

Environment

# Conservation of Natural Environment Through Business Activities

We believe it is vital to correctly understand the impacts our business activities have on natural ecosystems to take appropriate considerations and measures toward environmental preservation. For this reason, we allocate a portion of our earnings to tree-planting activities, conserving water resources and

biodiversity through forest preservation. In addition, the services we provide reduce environmental impacts through digitizing analog information and contribute to environmental conservation by promoting digital transformation in business and supporting paperless operations.

## Efficient Use of Natural Capital

### Support for Paperless Business Operations Through Provided Services

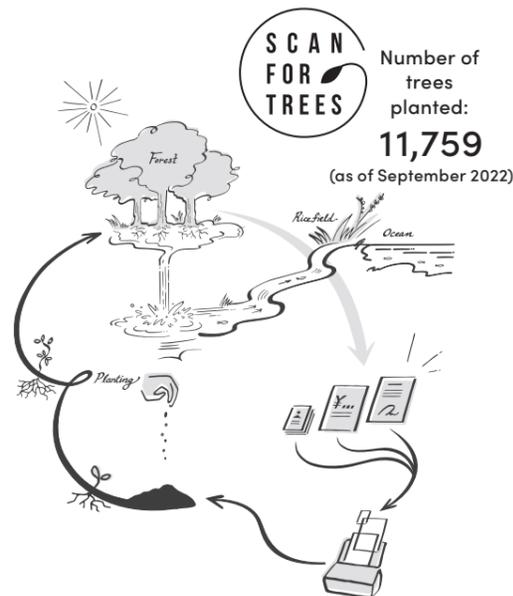
With our shared functionality related to digitizing documents, our primary services relate to supporting corporate digital transformation. In particular, paper documents like business cards, invoices, and contracts are creating issues of operational efficiency for companies. To address this issue, Sansan provides

functionality enabling business cards to be exchanged online, and Bill One allows invoices to be received and issued in the cloud. Exchanging business data in this manner enables paperless environments and contributes to environmental conservation.

### “Scan for Trees” Tree-Planting Activities

Scan for Trees is a project to plant trees in disaster-affected areas where they are needed according to the number of documents digitized by the Sansan, Bill One and Contract One services.

Paper documents such as business cards, invoices, and contracts are in many cases originally made from wood. This project is an initiative designed to enrich the natural environment, such as forests and water, through our services. So far, we have planted trees in Miyako City, Iwate Prefecture, and Osaki City, Miyagi Prefecture, which were affected by the Great East Japan Earthquake in 2011, and in Yamato Town, Kamimashiki District, Kumamoto Prefecture, which was damaged by the 2016 Kumamoto Earthquake. Since the start of the project, more than 10,000 trees have been planted. We are currently also counting digital documents, such as online business cards and PDF format invoices. We are supporting the recovery of forests and the reconstruction of disaster-hit areas even as online work becomes more commonplace.



### Eco-Friendly Comprehensive Business Card Making Solution: Sansan Meishi Maker

Sansan Meishi Maker supports achieving the SDGs through business card creation. It enables customers to order paper business cards in small lots as and when they need them, without wasting resources. The cards can be made with eco-friendly materials, enabling customers to contribute to resource conservation

through their business cards. We utilize LIMEX, whose main raw material is limestone, as a material for business cards. By reducing the number of trees and the amount of water required in the paper manufacturing process, LIMEX is attracting attention as a new recyclable material that contributes to the conservation of resources.

## Addressing Climate Change

### Disclosure Based on TCFD Recommendations

Regarding climate change, Sansan determines and oversees business risks and opportunities under an appropriate system. In raising our ability to respond to issues, we aim, for example, at stable economic development and securing the foundations for people's livelihoods, and we see this as a vital initiative in

advancing the transition to a low-carbon economy and, by extension, a decarbonized society.

Based on this idea, we have expressed support for the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD) and make disclosures based on this framework as follows.

### Governance

Board of Directors' meetings discuss and decide policies and important matters that contribute to realizing sustainability, including our responses to climate change. For issues relating to climate change, we have set up a Climate Change Response Project, consisting of corporate departments, such as the IR Team, Office Strategy Department, and the Finance & Accounting Department, under the

supervision of the Representative Director and are reviewing our responses. This project receives matters such as metrics relating to climate change, as well as business risks and opportunities that have been examined, tabulated, and specified, and supervises them in annual reports by the Board of Directors. It then decides business strategies and plans after duly considering the important matters.

### Strategy

Sansan aims to better respond and adapt to a business environment in which the temperature rise from climate change is kept below 2°C, using mainly scenarios such as the Intergovernmental Panel on Climate Change's Shared Socioeconomic Pathways (SSP1-2.6) and Representative Concentration Pathways. We analyze the scenarios, identify business risks and opportunities from climate change, and formulate response strategies. For transition risks and

opportunities, such as tighter laws and regulations and new carbon taxes, we will reduce greenhouse gas (GHG) emissions, set renewable energy policies, and promote initiatives from medium- to long-term perspectives. Our growth strategy already covers many such measures, dealing with transition risks, physical risks, and opportunities related to our services. We will also consider cost reduction efforts by diversifying and optimizing various services, including electric power.

### Risk Management

In consultation with the directors in charge of each field and the Climate Change Response Project, Sansan conducts scenario analyses, identifies climate-related business risks and opportunities, assesses their importance, calculates their financial impact, and reviews countermeasures. These matters are next reported annually

to the Board of Directors, which decides on business strategies and plans after considering important matters including the risks and countermeasures. Important climate change-related risks are also integrated and managed with the results of company-wide risk analyses conducted through, for example, internal audits.

### Metrics and Targets

Sansan selected GHG emissions<sup>1</sup> as a metric for climate change. The table below shows actual GHG emissions over the last two years. We are now studying calculating actual Scope 3 GHG emissions<sup>1</sup>. To set targets for each metric, alongside external factors

such as global trends and Japan's laws and regulations, we conduct comprehensive studies based on internal factors to enhance future disclosures. The internal study thus covers progress in each of our businesses' strategies and measures, and risks and opportunities.

Item	Unit	FY2020	FY2021
Scope 1 <sup>2</sup>	t-CO <sub>2</sub>	154	187
Scope 2 <sup>3</sup> (market-based)	t-CO <sub>2</sub>	371	480
Scope 2 (location-based)	t-CO <sub>2</sub>	324	452
Scope 1 and 2 (market-based)	t-CO <sub>2</sub>	525	667
Scope 1 and 2 emissions intensity (per net sales)	t-CO <sub>2</sub> /hundred million yen	3	3

<sup>1</sup> Non-consolidated results of Sanson, Inc. aggregated.  
<sup>2</sup> Scope 1 is calculated by aggregating GHG emissions relating to the gas consumption in each office. After calculating the consumption per office area using the actual results in certain offices where the consumption can be determined, gas consumption is calculated by multiplying this value by the total area of all offices where gas can be used.  
<sup>3</sup> Scope 2 is calculated by aggregating GHG emissions relating to each office's electricity consumption.