Mori Building Fixes Greenhouse Gas Emission Medium & Long Term Targets Aims to Reach Net-Zero Emission by 2050

Transition company's unique urban developments from low-carbon to net-zero emissions

Tokyo, May 23, 2022 — Mori Building Co., Ltd., Japan's leading urban landscape developer, announced today that under its commitment to help realize a decarbonized society, it has set group targets to reduce greenhouse gas emissions from business activities in its consolidated group by 50% in fiscal 2030 (compared to fiscal 2019) under the Greenhouse Gas (GHG) Protocol¹ Scope 1 and Scope 2, and by 30% under Scope 3, aiming to reach net-zero emissions by fiscal 2050.



In setting these targets, Mori Building confirms its commitment to the Science Based Target (SBT) initiative² for science-based reduction targets in support of the Paris Agreement for reducing greenhouse gas emissions. Within the fiscal year ending March 2023, Mori Building hopes to be certified as supporting the goal to limit temperature rise to within 1.5°C of pre-industrial levels. The group's annual performance reporting is based on the CDP³ climate-related information-disclosure platform. Mori Building also joined the RE100⁴ international initiative for 100% use of electricity from renewable energy sources for business activities, and the Japan Climate Leaders' Partnership (JCLP)⁵ comprising companies and organization dedicated to sustainable decarbonization. In addition, the company has supported the Task Force on Climate-related Financial Disclosures (TCFD)⁶ recommendation that companies recognize climate change-related risks as opportunities to incorporate into business strategies as well as to disclose such information, which Mori Building will do by around this summer.



Mori Building, in line with its philosophy "Create Cities, Nurture Cities," is committed to pursuing harmonious coexistence between cities and nature, low-carbon cities and resource recycling in order to help realize a more sustainable society.

Mori Building's environmental initiatives

The vertical garden city concept proposed by Mori Building refers to compact urban complexes in which functions for work, residence, recreation, commerce, education and relaxation are highly integrated within walking distances. By aggregating subdivided small plots of land into a large floor plate and build high-rise buildings, the ground level can be freed up for wide-open green spaces to nurture the environment. The concept also mitigates the heat-island phenomenon of cities by enabling extensive greenery on ground surfaces and rooftops. In addition, the concentration of diverse urban functions can help balance energy demand and increase energy efficiency. Furthermore, compact complexes that offer residents close proximity to their homes and offices significantly reduce the time and energy required for commuting to and from work and school, and also support recycling and logistics efficiency. To date, Mori Building has been implementing its vertical garden city concept to contribute to low-carbon cities through large-scale urban redevelopment projects.



Image of "Vertical Garden City"

The company is now introducing both high-efficiency equipment in new projects and extensive energysaving measures at existing properties. For example, upon request, Roppongi Hills Mori Tower and Toranomon Hills Business Tower can provide tenants with renewable energy electricity using the renewable energy value-trading market. In fact, Roppongi Hills became Japan's first office-leasing company to offer renewable electricity to tenants, which was made possible by Mori Building operating its own energy plant and registered electricity retailer. In addition, Toranomon Hills Business Tower's tenants, owner and energy center collaborate in demand response control to effectively manage electricity and heat consumption during peak hours as well as supplying energy during normal hours.



Renewable energy value-trading market

Initiatives for achieving targeted goals

Mori Building, in addition to establishing systems to achieve its new decarbonization targets and disclose related information, has upgraded its initiatives under Scope 1 and 2 by strengthening existing measures (environmental performance of new buildings under ZEB or ZEH and acquisition of environmental certifications, and also use of next-generation energy networks) as well as by newly introducing measures (renewable-energy electricity for existing buildings and facilities for stable supply of renewable energy). In addition, under Scope 3, Mori Building will identify and then reduce emissions at the time of construction in cooperation with supply-chain companies. For details, please see the following pages.



• Strengthen (1): Environmental performance of new buildings under ZEB or ZEH and acquisition of environmental certifications

By 2030, all new buildings in Japan managed by Mori Building will achieve ZEB or ZEH levels of environmental performance in the design stage. Also, environmental performance certification will be sought to ensure that suitable performance levels are maintained. For Hills-branded projects, Mori Building will pursue CASBEE's top "S" level for large properties and the top "Platinum" level of LEED and WELL, the world's most widely used certifications. For existing buildings, Mori Building will pursue environmental certifications, enhance energy-savings measures and renovate existing facilities.

ZEB Certification

The offices portion of the Toranomon Hills Business Tower, which was completed in 2020, has acquired BELS certification, which is equivalent to ZEB Oriented. In addition to the use of a sun-shielding overhanging façade in harmony with the surrounding area, the project was evaluated for its high-efficiency energy center and the introduction of an energy management system through three-way collaboration between the tenant, the building owner, and the energy center.



LEED and WELL Precertifications

Toranomon-Azabudai Project and Toranomon Hills Area Project both received top Platinum-level precertifications for Neighborhood Development (ND) category from LEED (Leadership in Energy and Environmental Design), and also top Platinum-level precertification for Building & Design/Core and Shell Development (BD+C) under LEED. In addition, the Toranomon-Azabudai Project's A District and Toranomon Hills Station Tower's A-1 District have received Platinum-level precertifications under the WELL Building Standard (WELL), the world's first performance-based system for measuring, certifying and monitoring features of the built environment that impact human health and wellbeing.





Toranomon-Azabudai Project

Toranomon Hills Area Project

• Strengthen (2): Establishment of next-generation energy network

Mori Building has established highly efficient energy-supply centers and building energy networks in Roppongi Hills and ARK Hills for energy conservation and business-continuity planning. The Toranomon-Azabudai project, currently underway, will introduce an AI-supported integrated energy management system (EMS), a sewage heat utilization system, and other systems for high efficient Energy usage. In addition, the project's on-site energy center will supply 100% RE100-compliant renewable-energy electricity which promote decarbonization of the whole complex, not just individual buildings.



Toranomon-Azabudai project area next-generation energy network

Sewage heat utilization system

• Newly introduce (1): Renewable-energy electricity in existing buildings

Mori Building will gradually introduce renewable electricity for all wholly and partially owned properties, including those overseas, by fiscal 2030. For large buildings, such as those in Hills-brand complexes, adoption as soon as possible after fiscal 2022 is being considered. In August 2019, Mori Building began supplying renewable energy electricity using non-fossil certificates to interested tenants at Roppongi Hills Mori Tower, the first such initiative in Japan, and a similar initiative was introduced at Toranomon Hills Business Tower in 2020. The Toranomon Azabudai Project and Toranomon Hills Station Tower (tentative name), both currently under construction, will be supplied with 100% renewable electricity immediately upon completion. Furthermore, Mori Building plans to use its proprietary Energy Web System to provide tenants with documents certifying, based on tracking information that their electricity comes from renewable energy.



• Newly introduce (2): Facilities for stable supply of renewable energy

In order to ensure stable supplies of renewable-energy electricity in the future, Mori Building will consider securing solar, wind and other renewable energy facilities through various arrangements, including collaboration and partnership with wide-range businesses such as electric power companies and renewable energy developers.

⁶ Established by the Financial Stability Board to examine climate-related disclosures and how financial institutions should respond.

¹Scope 1: Direct greenhouse gas emissions by businesses themselves (combustion of natural gas and other fuels); Scope 2: Indirect emissions from the use of electricity and heat supplied by other companies; and Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions by other companies related to the activities of the business).

² Encourages science-based greenhouse gas emission reduction targets in order to achieve the goals of the Paris Agreement. Jointly operated by CDP, World Wide Fund for Nature, World Resources Institute, and United Nations Global Compact.

³ Global disclosure system, managed by a UK-based charity, for NGOs, investors, corporations, nations and cities to report their environmental impacts.

 $^{^4}$ Companies committed to using 100% renewable energy for electricity in their operations, run by The Climate Group and the CDP.

⁵ Established in 2009 by Japanese companies in recognition that industry must develop a healthy sense of urgency and initiate action to realize a more decarbonized world. Membership as of May 2022 numbered 211 companies from diverse industries, including some of Japan's best-known corporate names, accounting for total sales of 121.0 trillion yen and consumption of 60.25 terawatt hours of electricity (including overseas bases). JCLP collaborates with local governments and overseas organizations, has signed a comprehensive partnership agreement with Yokohama City and is now a comprehensive point of contact for the RE100, EV100 and EP100 initiatives as a local partner of The Climate Group, an international non-profit. Please visit http://www.japan-clp.jp/.

About Mori Building

Mori Building is an innovative urban developer based in Tokyo. The company is committed to maximizing the magnetic power of cities by creating and nurturing safe, sustainable and cosmopolitan urban centers based on its unique Vertical Garden City concept of high-rise centers for business, education, leisure and residence. The concept is applied in the company's many leading-edge projects, including ARK Hills, Roppongi Hills and Toranomon Hills in Tokyo and the Shanghai World Financial Center. Mori Building is also engaged in real estate leasing, project management and consultation. Please visit <u>www.mori.co.jp/en</u>

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