

SUSTAINABILITY REPORT

2023

THE WRIGHT IMPERIAL; A CENTURY AND BEYOND



IMPERIAL HOTEL

Contributing to the development of a sustainable international society as Japan's flagship hotel

The Imperial is currently developing a reconstruction plan for the Imperial Hotel Tokyo site and towards the Tokyo Cross Park vision, where we are aiming to realize a next-generation smart city in collaboration with ten companies in the Uchisaiwai-cho 1-chome district whose roots are in this area. As we advance these preparations, we are looking ahead to new value creation and a sustainable future.

Similarly, we are also steadily advancing the SDGs-based activities of our Sustainability Management Committee, which is now three years old.

As a measure for climate change, in FY2022, we announced a decarbonization road map, in which we aim towards the achievement of carbon neutrality by 2050 with the goal of reducing CO2 emissions at all of our operating sites by 40% in total from the FY2013 level by 2030. Also, in efforts to realize a recycling-based society, we also promoted the reduction of our plastic use and food loss. Furthermore, in order to pursue sustainable and responsible procurement activities together with our trading partners, we have formulated and begun to implement a group-wide Sustainability Procurement Policy.

As a result of these efforts, in March 2023, we received the highest rating in the international certification for accommodation facilities that practice SDGs.

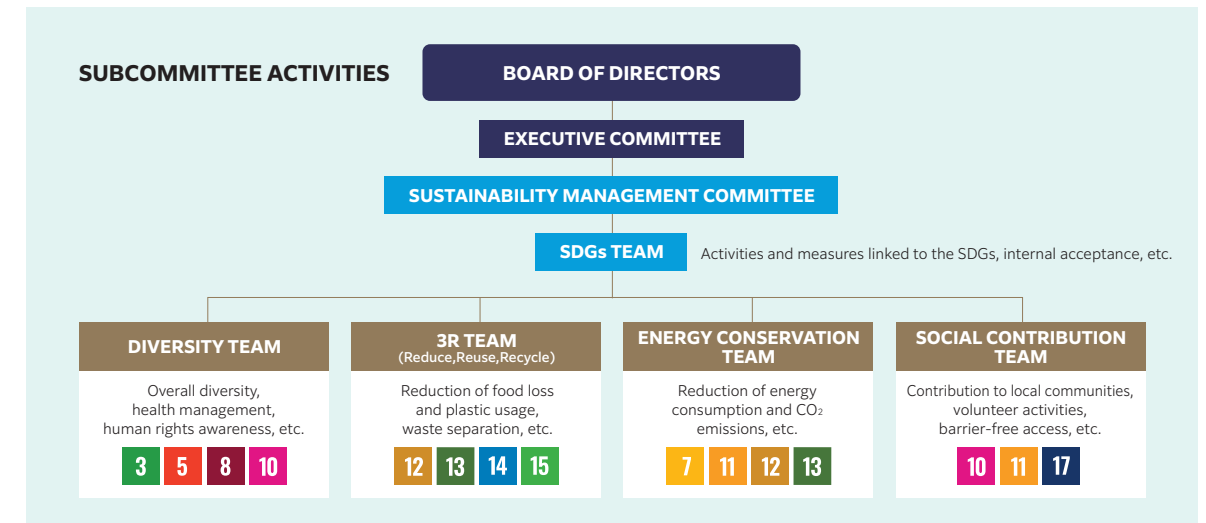
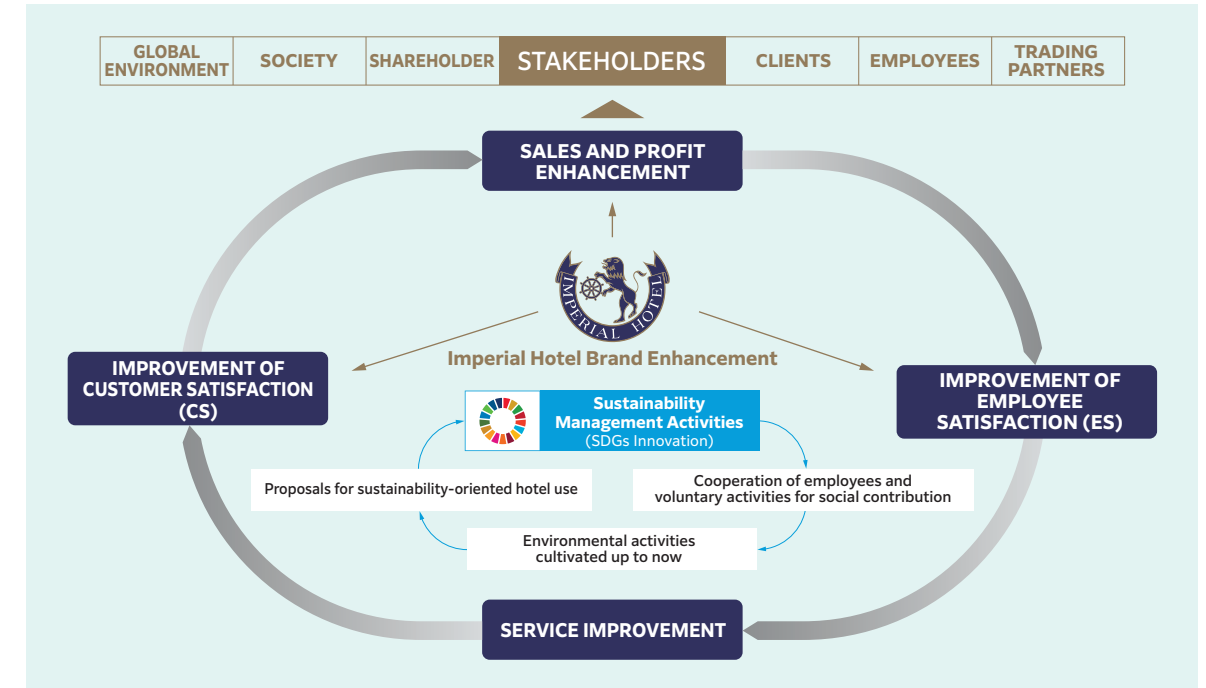
The rebuilding of the Imperial Hotel Tower will begin next year, in 2024, and then after the opening of the new tower in 2030, we will begin a rebuilding period for the main building. We also plan to open a hotel in Kyoto in 2026.

In our medium- to long-term management plan up to 2036, we stated that our vision is to "evolve the Imperial Hotel brand, with people at its pinnacle." As a "Made in Japan" hotel, we will pursue sustainability together with our customers, work to contribute to the achievement of the SDGs, and strive to further enhance our corporate value, so that this leads to the growth and development of the hotel business, which is our core business. We will continue to fulfill those roles and responsibilities in order to contribute to the international community as we continue our business to our 150th anniversary in 2040.



Hideya Sadayasu
President & Chief Executive Officer

The Imperial Hotel is committed to co-creating sustainable hotels together with our guests, under the slogan of "Achieving both Luxury and Sustainability."



Mission Statement

To contribute to the international community's further development and to enhance leisure living and culture for all people by providing superior products and services as befits Japan's flagship hotel.

Sustainability Management Committee Core Policy of Activities

- 1 Pursue sustainable growth and resolution of social issues through sound business activities.
- 2 Plan and implement with safety, reliability, fairness, and appropriateness in mind.
- 3 Contribute to the development of society in cooperation with stakeholders as a good corporate citizen.
- 4 Enhance the effectiveness of our social activities in light of both domestic and international circumstances.

Sustainability Management Activities

We have identified 11 of the 17 SDGs as issues that our Group should be aiming to tackle.

Our Group's objectives



A Grand Hotel Made in Japan

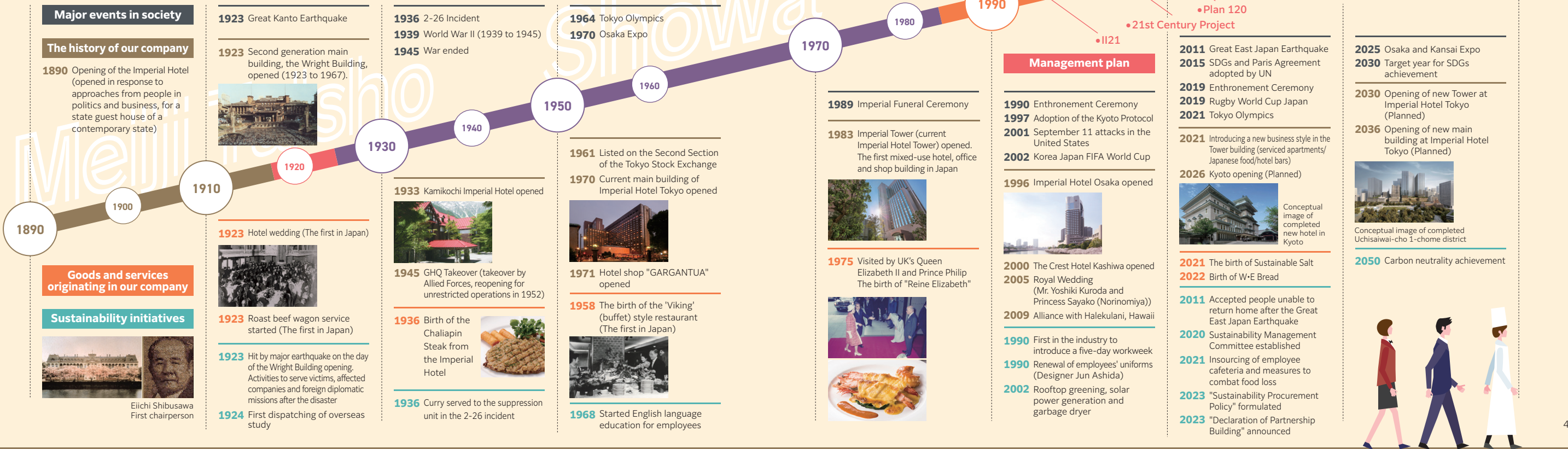
- Tradition and Innovation -

After continuing through the Meiji, Taisho, Showa, Heisei and Reiwa eras, the Imperial Hotel is now poised to embark on a new journey that will enable it to continue to welcome guests as "Made in Japan" Grand Hotels for the next 100 to 200 years.

Sustainability Procurement Policy

Based on guidelines from the United Nations and Japan's Ministry of Economy, Trade and Industry, as well as the Declaration of Partnership Building, we established and formulated 12 items that include quality control and fair and honest transactions and other items that reflect the unique perspectives of hotels and the food and beverage industry, such as consideration for the global environment and animal welfare, and respect for human rights.

- 1 Compliance with laws, ordinances and regulations : Procurement of legal and appropriate goods, products and raw materials
- 2 Quality control : Procurement of high quality, safe and secure goods, products and raw materials
- 3 Fair and honest transactions : Fair, transparent, free competition and reasonable trade
- 4 Respect for human rights : Production, manufacturing, and distribution in an environment free of human rights violations
- 5 Prohibition of forced labor : Prohibition of forced and compulsory labor, child labor, etc.
- 6 Promotion of health management and occupational safety : Creation of workplace environment through health maintenance and promotion activities, and the development of Business Continuity Plans
- 7 Response to antisocial forces : Systematic response to blocking and threats by antisocial forces
- 8 Consideration of the global environment : Reduction of waste and CO₂ emissions, proper management of water resources, and reduction of environmental impact. Procurement of goods, products, and raw materials that lead to the realization of a recycling-oriented society
- 9 Consideration for animal welfare : Support for the principles of animal welfare and future procurement
- 10 Information management : Appropriate management of information to be disclosed and information to be kept confidential
- 11 Expansion into the supply chain : Understanding and penetration among suppliers
- 12 Update : Update as necessary in response to changes in relevant laws and regulations and domestic and international conditions



Decarbonization Road Map in the Imperial Hotel Medium- to Long-Term Management Plan 2036

VISION

OBJECTIVES

We will further evolve the Imperial Hotel brand, with people at its pinnacle, as Japan's flagship hotel, retaining the spirit of the company's founding, to build a structure ensuring corporate continuity under all circumstances as we look forward to our 150th anniversary year in 2040.

BASIC STRATEGY

- 1 Evolution of Grand Hotel**
To enhance the strength of our brand through hardware renewal with reconstruction of Imperial Hotel Tokyo and humanware enrichment by strengthening human resource development
- 2 Stable growth as a company**
Strengthen our earning capacity and financial base by expanding our real estate and other businesses in order to establish a solid structure for our hotel business in the future
- 3 Resolution of social issues**
To maximize our contribution to the SDGs in all of our corporate activities

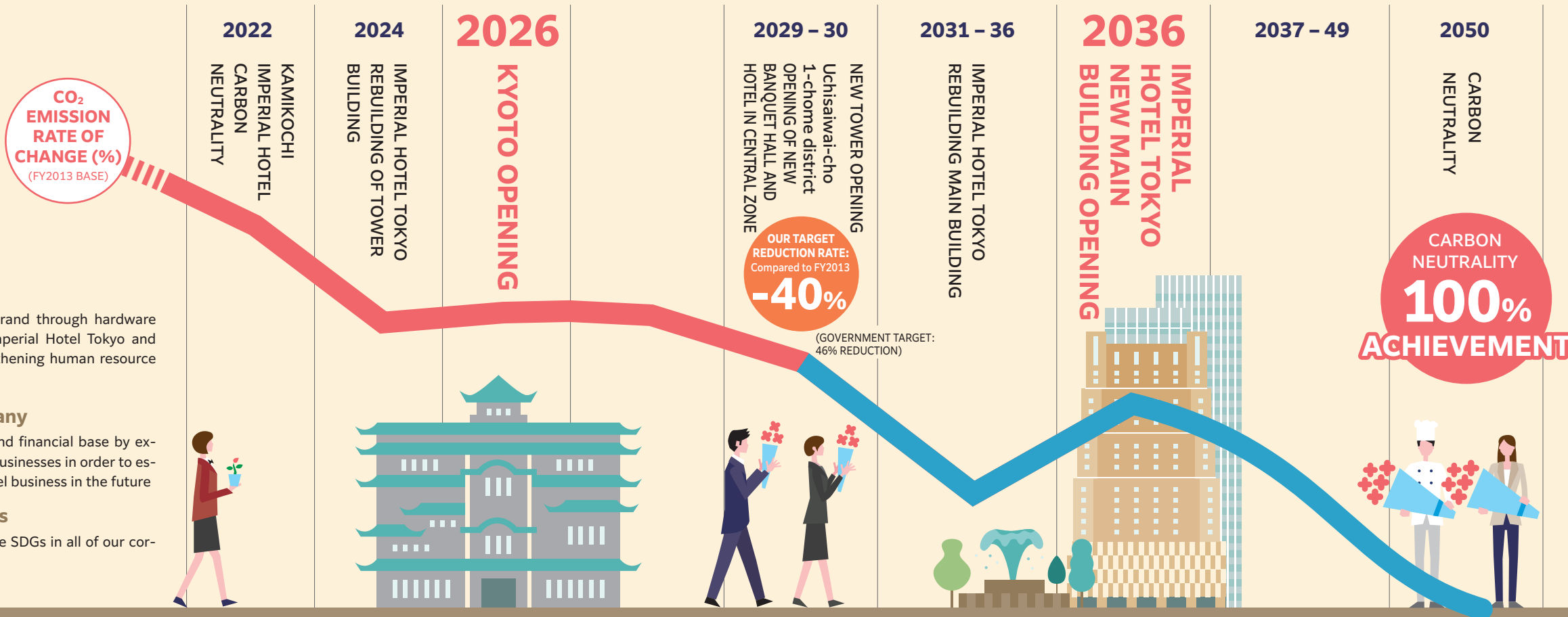
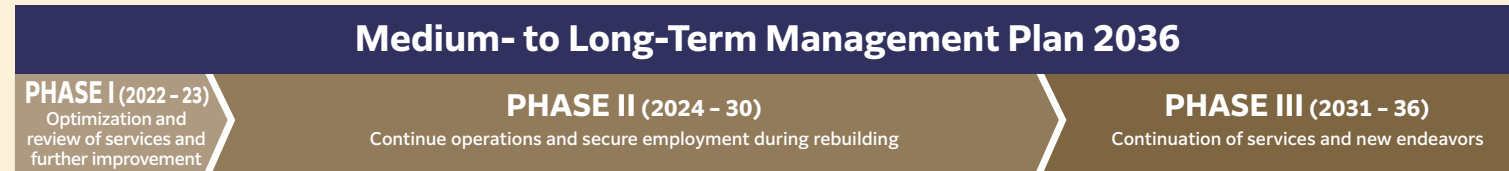
Promoting decarbonization by switching the total amount of electricity used to "CO₂-free"

Following the achievement of the Kamikochi Imperial Hotel's carbon neutrality in FY2022, the Imperial Hotels in Tokyo and Osaka will also work to suppress CO₂ emissions by switching to virtually CO₂-free electric power through the use of FIT non-fossil certificates from October 2023, in an effort to reduce CO₂ emissions while promoting energy conservation.

CLIMATE CHANGE INITIATIVES (REDUCTION OF CO₂ EMISSIONS)

We aim to reduce CO₂ emissions [Scope 1+2] at directly managed workplaces by 40% (compared with FY 2013) by FY 2030 and achieve effectively zero emissions by FY 2050

- Reduction of environmental load by introducing the latest technologies in new hardware
- Promotion of energy conservation activities and verification of sustainable energy introduction
- Analysis and countermeasures for business risk in line with the TCFD (Task Force on Climate-Related Financial Disclosures) framework



IMPERIAL HOTEL 2050 DECARBONIZATION ROAD MAP



Maximize the abilities of a diverse range of human resources to build the next 100 years



The Imperial Hotel opened on November 3, 1890 to serve as Japan's "State Guest House." With the aim of making it the best hotel in the world, we employees working here have a mission to carry on this brand and carve out a future for the next 100 years, and for the 100 years beyond that. In order to realize human capital management, the Imperial Hotel Group is working to maximize the abilities of its diverse human resources and is pursuing various initiatives.

Five Themes for the Promotion of Human Capital and Diversity

- 1 Workplace culture reform to make diversity an organizational strength** (Creation of dialogue)
- 2 Work system reform** (Improvement of productivity)
- 3 Human resource development** (Investment in human resources)
- 4 Health management** (Revitalization of individuals)
- 5 Active roles for diverse human resources** (Women, people with disabilities, the elderly and global human resources)

Human Resource Development Policy

The starting point for the sustainable growth and development of a business is its people. Our company believes that the key to enhancing corporate value is to develop talented employees and encourage their growth, and that improved customer satisfaction comes from having a diverse range of human resources who demonstrate their individual strengths regardless of age, gender and nationality. In order to continue to improve our corporate value and customer satisfaction, we will continue to develop human resources based on the following policies.

- 1** The human resources must understand the founding spirit and tradition of the Imperial Hotel and be capable of providing the highest level of service and products
- 2** The human resources must realize innovation and transformation while accurately and effectively reflecting the trends of the times and emerging technologies in our business, to work toward sustainable development
- 3** The human resources must be from diverse cultural backgrounds and have diverse values, and must accept and utilize diversity so that it leads to the further growth and development of our group

Work Environment Policy

The growth of each individual employee is directly linked to the development of the company, so we have established a system in which employees can work autonomously to improve their own abilities. We are also working to create an environment in which a diverse range of employees can continue to work with peace of mind, to enable them to continue to provide excellent services and products.

1 Creating an environment for ability improvement

- (1) Providing language training and support for studying abroad
- (2) Development of a financial aid system for self-development (qualification acquisition and correspondence courses)

2 Creating an environment where people can continue to work with peace of mind

- (1) **Health management** Promote the health of employees from both physical and mental aspects.
- (2) **Compatibility support** Create a system that provides more days off work than the legal limit, to help employees work-life balance such as child care and nursing care with their work.
- (3) **Workplace environment** Create an environment in which it is easy for employees to use the various systems, by providing training and internal communication so that employees understand the significance and purpose of the systems.



Indicators and target values

	Indicator	Target value
Employee Training	Training expenses per permanent employee	Up 30% from FY2018 by FY2027
Liquidity	Turnover rate	Down 20% from FY2018 by FY2027
Diversity	Percentage of employees hired who are female	50% or more every year
	Difference in average years of service between men and women	Less than four years by FY2027
Other	Rate of employment of people with disabilities	Maintain a level above the statutory employment rate
	Number of employees sent abroad (for training at overseas hotels, participation of employees in international competitions, etc.)	Up 50% from FY2018 in FY2027

Targets and actual results

	Target	2022 results
Promotion of opportunities for female workers	Number of female managers is 20% of total by end of April 2027	73 people (+6) 16.4% (+1.3 pt) (as of April 1, 2023)
Child care and nursing care support	Number of male employees taking childcare leave is 50% of total by end of April 2027	14 people (±0) 48.3% (+15.0 pt) (as of March 31, 2023)
Employment of people with disabilities	Number of people with disabilities employed is at least the statutory employment rate of 2.30%	As of FY2022, achieved 2.63% (+0.32 pt) (maintained for 18 consecutive years)

Executive message

The Imperial Hotel is a company where it can be said that "people are everything." The ability of employees to work actively with good physical and mental health leads to good service and products. This is the purpose of "human capital management" and is a key management issue for our company. For persons suffering from mental health problems, which are on the rise nationwide, we have introduced a stress check and a return-to-work support program to provide step-by-step support.

Atsushi Tokumaru, Representative Director and Managing Director, Responsible for SDGs Promotion



Environmental Initiatives



Our group believes that environmental consideration is one of the new hospitality services that society expects. Therefore, we have established the SDGs Team, the 3R Team and the Energy Conservation Team under the Sustainability Management Committee chaired by the President, and each team is formulating respective action plans and promoting each initiative across the company.

Measures to Prevent Food Loss

The Imperial Hotel is focusing efforts on "food loss reduction" based on the idea of "changing society in a delicious way." Each department is advancing initiatives such as finding ingenious ways to use food materials without unnecessary waste during cooking, the development of upcycled products and the introduction of order-based buffet services, etc.

Utilizing Food Losses as Environmentally Recyclable Vegetables

Since 2007, food waste from restaurants and banquet halls has been dried on-site and converted into fertilizer for vegetable cultivation via partner companies. Vegetables harvested with the fertilizer are purchased as environmentally recyclable vegetables and are used in some of the restaurant menus.

Sustainable Salt

The peel of vegetables, fruit clusters, and crustacean shells are baked in a low-temperature oven to form a powder, which is mixed with salt and used in cooking as a proprietary salt. This is available as a product in our hotel shops and a portion of the proceeds from the sales is donated to JEAN, an incorporated association that promotes environmental protection.



Thorough Separation of Waste

We separate about 20 types of waste under the slogan "Garbage when mixed, valuable when separated." As part of our efforts to maximize the amount of recyclable waste, we engage in waste reduction by conducting sorting surveys in the waste disposal rooms and at each workplace, and by displaying easy-to-understand waste sorting signs.

Insourcing Our Employee Cafeteria

The employee cafeterias in Tokyo, Osaka and Kamikochi are operated directly by the company and use offcuts and unsold products that would have been discarded in the past for their menus. In addition, it is a venue where the cooking staff are able to offer menu items that they themselves have proposed and developed. On International Women's Day on March 8th, female staff devised a menu with dishes made to resemble mimosa, the symbol flower, and they were well received by employees.

Delicious and Sustainable W·E Bread

The Imperial Hotel Tokyo has developed W·E Bread as a white bread with a new texture that does not generate waste materials, and has introduced it to the sandwich products served in the building. In the past, bread crusts had been cut off in pursuit of aesthetics and texture, but we developed a bread that inherits the traditional style and taste while also contributing to a reduction of food loss. With this bread, we aim to reduce food loss by about 2.5 tons per year.



Serving Environmentally Friendly Coffee

We are the first hotel in Japan to start serving farm-produced coffee bearing the Rainforest Alliance Certificate. This is a certificate that indicates forest conservation and a healthy working environment for farmers, and this coffee is served in our banquet halls and some of our restaurants.

Promotion of Food Diversity

From the "Leave no one behind" viewpoint of the SDGs, we expanded our vegan menu lineup from October 2022, so that all customers from Japan and overseas can enjoy their meals with peace of mind.



Water Recycling (Greywater)

In Tokyo, water used for baths and wash basins in tower guest rooms is filtered and purified in the hotel and reused as cleaning water for the offices, public spaces, and employee toilets in the building, which saves 25 days' worth of water when it is used for a year. In Osaka, wastewater from guest rooms is treated by a partner company, recycled, and used as flushing water for the employee toilets.

Introduction of Renewable Energy

We use carbon-neutral LNG (liquefied natural gas) for kitchen gas (Tokyo and Osaka), and use 100% renewable energy for our events, electric car charging stations, chandeliers, and monument clocks (Tokyo).



Reduction of Plastic Use

In compliance with the Plastic Resource Circulation Act, enforced in April 2022, at our four directly managed business sites (Tokyo, Osaka, Kamikochi, and Kashiwa), we are gradually replacing plastic with alternative materials for twelve items, including guest room amenities that are subject to the Act. In FY2022, we reduced our annual plastic use by 70% (11 tons). We aim to reduce the amount by 87.5% (as compared to FY2019) from FY2024, after the completion of the entire replacement process.

Comments from Employees on the SDGs

We conducted an e-learning program for employees to learn about the SDGs. Here are some of the comments received:



The scope of the SDGs truly is very broad. I was reminded that there are many things that can be done when we are mindful about it, not only at work, but also in our private lives.



Because mental disorders are invisible to the eye, I feel that there is still a lack of understanding within the company. I believe that if awareness of mental disorders spreads, we will develop as a diverse company that respects everyone, regardless of whether or not they have a disability, and that this will connect to our future.



The SDGs are worldwide common target, but rather than seeing them as goals, I would like to use them as "opportunities" that will lead to further awareness and development. We have targets related to gender equality, but at the same time as promoting the opportunities for women, I think we should also embrace gender diversity and create a world in which everyone can live comfortably.



I thought that every one of us should act with responsibility. I think it would be good for everyone to think about what we can do from now on and to become conscious of the SDGs naturally, so that one day we will notice that we have actually been making a contribution.

SDGs Introduction Video

"Human Capital Management"

In keeping with the belief of Eiichi Shibusawa, who pursued the common good, each and every employee considers true affluence and contribution for the SDGs through our products and services. We have put together a video summarizing our desire to live a sustainable future together with our customers.



Safety and Security/ Barrier-Free Accessibility



RISK MANAGEMENT STRUCTURE

Safety and security are the lifeline of our hotels. In our Group, we are promoting various initiatives under the guidance of the Risk Management Committee, including infectious disease countermeasures, food hygiene, disaster countermeasures, and crime prevention measures.

Establishment of Risk Management Committee

Chaired by the President, the Risk Management Committee was established in 2003. Besides reporting on internal controls and various safety management systems, the committee discusses how to respond to new risk events in response to domestic and international situations.

Establishment of Food Safety & Trust Committee

Established in 2008 for the purpose of protecting and maintaining food safety and trust Group-wide, the Food Safety and Trust Committee is responsible for thorough implementation of measures against food poisoning, food safety and hygiene, allergy accident prevention, food labeling management, and pest control.

Development of manuals and conducting drills for Disaster and Terrorism Countermeasures, etc.

To respond promptly to disasters such as earthquakes, fires, floods, terrorist acts, and infrastructure outages, we have prepared various manuals and conducted company-wide and divisional drills, as well as periodic reviews of manuals. In addition, the number of employees certified in first aid has been increased to protect the lives of our guests and employees.



Disaster Prevention Countermeasures for the entire community

Imperial Hotel Tokyo concluded an agreement with Chiyoda Ward in 2013 to accept travelers who have difficulty returning home. In 2021, Imperial Hotel Osaka concluded a tripartite agreement with Osaka Prefecture and Osaka City regarding the acceptance of travelers in the event of a large-scale disaster.

BARRIER-FREE ACCESSIBILITY

We are promoting barrier-free accessibility so that guests with disabilities can experience a comfortable stay at our hotels. In addition to improving the environment in terms of facilities, we are addressing both the hardware and software aspects through employee training and study sessions by employees with disabilities.

Provision of a barrier-free accommodation environment

We provide one universal design room with an electric adjustable bed, TV intercom, and assistive devices permanently installed. In March 2020, we added nine more barrier-free general guest rooms.

Maintenance of barrier-free facilities

Our facilities are equipped to support guide dogs, hearing assistance dogs, and service dogs. Wheelchair ramps, elevators that support wheelchair use, and multi-purpose restrooms are installed in the buildings.



Shelf position adjustment for easy use from a wheelchair

Certified as a Tokyo Metropolitan Government "Barrier-free mindset" support company

The Imperial Hotel Tokyo has been certified as a Tokyo Metropolitan Government "Barrier-free mindset" support company. The hotel was recognized for its efforts such as "seminars to improve nursing care support capabilities" to learn the appropriate methods for serving disabled and elderly people, reasonable consideration for employees with disabilities, and the addition of more barrier-free rooms.



Social Contribution Programs



Imperial Hotel Group consider that social contribution is an important mission, so we are engaged in various approaches such as organizing charity events and volunteer activities. Our "Social Contribution Team" takes the lead in community contribution activities in our drive to become a better member of the community.

Participation in Osaka "TEAM EXPO 2025 Co-creation Challenge"

The Imperial Hotel Osaka participated in the TEAM EXPO 2025 - Co-Creation Challenge, a participatory program sponsored by the Japan Association for the 2025 World Exposition. We conducted internships for foreign students in collaboration with the Osaka Global Student Support Association (Osaka Convention & Tourism Bureau) and Transcend-Learning, which helps foreign students secure employment. Our employees increased their awareness of diversity, and the international students deepened their understanding of Japanese hospitality and corporate culture. This effort contributed to better employment support for international students, thereby embodying the SDGs.



Participated in "La Semaine du Goût (The Week of Taste)"® food education activities

We participated in the "La Semaine du Goût (The Week of Taste)"® food education program that has a track record of more than 30 years in France, and held taste classes on the theme of "Food Education and the SDGs" at local elementary schools in Tokyo and Osaka. This provided an opportunity for the children to check the five tastes and also to think about where the foods they eat every day come from and whether they are being thrown away wastefully.



Agricultural Counsellor Perdreau of the Embassy of France in Japan and Tokyo Executive Chef Sugimoto (Image courtesy of the executive committee of La Semaine du Goût (The Week of Taste)®)

The Crest Hotel Kashiwa has registered as a Chiba SDGs Partner

The Crest Hotel Kashiwa has joined the Chiba Prefecture's SDGs Partner Members. Organized events, such as harvesting experiences, sightseeing tours, and the provision of morning-harvested strawberries are held in collaboration with local farmers for all generations in the area. Social studies tours are also offered for local elementary schools.



CHI-BA+KUN
ちばSDGs
(Registration No. 953)

Participation in "TABLE FOR TWO"

We participate in a program that aims to eliminate global food imbalances. The employee cafeteria serves healthy menu items and also donates school meals for the same number of people to children in developing countries. The "doubling happiness from the wedding table" theme of the wedding menu available from 2021 was also highly rated and won a prize at the "TFT Awards 2022."



Participation in Hibiya Uchimizu Month

From mid-July to the end of August, we performed "Uchimizu" water sprinkling jointly with 16 nearby facilities and organizations. As consideration for the environment, we used the "Greywater" made by purifying the water used in the Tokyo's tower guest rooms as the water to be sprinkled.

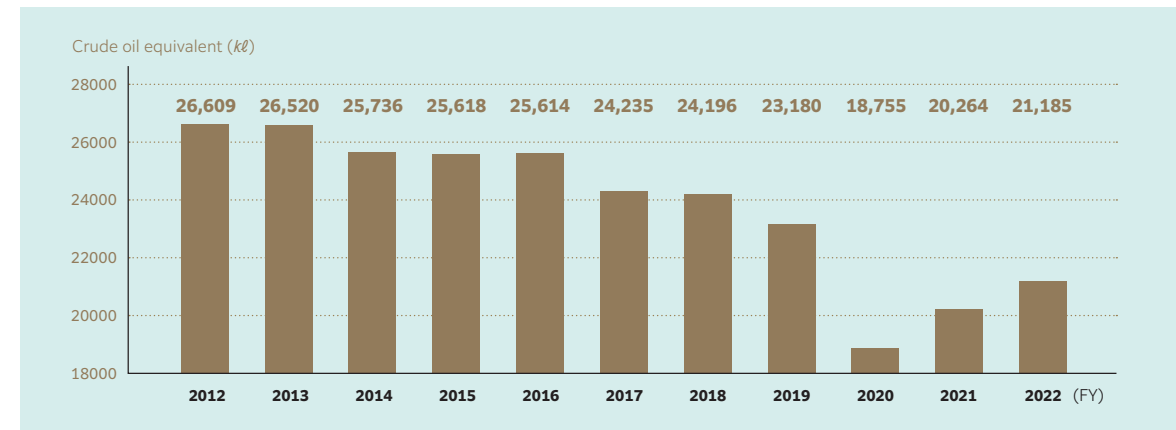


ESG Data List

Below is the list of ESG (Environmental, Social and Corporate Governance) data on the business activities of the Group.

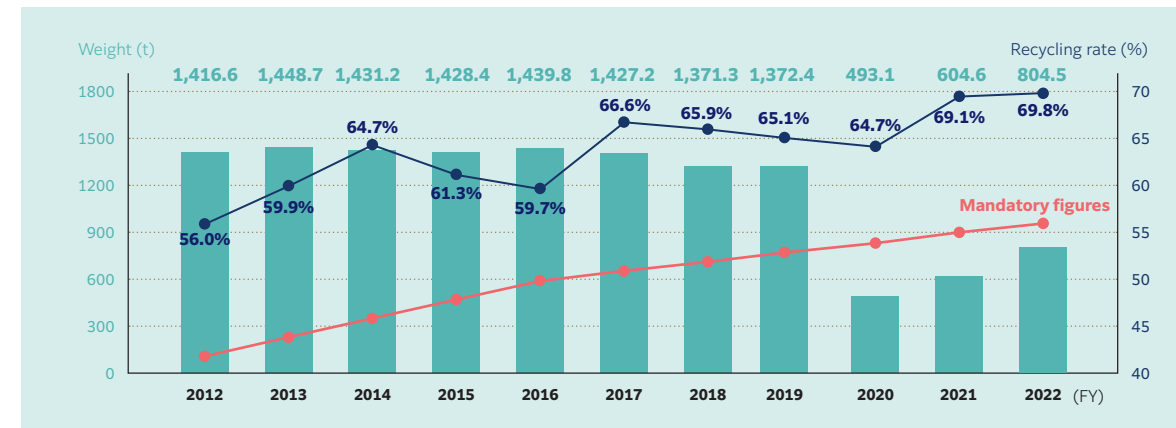
ENVIRONMENT

(1) Energy consumption based on the Revised Energy Conservation Act (crude oil equivalent)



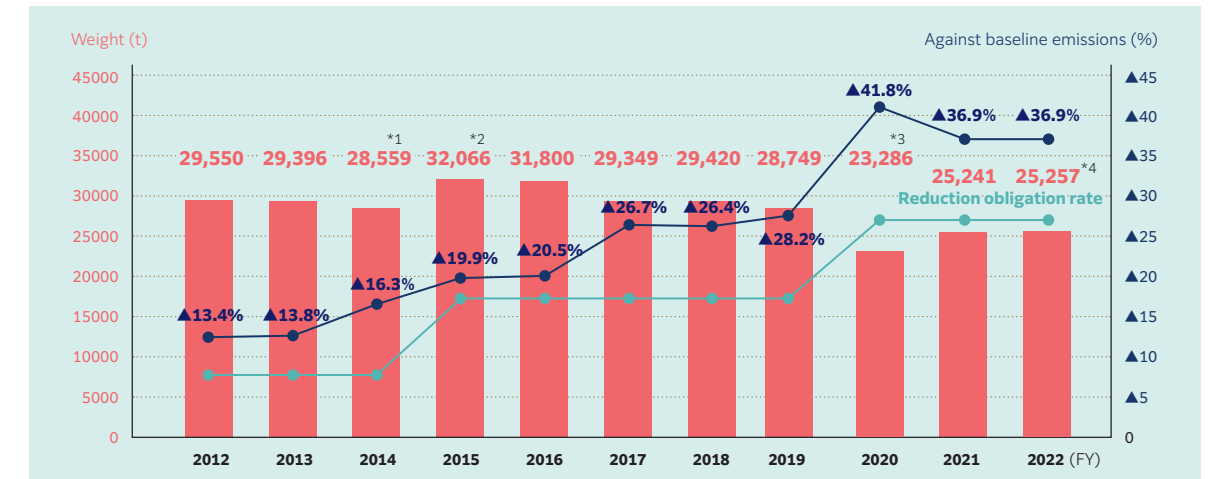
*Total of four business sites (Tokyo, Osaka, Kamikochi, and Kashiwa); preliminary figures for FY2022

(2) Amount of food waste generated (weight) and recycling rate based on the Food Waste Recycling Law



*Total of four business sites (Tokyo, Osaka, Kamikochi, and Kashiwa); preliminary figures for FY2022 / Mandatory figures for FY2022 are 56%.

(3) Specific Greenhouse Gas Emissions [Tokyo]



[Global warming countermeasures plan based on the Tokyo Metropolitan Ordinance on Environmental Security] Between FY2002 and FY2007, we set the average value for the three years between FY2002 and FY2004 as the base emissions

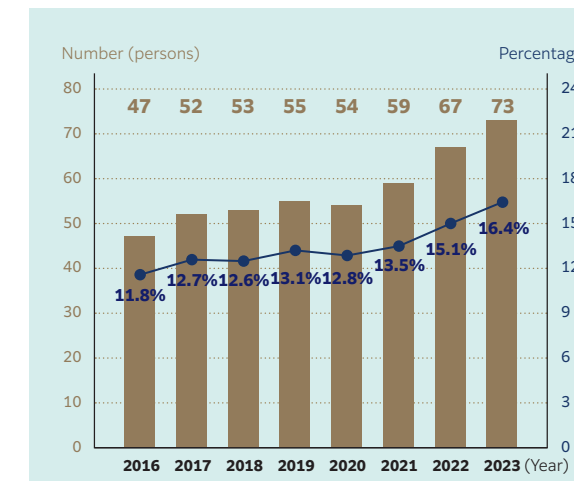
*1: Reduction obligation rate: 8.0% until FY2014 (Base year emissions: 34,113 tons)

*2: From FY2015, reduction obligation rate is 17.0% (Base year emissions are 40,017 tons due to changes in emission factors)

*3: From FY2020, reduction obligation rate is 27.0% (Base year emissions are 40,017 tons). *4: FY2022 figures are preliminary figures.

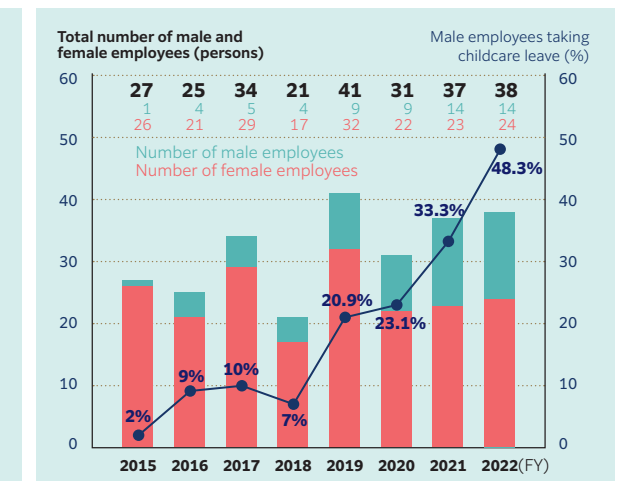
DIVERSITY PROMOTION

(1) Number of female managers



*Target value of the Action Plan for Women's Advancement Promotion as of April 1 each year: 20% by the end of April 2027

(2) Number of employees on childcare leave



*The rate of female employees taking childcare leave is 100% from FY2015 to FY2022.

*The target rate for male employees is 50% by the end of April 2027



Sakura Quality An ESG Practice International Certification Acquisition (Tokyo, Osaka, Kamikochi)

Three of our hotels received the highest rating of "5 Sakura" out of five in the "Sakura Quality An ESG Practice" international certification system, which recognizes lodging facilities that practice the SDGs. The certification uses a five-level scale to evaluate 172 items based on the 17 goals of the SDGs. The "5 Sakura" award is given to establishments that score a perfect score in the 172 items and is a recognition of their leadership role in the local community. We will continue to strive to maintain the quality that drives sustainable tourism through the PDCA cycle.



Eco Mark certification Imperial Hotel

Eco-Mark Certification (Tokyo, Osaka, Kamikochi, Kashiwa)

The hotel has received the Eco-Mark certification, which evaluates environmental communication and other measures that deepen users' understanding of the hotel's environmental activities and raise awareness of environmental concerns through their stay as guests, in addition to basic environmental measures such as energy conservation, water conservation and waste reduction.



Declaration of Partnership Building

We aim to build new partnerships by promoting collaboration and co-existence throughout the supply chain.

Japan Hotel Association Award for Excellence at "Social Contribution Awards"

For the fourth consecutive year, our company won the "JHA Chairman Award for Excellent Social Contribution by Member Hotels" for our efforts in environmental protection, energy conservation, barrier-free design, disaster prevention and mitigation, and response to the pandemic and post-coronavirus era. This was in recognition of our promotion of further sustainability for the solution of social issues.



Making the Kamikochi Imperial Hotel a sustainable hotel as it celebrates 90 years

Kamikochi Imperial Hotel has begun a new chapter in its history as the very model of a sustainable hotel. In addition to achieving carbon neutrality, it is also working with customers and the local community to reduce its environmental impact, such as by recycling all food waste.



Cover

The Wright Building, designed by architect Frank Lloyd Wright, opened in 1923.

The intricate and delicately combined designs made of Oya stone and other materials were called the "Jewel of the Orient" for their beauty. The new main building, which is scheduled to be completed in 2036, aims to be a unique and new state guest house that is befitting of its role and inherits the "Jewel of the Orient" title.

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