

TBS' Current and Future Efforts to Combat Climate Change

2022 disclosure in line with the TCFD's recommendations

Climate-related
Financial Disclosure

TBS

The TBS Group is starting to take action

The average temperature continues to rise globally, and unprecedented extreme weather events are occurring. The various impacts of these weather phenomena threaten the global environment and the lives of all living creatures, including us humans.

The global goal is “to limit the temperature increase to 1.5°C above pre-industrial levels.” In fact, the temperature has already risen by 1.1°C, and it must be kept from rising more than 0.4°C in order to achieve that goal. Since efforts to address climate change can *wait no longer*, companies also need to take action.

In line with the slogan “Make the Earth Smile,” the TBS Group has been working on the SDGs in various ways such as campaigns. In order to serve as a locus for partnerships involving corporations, local governments, and viewers and to occasion “*the start of a social movement*,” we must first demonstrate our commitment through our own actions.

That is why we are starting to take action.

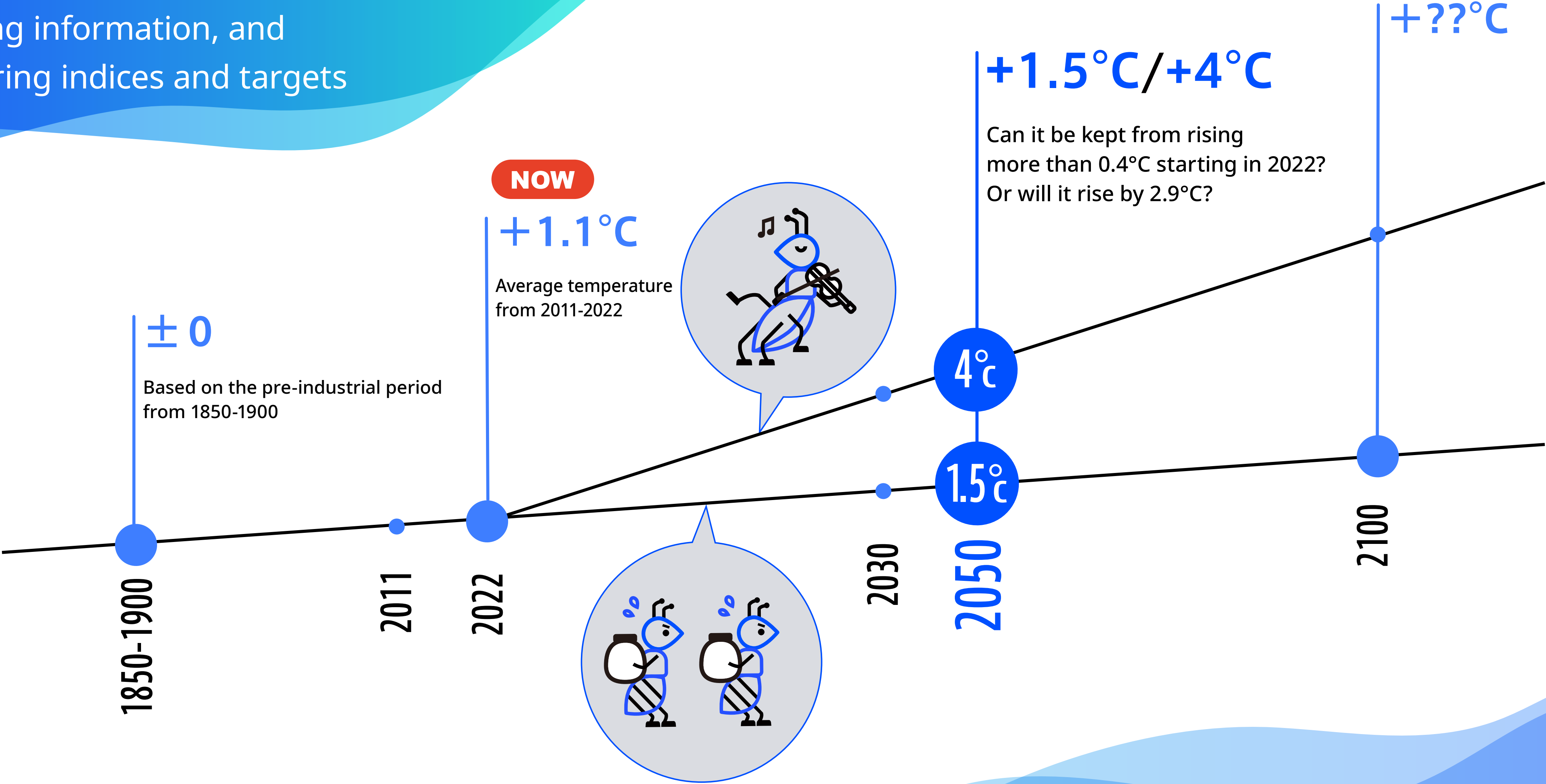
TBS



TBS supports the Sustainable Development Goals (SDGs).

Temperatures increase by 1.5°C or 4°C by 2050: What will the world look like in those 2 scenarios?

Ascertaining current conditions,
disclosing information, and
considering indices and targets



A comparison of two scenarios

1.5°C
scenario

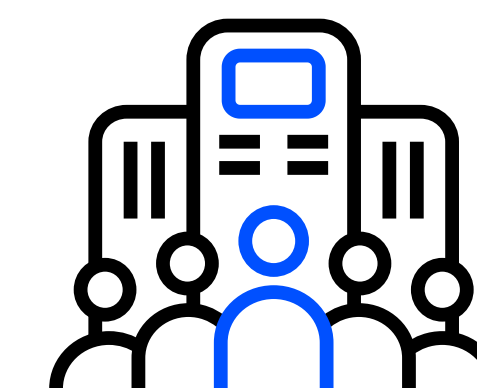


Various systems and regulations will be introduced to mitigate rising temperatures, awareness of the need to achieve a decarbonized society will be heightened, and major changes in social activities will occur

4°C
scenario



As a result of prioritizing industrial activity and continuing to implement only minor decarbonization efforts, temperatures will continue to rise and natural disasters will intensify



Governance

Strategy

Risk Management
Indices and Targets

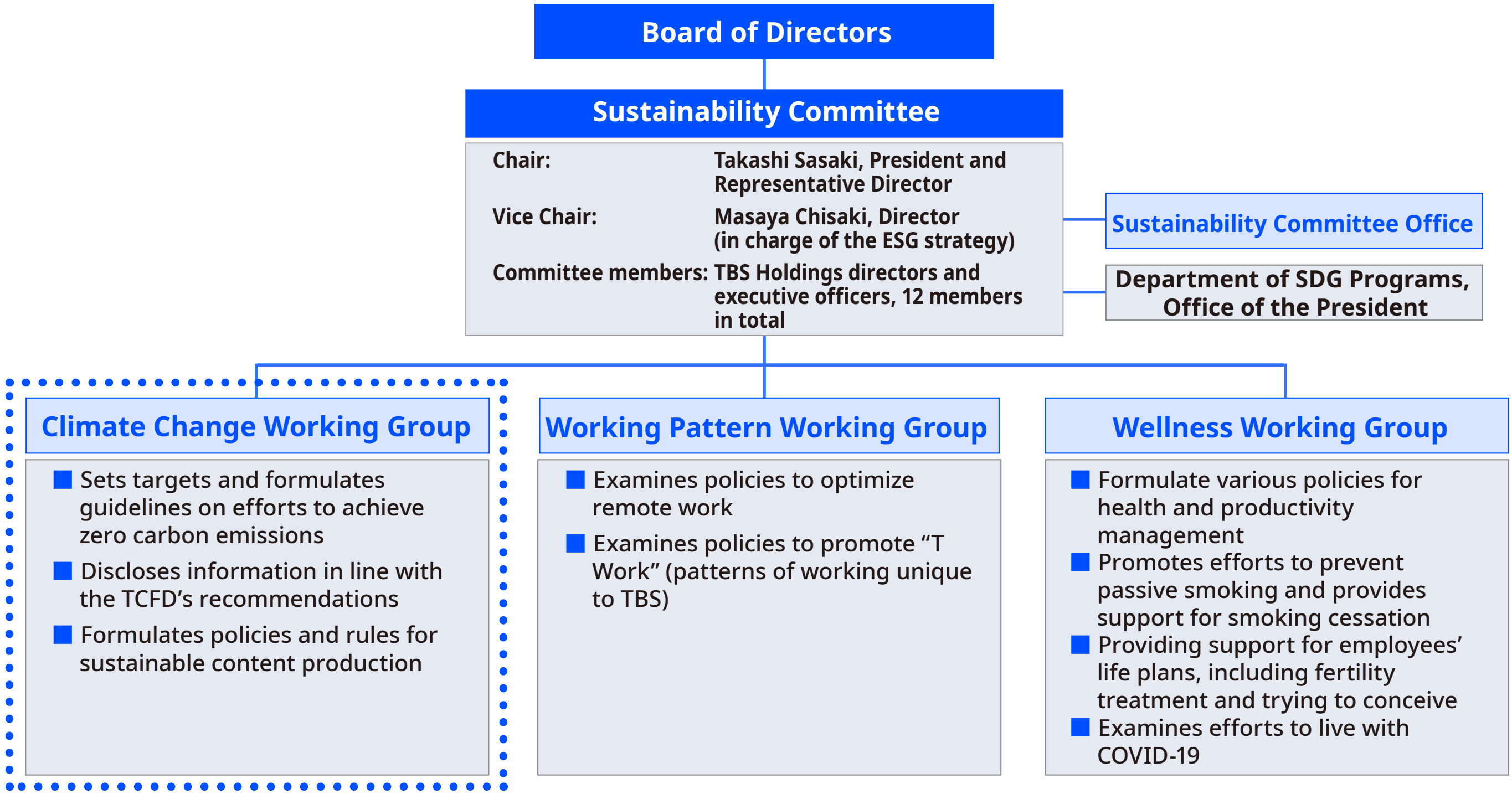
At TBS Holdings, the Board of Directors is responsible for determining and overseeing the TBS Group’s overall climate change-related policies and confirming the status of their implementation. In principle, the Board of Directors meets once a month. If a matter involves an environmental, social, or governance (ESG) issue, such as efforts to combat climate change, the Director in charge of the ESG strategy is responsible for reporting it to the Board of Directors.

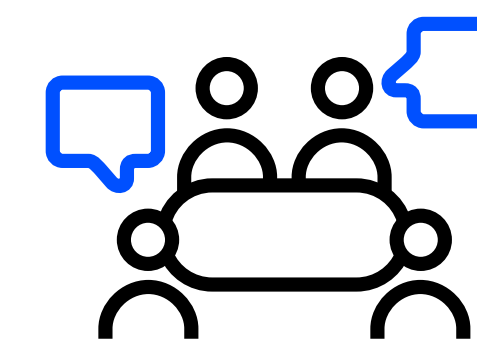
In terms of TBS executives participating in the company’s System to Promote Sustainability, the Sustainability Committee is chaired by the President and Representative Director and vice-chaired by the Director in charge of the ESG strategy. In principle, the Sustainability Committee meets twice a year to ascertain climate change-related risks and opportunities, to create a risk management system, and to devise climate change-related targets and policies, such as decarbonization and improving energy efficiency, and to determine the status of their implementation.

In addition, a Climate Change Working Group has been created underneath the Sustainability Committee. This working group leads the examination of targets and policies.

We will continue to examine the nature of corporate governance, including a review of our organizational structure, in order to accelerate decision-making and enhance oversight of our policies, their direction, and long-term targets related to sustainability, which includes climate change.

System to Promote Sustainability





Governance
Strategy

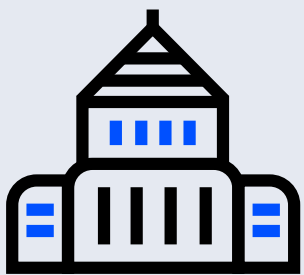
Risk Management
Indices and Targets

Various systems and regulations will be introduced to mitigate rising temperatures, awareness of the need to achieve a decarbonized society will be heightened, and major changes in social activities will occur

Government

Introduction and tightening of decarbonization regulations

- Introduction of a carbon tax and an emissions trading scheme



Investors and financial institutions

Stronger decarbonization requirements for companies they invest in

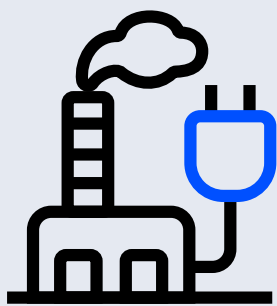
- Requiring companies they invest in to decarbonize and disclose information on those efforts
- Increasing the offering and purchasing of green products



Economy and business

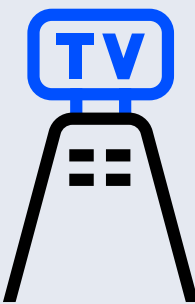
Advances in decarbonization-related technologies and reduced costs

- Advances in technologies to reduce energy consumption
- Reduced procurement costs due to the spread of renewable energy
- Promoting reuse and recycling



Changes in advertising content and increased advertising of carbon-free products

- Advertisements also need to include environmental considerations
- Increased need to promote carbon-free products



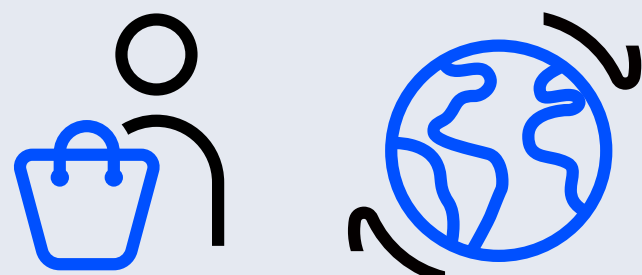
Consumers/customers

Increased interest in decarbonization and changes in consumer attitudes and behavior

- Increased interest in decarbonization
- Developing an “ethical” lifestyle that is mindful of the global environment and human rights
- Criticism of and refraining from buying carbon-intensive products and services

Over 60%*
of Gen Z and Millennials
prefer a sustainable lifestyle

*Source: EY Japan, Future Consumer Index survey



Natural environment

There will be slightly more disasters due to extreme weather than at present

but...

- Heavy rains and flooding will be somewhat more intense and more frequent than at present
- Even under the 1.5°C scenario, health hazards will increase due to simultaneous heat waves and droughts



Increase in the average temperature
Rise of 0.4°C
from the current temperature
(Sixth Assessment Report from the IPCC)

Average annual precipitation
7-9% increase from the current level
(Sixth Assessment Report from the IPCC)

There are only slight environmental changes

4°C

scenario

Changes in external conditions (as of 2030)

As a result of prioritizing industrial activity and continuing to implement only minor decarbonization efforts, temperatures will continue to rise and natural disasters will intensify

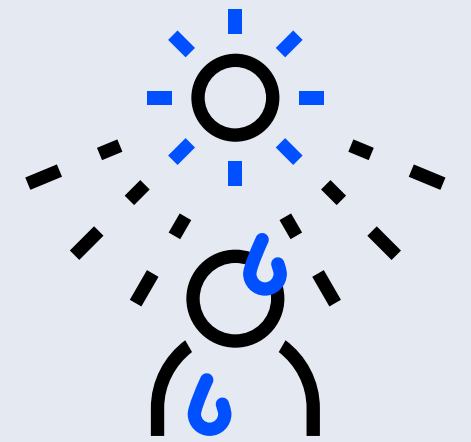
Climate-related
Financial Disclosure
TBS 2022

Natural environment

- Increased frequency and intensity of heavy rainfall and flooding
- Frequent landslides and mudslides due to heavy rainfall
- Increased intensity of typhoons and cyclones



- Increased difficulty in accessing safe water
- Reduced land area due to rising sea levels
- More severe ecosystem loss due to changes in vegetation
- Decreased labor productivity and an increase in heat strokes due to heat waves

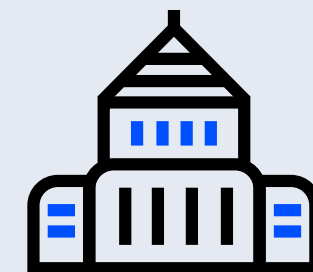


More intense weather-related disasters

Government

Introduction of policies to enhance business continuity plans (BCPs)

- Requiring enhanced BCPs and resilience to cope with more severe disasters



Investors and financial institutions

Greater requirements for enhanced BCPs on the part of companies they have invested in and loaned money to

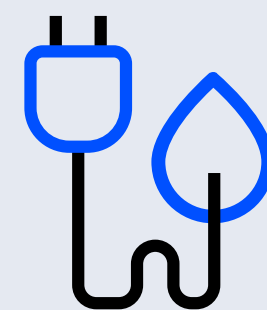
- Requirements for disaster preparedness by and enhanced BCPs from companies they have invested in



Economy and business

Greater need for products and services to cope with disasters

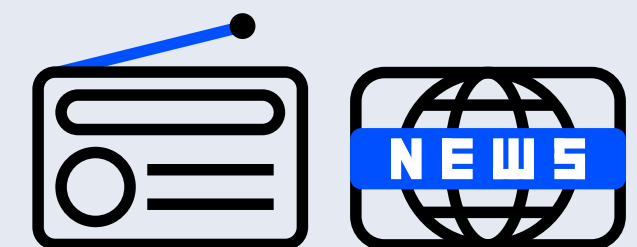
- Accelerated development of goods and services for disaster preparedness
- Advances in and reduced costs of technologies associated with BCPs
- Required costs will decrease as efforts to enhance BCPs become more commonplace



Consumers/customers

Changes in lifestyle/economic activity due to rising temperatures

- Greater need for weather information due to an increased awareness of disaster preparedness
- People will refrain from leaving their homes due to heat waves
- Greater need for events to cool off during the summer





Transition risks

Risks posed by changes in climate change policies and regulations, technological development, market trends, market valuations, etc.

① Introduction and strengthening of decarbonization regulations

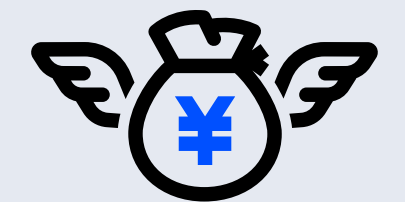
Targets for reduced CO₂ emissions will become stricter each year, affecting business activities.

- ▶ The cost of reducing emissions will increase for each company, increasing the risk of an economic downturn

Costs will increase due to the imposition of a carbon tax on a company's CO₂ emissions and the mandate to use facilities and equipment with low CO₂ emissions

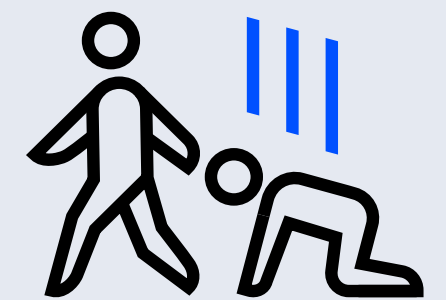
- ▶ Financial impact of a carbon tax and carbon offset costs
- ▶ Financial impact of a shorter cycle for upgrading equipment

*Risks for both TBS and corporate clients



② Reputational risk from greater external pressure to take environmental action (e.g., companies, viewers, and investors)

TBS is at risk of being criticized, resulting in fewer ad placements, if we do not fulfill our role as a news organization in accordance with society's expectations or if we fail to take action on environmental issues such as decarbonization



➡ Enhanced policies to achieve a decarbonized society and changes in external conditions (public opinion) could be major risks

Physical risks

Risk of acute or chronic damage due to disasters and other events caused by climate change

① Changes in broadcast content due to weather-related disasters

An increased number of special broadcasts on disasters will reduce the airtime for regular programs

② Development of policies to introduce and enhance our BCP

Implementing a system that can withstand severe disasters (a more robust system is required)



➡ Increased expenses to cope with more intense natural disasters could affect the economy and pose a major risk



1.5°C
scenario

Opportunities

Opportunities for business and growth

① A greater need for environmental awareness campaigns

Increased revenue as a result of a greater need for content creation and advertising campaigns that help to address climate change and environmental issues

② Advances in technologies to reduce energy consumption

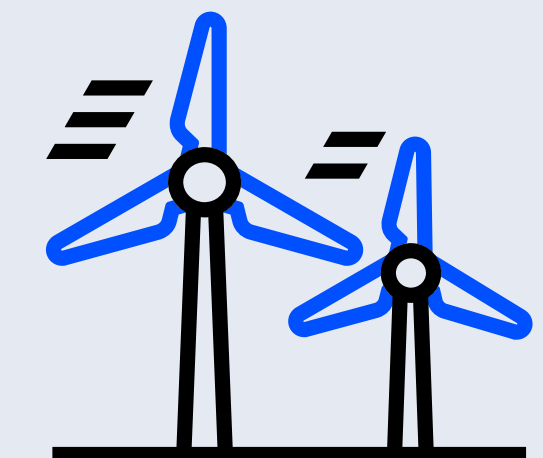
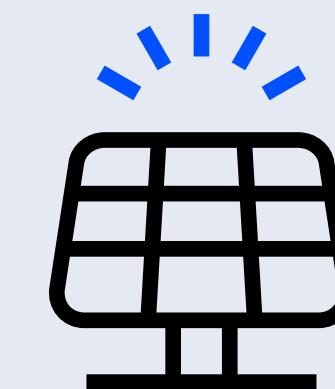
Reduced energy use and associated electricity costs as a result of advances in technologies to reduce energy consumption
Increased revenue from external sales of a framework for low-carbon programming and other products

③ Reduced procurement costs as a result of renewable energy

Reduced procurement costs due to increased use of renewable energy

④ Advances in technologies to reuse materials and equipment

Reduced costs as a result of the shared use of materials and equipment, promotion of the reuse of materials, etc.



4°C
scenario

Opportunities

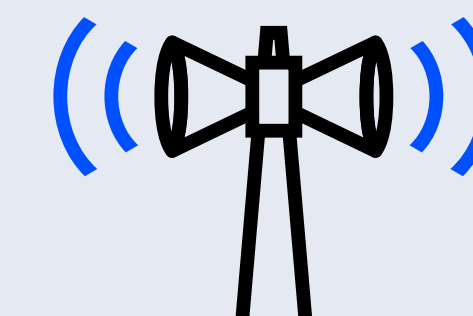
Opportunities for business and growth

⑤ Increased need for information in relation to weather and disaster preparedness

Increased revenue in conjunction with a greater need for programs and information on the weather and disasters on the part of viewers and advertisers

⑥ Greater requirements to increase the resilience of our reporting capabilities

An enhanced reputation as a result of ensuring the resilience of our reporting capabilities in conjunction with more frequent severe disasters



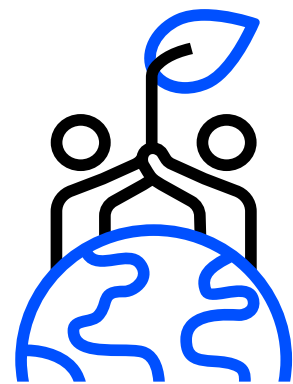
Business impact assessment

Estimates for situations identified as **risks** and **opportunities**. The extent of the impact on each situation is indicated by **arrows**.

Classification	Situation	What will be affected	1.5°C scenario	4°C scenario
			Impact	Impact
Transition risks	Introduction and strengthening of decarbonization regulations	Costs	↓ ↓	—
	Establishment of advertising rules by entities such as the government and industry associations in terms of CO ₂	Sales	↓ ↓	—
	Greater external pressure to take environmental action (obtaining environmental accreditation)	Costs	↓	—
	Greater external pressure to take environmental action (fewer ads placed by advertisers)	Sales	↓ ↓	—
Physical risks	Contraction of the advertising market in conjunction with weather-related disasters	Sales	↓ ↓	↓ ↓
	Damage to assets and equipment due to weather-related disasters	Costs	—	↓ ↓
	Diminished corporate reputation due to an inadequate BCP	Sales	↓ ↓	—
Opportunities	Advances in technologies to reduce energy consumption	Costs	↑ ↑	—
	Greater government subsidies for environmental efforts	—	↑ ↑	—
	Reduced procurement costs as a result of renewable energy	Costs	↑ ↑	↑ ↑
	Advances in technologies to reuse materials and equipment	Costs	↑	—
	Greater need for environmental awareness campaigns (increase in ad placements)	Sales	↑	—
	Greater need for environmental awareness campaigns (increase in media revenue)	Sales	↑ ↑	—
	Increased need for information in relation to weather and disaster preparedness	Sales	—	↑
	Greater requirements to increase the resilience of our reporting capabilities	Sales	—	↑ ↑

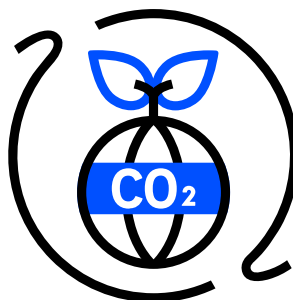
* Impact: 1 arrow indicates a financial impact of less than ¥100 million, and 2 arrows indicate a financial impact of between ¥100 million and ¥1 billion. The impact of risks and opportunities is difficult to estimate. This impact is merely a qualitative assessment of some situations, so it is shown here as “—”.

Efforts stemming from **risks** and **opportunities**. This is where TBS is taking the lead.



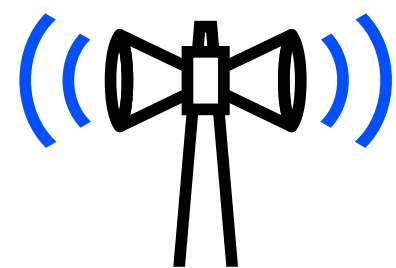
Raising awareness of climate change and occasioning “the start of a social movement”

- Actively conducting campaigns beyond programs and broadcasts, such as SDG Week and Challenge CO₂ [a campaign to reduce CO₂], and creating a movement involving viewers and clients



Actively work to decarbonize the company

- Implementing comprehensive efforts such as physically reducing CO₂ emissions and replacing energy sources
- The company is starting its efforts to achieve carbon neutrality with broadcasting and production facilities such as the Broadcasting Center and the Midoriyama Studio, and it aims to achieve net-zero emissions in other segments in the future
- Actively promoting research on and adoption of techniques for low-carbon program production to lead the industry



Coverage of disasters that is trusted by viewers

- The company is preparing for more intense disasters, and TBS/JNN will further enhance its coverage of disasters through its nationwide network
- Earning the overwhelming trust of viewers by providing detailed information through various channels including terrestrial broadcasting as well as online broadcasting, such as TBS News Dig Powered by JNN.

These efforts should improve our brand and promote sustainable development

Seeking to be a corporate group that continues to be trusted by society by helping to promote the decarbonization of society as a whole through the dissemination of information and by promoting the decarbonization of our own operations

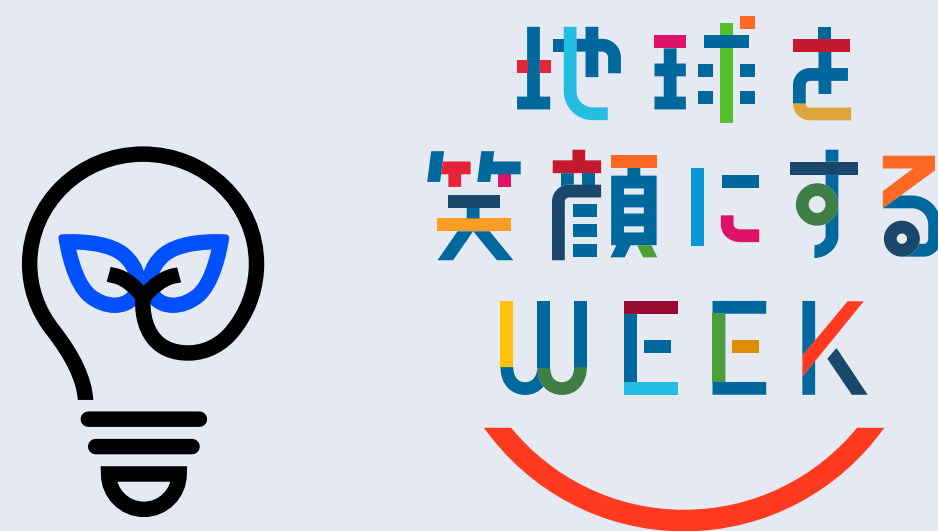
Our most recent efforts

Actively conducting campaigns such as SDG Week

- Actively providing information on efforts to combat climate change around the world
- Meeting the needs of our viewers

Promoting reduced energy consumption and use of renewable energy and actively disclosing information related to the environment

- Disclosing our practices enhances the credibility of our message



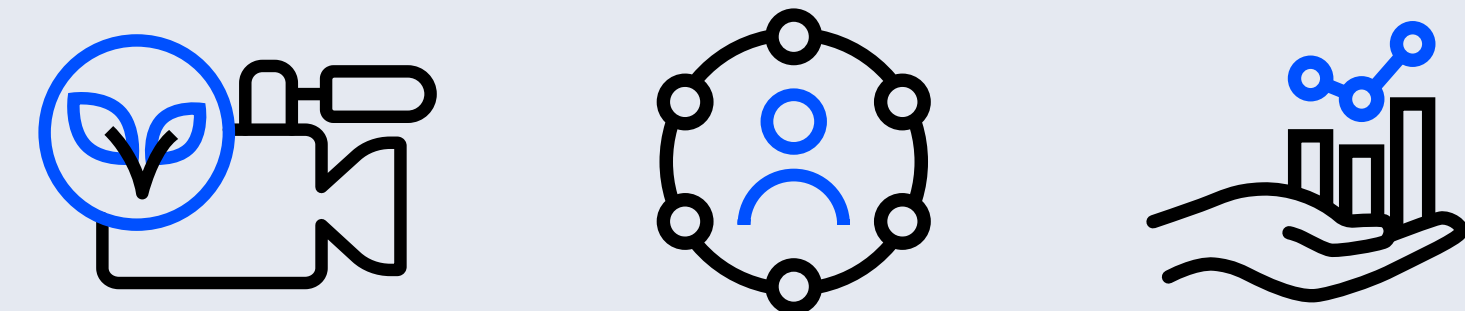
Medium- and long-term efforts

The process of producing carbon-free content

- Developing environmentally friendly production techniques, including the depiction of CO₂ emissions in program production
- Licensing of those techniques could also generate revenue

Active investment in the area of decarbonization

- Investing in and collaborating with startups that are active in the area of decarbonization to enhance new possibilities
- Developing and finding low-carbon energy sources



Efforts in line with TBS' concept of materiality

- Serving as the starting point for a social movement through content on *achieving the SDGs*
- Setting and implementing targets to achieve “zero carbon” emissions
- Promoting environmentally friendly *sustainable content production*
- Fully *engaging* with shareholders and other various stakeholders

Increasing corporate resilience by meeting society’s expectations regarding the distribution of information and seeking to become a corporate group that continues to be trusted by society as a news organization

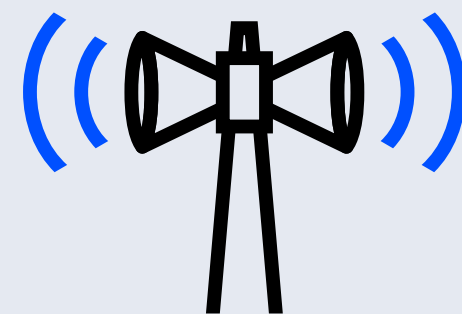
Our most recent efforts

Enhancing the dissemination of information related to weather and disaster preparedness

- Planning programs and content related to the weather and disaster management
- Disseminating information on natural disasters through a variety of channels

Preparing for more intense natural disasters

- Increasing the resilience of our reporting capabilities to cope with more frequent severe disasters



Medium- and long-term efforts

More environmentally friendly programming

- Producing programs predicated on the reuse of existing resources and assets
- Increasing recycling and reuse, including reusing sets
- Devising efficient filming and editing processes with reduced CO2 emissions in mind

Preparing for more intense natural disasters

- Upgrading to the latest equipment and facilities to help enhance our BCP



Efforts in line with TBS’ concept of materiality

- Further enhancing our capabilities as an “information lifeline” in the event of a disaster
- Serving as the starting point for a social movement through content on *achieving the SDGs*
- Developing and using technologies that increase operational efficiency and reduce work
- Promoting environmentally friendly *sustainable content production*

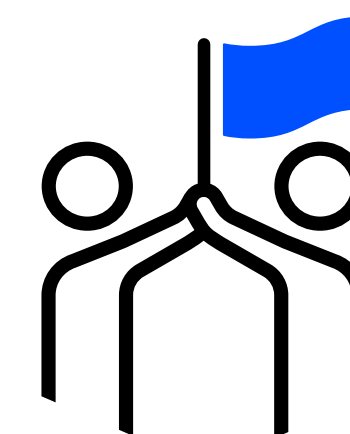


Governance
Strategy
Risk Management
Indices and Targets



The TBS Group has organized the General Risk Management Committee under the Corporate Activities Committee, which is chaired by the President and Representative Director, to identify and manage major risks, including climate-related risks, that may occur in the course of the Group's business operations. Departments faced with climate-related risks identify, analyze, and evaluate major risks in light of their impact and likelihood of occurrence, and they determine policies to cope with those risks. In principle, departments report those risks and their policies to cope with them to the General Risk Management Committee semi-annually, in April and November.

In an effort to combat climate change, the company seeks to comply with laws and ordinances such as the Law Concerning the Promotion of the Measures to Cope with Global Warming of the Ministry of the Environment and the Environmental Protection Ordinances of the Tokyo Metropolitan Government. The company is implementing various efforts to reduce energy consumption to reduce greenhouse gas (GHG) emissions. These efforts are reported to the Committee to Promote Reduced Energy Consumption, chaired by the executive officer in charge of general affairs, and the Committee manages the implementation of policies.



Governance
Strategy
Risk Management
Indices and Targets

Setting targets

Fiscal Year 2023

Achieving carbon neutrality

at the TBS Broadcasting Center , buildings in the Akasaka Sacas complex , and the Midoriyama Studio

Achieving carbon neutrality at TBS' three main facilities is the first step toward "setting and implementing targets to achieve 'zero carbon' emissions," which is part of the TBS Group's concept of materiality. This will be achieved by further reducing CO₂ emissions (Scope 1 and 2) and procuring renewable energy. Buildings in the Akasaka Sacas complex and the Midoriyama Studio have already converted 100% of their power consumption to renewable energy (the former in 2019 and the latter in 2021). In addition to those two facilities, the TBS Broadcasting Center, which houses the company headquarters and studios, will also be converting its power consumption to renewable energy. This means that nearly 70% of TBS TV's regular programs will be recorded in the studio or broadcast live with "zero CO₂ emissions."

In addition to working to further reduce emissions and to utilize renewable energy at the TBS Broadcasting Center, we will begin calculating Scope 3 emissions. Each of the Group's companies will also work on calculating and reducing GHG emissions.

TBS will continue to draw on its characteristics as a content-producing group with varied media, to serve as a locus for partnerships among industry, academia, the government, and the public in order to achieve a decarbonized society through campaigns and other efforts, and to occasion "the start of a social movement."

Scope 1 and 2 reduction

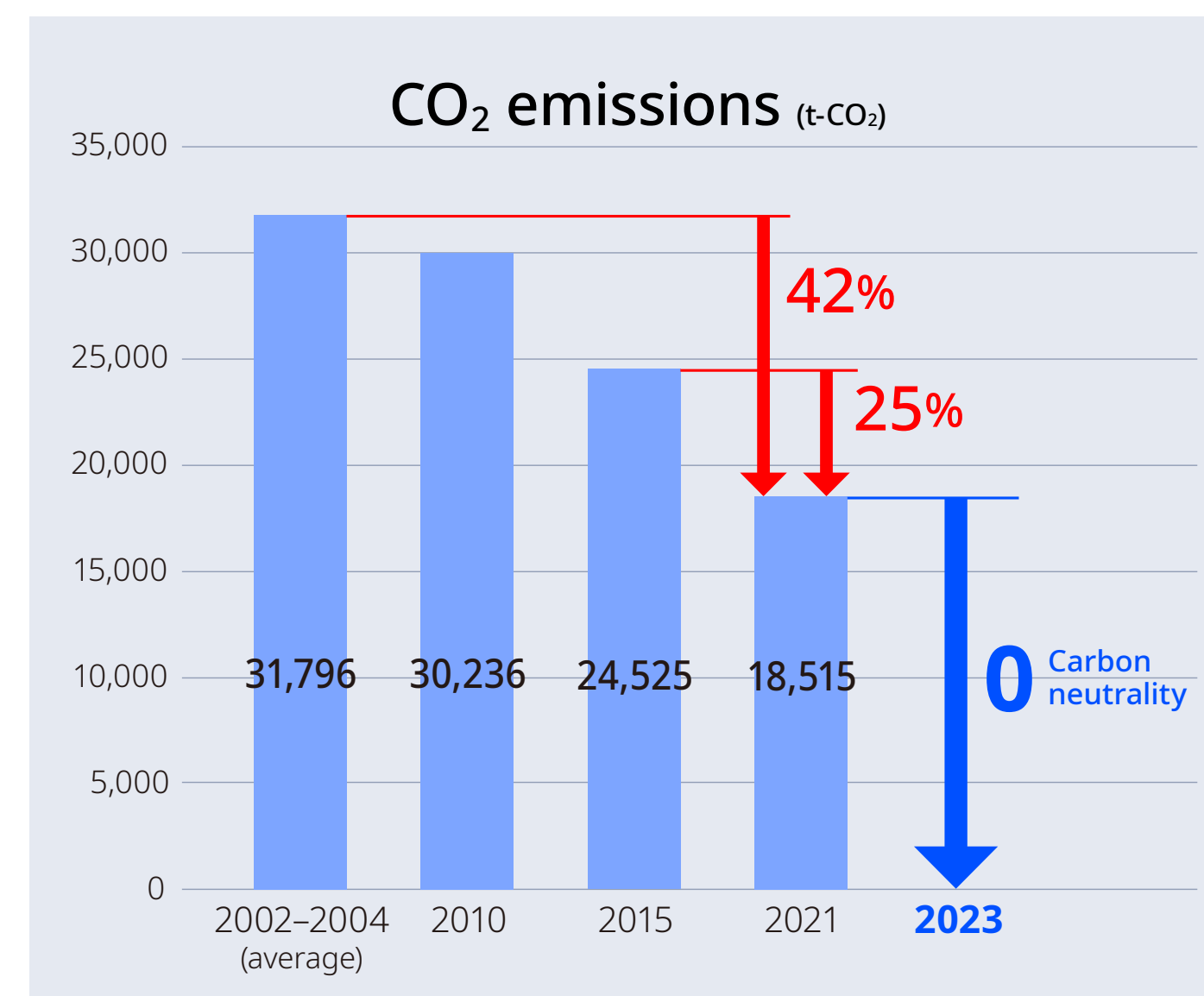
Reduction of energy consumption

TBS achieved a 42% reduction in CO₂ emissions by the Broadcasting Center and buildings in the Akasaka Sacas complex by 2021, compared to the average emissions from 2002-2004, and a 25% reduction compared to 2015. The main method of reducing CO₂ emissions at the Broadcasting Center was by reducing power consumption via upgraded equipment in studios. Power consumption has been reduced by about 30% thus far by approaches such as switching to LED lighting in studios. The use of inverter air conditioners at all of the buildings and reduced hours of use are also helping to reduce power consumption.

The Broadcasting Center plans to upgrade equipment in studios A and B, which are the largest studios, and switching to LED lighting and other approaches should reduce power consumption.

Moreover, the Group has a power plant (a co-generation station, or CGS) in the basement of corporate headquarters as part of its BCP to ensure power is supplied during an outage or disaster and to continue broadcasting, which is the responsibility of a news organization. Extending the duration of the shutdown at night from the current 2 and a half hours to 5 hours would allow CO₂ emissions to be reduced by approximately 200 tons per year.

In the medium- to long-term, we will strive to further reduce emissions by approaches such as examining a switch to even more efficient equipment.



Scope 1 and 2 reduction

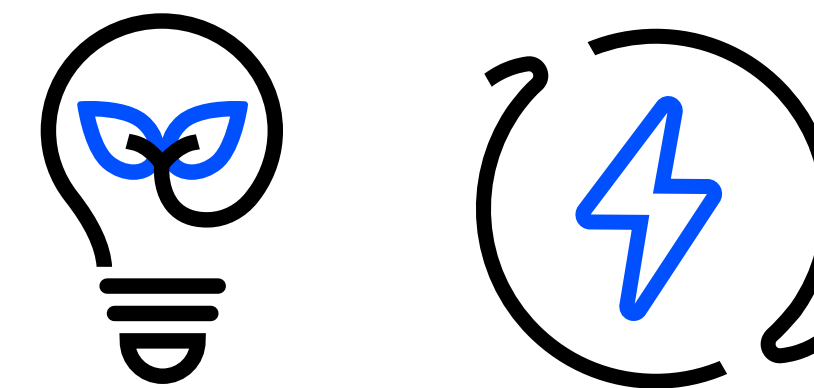
Conversion of consumed power to renewable energy

In 2018, the Group entered into a capital and business alliance with UPDATER Inc. (formerly *Minna Denryoku* [Everyone's Power]), a venture company dealing with renewable energy, and it has promoted the use of renewable energy.

The Toda Transmitting Station, the main transmitting station for TBS Radio's AM broadcasting, converted to 100% renewable energy in December 2018, and the TBS Akasaka ACT Theater and two other buildings in the Akasaka Sacas complex converted to 100% renewable energy in October 2019.

In 2021, TBS' Midoriyama Studio completed the conversion to renewable energy for the power it uses, becoming one of the largest "studios running on 100% renewable energy" in Japan. This means that the portion of TBS dramas shot in-studio since the April 2021 season has been produced with "zero CO₂ emissions."

In the future, the TBS Broadcasting Center will also seek to convert to 100% renewable energy.



Responsibilities of the TBS Group

TBS has conducted a company-wide SDG campaign entitled “WEEK to Make the Earth Smile” twice a year since 2020. Under the slogan “Let’s try action, SDGs”, the campaign calls for taking action on various social issues, including climate change and global warming. According to a survey^{*1}, 90.8% of people who continued to watch the program said that they “have taken or want to take action on SDGs,” nearly double the percentage of non-viewers (46.1%).

We also focus on internal initiatives and raising awareness among employees and staff.

The news program “News Studio” has succeeded in reducing the amount of paper used per broadcast by 58% by eliminating printing of scripts on paper and by converting to tablets since April 2022. We are also promoting the reuse of sets in our dramas by, for example, sectioning frequently used operating room and courtroom sets into units. We have broken down discarded wood and Styrofoam into smaller pieces, thus achieving a high recycling rate of around 90%.

In parallel with the SDG campaign, we are also conducting a “3R Campaign” involving all of our employees and staff. The “Reduce Campaign” in the spring of 2022 reduced the use of paper in each workplace and achieved a 9.4% reduction in paper waste compared to the same month last year.

As a news organization and a content-producing group with varied media, TBS’ responsibility is to work toward a decarbonized society by drawing on its ability to communicate and influence and by initiating “the start of a social movement.”

^{*1} Viewing effects survey by Video Research (May 2022)

TBS

From each moment, a better tomorrow.