employees)	0%
				Number of lost time injuries (scope: employees)	0
				Implement customer satisfaction surveys	
				Safety Conferences	Once annually
				Special patrols (safety confirmation)	4 times annually
				Number of safety and health training sessions (scope: employees)	Twice annually
Supplier survey results	A-rank acquisition rate: 90%				
Accident frequency rate; lost time injury frequency rate (scope: suppliers)	No more than 1.83%				
Developing Environments and Cultures We contribute to a sustainable society by actively working on environmental issues, and at the same time, contribute to improving quality of life by providing opportunities for mental activities such as learning and practicing the arts.		<ul style="list-style-type: none"> Reduce greenhouse gas emissions through supplying housing with high environmental performance and our renewable energy power generation business. Provide seismic-resistant and fire-resistant housing that can withstand natural disasters. Provide opportunities for cultural activities to our stakeholders. 	<ul style="list-style-type: none"> Providing buildings and spaces that consider the environment and culture Responses to global warming Initiatives for renewable energy Effective use of resources Responses to disasters 	Formulate an environmental policy	
				Determine and disclose CO ₂ emissions volume	
				Set CO ₂ emissions reduction targets	
				Energy-saving rank (Flat 35) acquisition rate	100% of detached houses
				Support for cultural development	5 projects
				Acquisition of ZEH condominium certification	1 property
				Acquisition of CASBEE certification	1 property with A-rank or higher certification
				New mega solar power generation facility capacity brought online	20 MW
				Total power generation	360 MW (FY2024)
				Maximize effective use of resources and water	
Create BCP countermeasures manual					