

**Disclosures Based on the TNFD Recommendations (Summary version)**

The recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) published in September 2023 seek to shift the economy toward nature positivity through appropriate disclosures of the nature-related dependencies, impacts, risks, and opportunities of companies. The Resorttrust Group endorses this philosophy, and it became a TNFD Early Adopter of the recommended disclosures in January 2024. Accordingly, and in line with the TNFD framework, we made disclosures in June 2024 on nature-related issues that we face through our businesses. These disclosures are based on the results of our considerations based on the TNFD LEAP approach, in line with the general requirements and disclosure recommendations of the TNFD.

Website: Disclosures Based on the TNFD Recommendations [Japanese only]

[https://www.resorttrust.co.jp/sustainability/\\_assets/pdf/environment/biodiversity/resorttrust\\_tnfd.pdf](https://www.resorttrust.co.jp/sustainability/_assets/pdf/environment/biodiversity/resorttrust_tnfd.pdf)

**Disclosures**

Main disclosures based on the TNFD framework	
1	General requirements (1) Application of materialities (2) Scope of disclosures (3) Local characteristics of nature-related issues (4) Integration with other sustainability issues (5) Timelines considered (6) Engagement with indigenous peoples, local communities, and impacted stakeholders
2	Governance
3	Strategy
4	Risk and impact management
5	Metrics and targets
6	Initiatives

**1. General requirements**

**(1) The application of materiality.**

We identified three Group-wide environment-related materialities: reducing GHG emissions, reducing plastic and food waste, and biodiversity conservation. These disclosures focus on the nature-related issues among these materialities.

**(2) The scope of disclosures.**

With an understanding of all nature-related dependencies and impacts, we considered risks and opportunities in all Group business domains and main value chain stages. We included all locations where we operate properties in our list of priority locations to evaluate. We excluded the recommended scenario analysis during these disclosures but will give that greater consideration in the future.

**(3) The location of nature-related issues.**

We evaluated Group properties directly engaged in business in line with the criteria for priority locations. For locations of particular priority, we will consider more detailed evaluations, when necessary, in the future.

**(4) Integration with other sustainability-related disclosures.**

Nature-related issues are closely related to other sustainability issues, including climate change. When considering

nature-related issues therefore, we also consider the impact of climate change and other factors.

**(5) The time horizons considered.**

We considered risks and opportunities anticipated along different timelines: short term (most recent three or so years), medium term (until 2030), and long term (until 2050).

**(6) The engagement of Indigenous Peoples, Local Communities and affected stakeholders.**

When constructing new hotels and other facilities, we take a positive approach to building relationships with local communities. We conduct the required environmental assessments while complying with laws and regulations and hold briefings for residents near our planned construction sites.

## **2. Governance**

The Sustainability Committee develops measures and considers KPIs for nature-related issues considering these risks and opportunities for our businesses. It then works with each Group company to further consider and implement specific activities for executing the measures it approves. When developing new facilities, as described under section (6) of “1. General Requirements” above, we also engage with impacted stakeholders.

Website: Sustainability Management [Japanese only]

<https://www.resorttrust.co.jp/sustainability/management/>

Website: Human Rights Policy [Japanese only]

<https://www.resorttrust.co.jp/sustainability/management/policies/#contents-02-04>

## **3. Strategy**

### **Overview of dependencies and impacts for all Group businesses (see table below)**

We have evaluated the details and importance of dependencies and impacts in all Group business domains and main value chain stages based on the TNFD categories of ecosystem services and impact drivers. While also referencing objective information, including from the ENCORE tool developed by the United Nations Environment Programme (UNEP), we arranged these in order of importance in four levels from low to very high.

- The main impacts that we identified include alteration and occupation of terrestrial ecosystems, and GHG emissions, through the development and operation of our properties, and the use of water resources and generation of waste at our hotel and resort facilities and golf courses.
- We consider that our dependencies in the areas of supply services (water and other resources, including food and amenities, in the development and operation of our properties), regulation services (climate regulation and disaster mitigation at renewable energy facilities as well as hotel and resort facilities), and cultural services (tourism resources, healing, and scenery) have a high level of importance.
- We consider that our dependencies and impacts on various ecosystem services in the production stage of food and other offerings, in the upstream value chain, also have a high level of importance.

Business category	Value chain stage		Impacts on nature												Dependencies on nature									
			Changes in land, freshwater, and ocean use			Climate change	Resource use and recovery		Pollution and decontamination					Supply services		Regulation services					Cultural services			
			Terrestrial ecosystem use	Freshwater ecosystem use	Marine ecosystem use	GHG emissions	Water use	Other resource use	Waste	Atmospheric pollution other than GHGs	Soil pollution	Water pollution	Disturbances	Invasive species	Water resources	Other resources	Remediation	Water cycle and quality	Climate regulation	Disaster mitigation and soil stability		Other regulation		
All operations	Planning and property development	Direct	VH	—	—	VH	M	—	VH	M	M	M	—	M	H	—	L	—	—	L	—	—		
	In-house solar power generation	Direct	L	—	—	—	—	—	—	—	L	L	—	—	—	—	VL	—	VH	M	—	—		
	Logistics	Indirect	—	—	M	H	—	—	—	H	L	L	H	—	—	—	—	—	H	M	—	—		
Hotel and Restaurant Operations	Production and procurement of food, etc.	Indirect	VH	VH	VH	H	VH	H	H	—	H	H	—	M	VH	VH	M	VH	VH	VH	VH	—		
	Operation of hotel and resort facilities (including restaurants and cruises)	Direct	M	—	—	VH	M	—	M	—	—	H	—	—	H	M	—	L	M	M	VL	H		
Golf Business	Operation, maintenance, and management of golf courses	Direct	M	H	—	H	H	—	M	M	M	M	—	—	H	M	VL	H	M	L	—	M		
Medical Operations	Provision of services	Direct	—	—	—	H	H	—	M	M	—	—	—	—	M	—	VL	—	—	L	—	—		
	Development and manufacturing of cosmetics, etc.	Indirect	—	—	—	H	H	—	H	M	H	H	—	M	H	M	—	M	—	L	—	—		
Senior Lifestyle Operations	Operation and management of facilities	Direct	—	—	—	H	M	—	M	—	—	—	—	—	H	—	L	—	—	L	—	—		

## (1) Evaluation of priority locations

We have evaluated the priority locations for the properties that we operate. We evaluate these priority locations from the perspective of sensitivity (areas important for biodiversity), which is one of the characteristics of priority locations identified by the TNFD.

### (a) Level of ecosystem integrity

From the evaluations, we found that 25 locations had a high level of integrity, with scores of 90% or higher for their biodiversity intactness index.

### (b) Biodiversity importance

We found that 37 locations were adjacent to (within 100 meters of) key biodiversity areas (KBAs) or protected areas (International Union for Conservation of Nature (IUCN) Category IV (habitat/species management area) or V (protected landscape/seascape)). In terms of the Species Threat Abatement and Restoration (STAR) metric, we found that three of our global locations were evaluated with a 4 rating on a 6-point scale, indicating areas that are considered to be home to a large number of rare species and species with limited habitats.

### (c) Physical risks to water

We found that one of our locations was evaluated as having high water stress, rating 4 on a 5-point scale. In terms of pollution indicators, no locations were considered to have particularly high risk.

## (2) Nature-related risks and opportunities, and their impact on businesses

Based on evaluations until now, we evaluated anticipated nature-related risks and opportunities for the Group and the qualitative importance of each. We evaluated importance from the two angles of impact and likelihood/urgency. From the impact angle, we qualitatively evaluated importance considering the impact on expenses, business strategies, brands, and corporate value on a 4-point scale from low to very high. From the likelihood/urgency angle, we evaluated importance considering the likelihood of occurrence and concerns of materialization on a 3-point scale from low to high.

## **4. Risk and impact management**

We have formulated the Basic Policy on Risk Management and have developed and operate a risk management structure covering all our business activities. We understand the severe impact that nature-related risks and impacts have on business activities. We therefore conduct qualitative assessments of the impact that those risks and impacts have on the business strategy and corporate value of the Group as part of our sustainability promotion structure while identifying risks that are relatively important to us.

## **5. Metrics and targets**

We disclose measurement results on our sustainability website (related data).

Website: Sustainability-related Data [Japanese only]

<https://www.resorttrust.co.jp/sustainability/data>

## **6. Initiatives**

We implement a range of initiatives at each of our sites, including environmental design measures during property development and our Origami Action program spreading awareness of the importance of biodiversity

Website: Coexistence with Nature [Japanese only]

<https://www.resorttrust.co.jp/sustainability/environment/biodiversity/>