

Editorial Policy

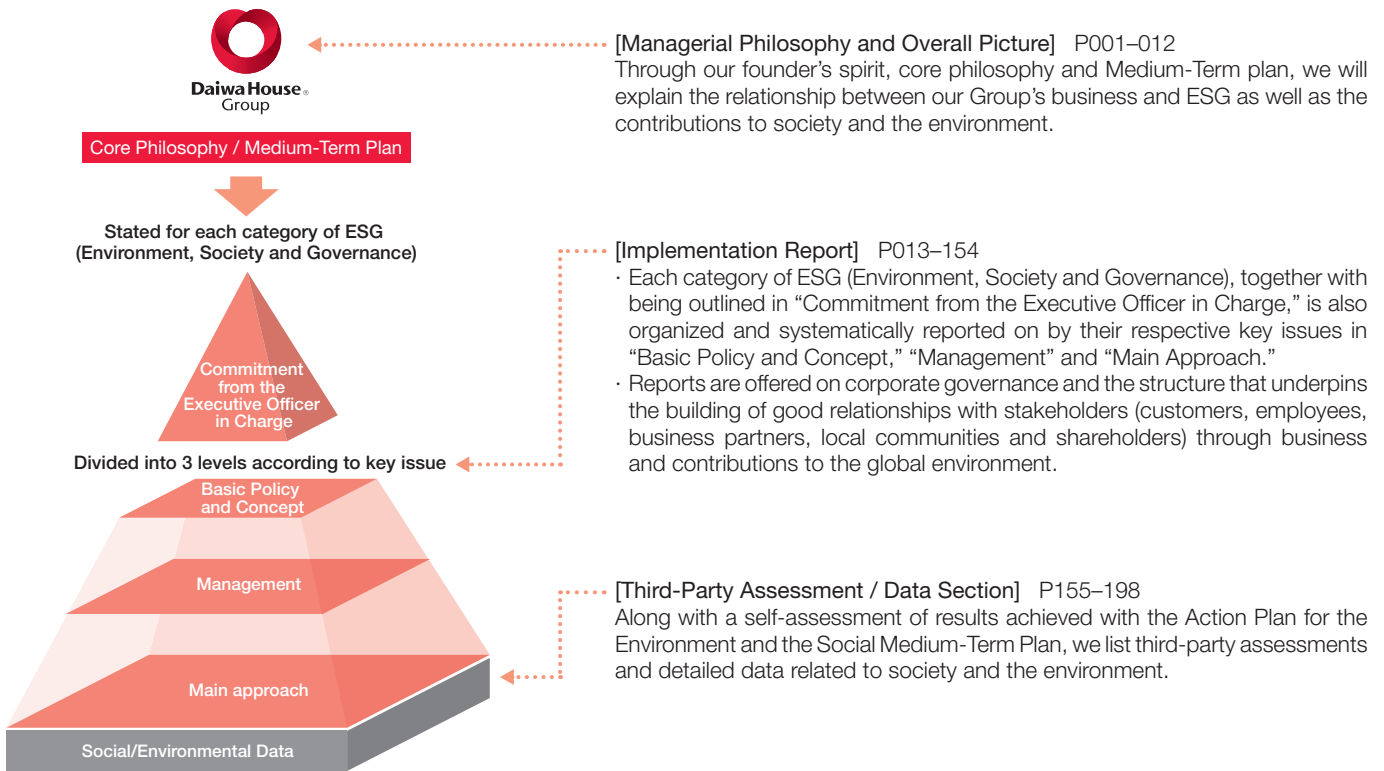
Purpose of Publication

To realize management sustainability, the Daiwa House Group has divided the Sustainability Report 2021 (hereafter “this report”) by three purposes.

- ① **Accomplish accountability:** As a group that maintains the stance of Co-creating a Brighter Future, we will take accountability for contributions to society and the environment as well as reduction in environmental impacts through business.
- ② **Acquire appropriate third-party evaluations:** We will disclose information based on requests from stakeholders who are particularly interested in corporate ESG, including corporate assessment agencies, long-term investors, NGOs, and experts. We especially understand that ESG assessment items of corporate assessment agencies are “a collection of the expectations and demands of a global society and stakeholders,” and are aiming to acquire appropriate evaluations.
- ③ **Utilization for improvements in management:** As part of the “third-party checks” that we use in the PDCA cycle of management, we make improvements by implementing the points cited in third-party ESG evaluations and dialogues reported herein. We feed back the results of ESG evaluations through important meetings to persons in the company like the sustainability representatives from each department who were involved in the preparation of this report, in addition to the key officers and Executive Officer in charge of the Environment who have close relationships with stakeholders, department managers and others who were interviewed for this report.

Page Layout, Included Content

- This report is broadly comprised of three parts, namely “Managerial Philosophy and Overall Picture,” “Implementation Report,” and “Third-Party Assessment / Data Section.”
- The “Implementation Report” brings into focus the individual efforts taken for each element of ESG (Environment, Society and Governance). It also reports on “Commitment from the Executive Officer in Charge” for each category, as well as the progress of initiatives for respective priority issues of the Action Plan for the Environment (P020) and the Social Medium-Term Plan (P064) that we started in fiscal 2019.
- The description of “Corporate Governance,” as is listed in the Contents, is limited to corporate governance (P146–154) as pertains to supervision and decision making, while internal control in this report is positioned in the social domain, and is reported in the chapter on “Risk countermeasures base” (P129–145).



Reporting Media

The Sustainability Report is published in both Japanese and English.

Target Readers

The target readers include a wide range of stakeholders such as corporate assessment agencies, long-term investors, NGOs and experts as well as customers, business partners, employees, local communities (including NPOs) and the government.

Reporting Organizations

The report is centered on Daiwa House Industry and Daiwa House Group companies (381 consolidated subsidiaries, 61 equity-method affiliates and 1 non-equity-method affiliate as of March 31, 2021).

Report Period

The report mainly focuses on the 2020 fiscal year (April 1, 2020 to March 31, 2021) but activities before and after this fiscal period are included when necessary.

Referential Guidelines

GRI (Global Reporting Initiative) Sustainability Reporting Standards, International Organization for Standardization “ISO26000,” “Environmental Report Guidelines (2018 edition)” from the Japanese Ministry of the Environment, IIRC “International Integrated Reporting Framework,” “Guidance for Collaborative Value Creation” from the Japanese Ministry of Economy, Trade and Industry.

Issued

July 2021 (Issued once a year, next issue scheduled for July 2022)

* English version is scheduled in September 2022

Contents

Chapter 00 Managerial Philosophy and Overall Picture

Business Philosophy Guided by Our Founder's Spirit

Origins of the Daiwa House Group	001
Editorial Policy	002
Contents	003
Message from the President	004
Realizing Management Vision that Embodies Our Founder's Spirit ...	008

Feature

The Decarbonization Challenge	009
-------------------------------------	-----

Chapter 01 Implementation Report Environment

Management

Commitment from the Executive Officer in Charge	014
Long-Term Environmental Vision	017
Action Plan for the Environment (Endless Green Program)	020
General (Expand environmental contribution business)	022
Reinforcing the foundation of environmental management	023
Environmental Management/Supply Chain Management (Environment)/Eco Communication	

Focal theme

1 Mitigating and adapting to climate change (Energy)	031
2 Harmony with the natural environment (Preservation of biodiversity)	042
3 Closed-loop Resource Sourcing and Conservation of Aquatic Environments (Greater Durability and Waste Reduction)	048
4 Prevention of Chemical Pollution	054

Chapter 02 Implementation Report Society

Management

Commitment from the Executive Officer in Charge	060
Long-Term Social Vision	063
Social Medium-Term Plan (Endless Social Program)	064
CSR Management	066
Human Rights Management	068
Priority issues of our Social Medium-Term Plan (Endless Social Program 2021)	073

Focal theme

1 Innovation base	077
Issue 1: Build platforms for innovating solutions to social issues	
Issue 2: Promote social inclusion in real estate development Developing long lasting, safe and secure products/ Developing products to solve challenges facing society	
2 Human resources base	088
Issue 3: Work style reform for employees	
Issue 4: Upgrade human resource development and recruitment	
Issue 5: Promote diversity and inclusion	

3 Technology and manufacturing base	102
Issue 6: Enforce safety/security at construction sites	
Issue 7: Improve productivity in manufacturing operations with the cooperation of business partners	
Issue 8: Promote and improve the efficiency of CSR procurement across the Group	
4 Customer base	115
Issue 9: Upgrade corporate communications	
Issue 10: Promote customer support to maintain long-term relationships	
5 Communication base	121
Issue 11: Integrate and upgrade financial and nonfinancial communications	
Issue 12: Keep pace with rapidly evolving communication environments Community Service and Cocreation Activities: Contribution to Local Communities	
6 Risk countermeasures base	129
Issue 13: Prepare business continuity plans on the premise of natural disasters/extreme weather	
Issue 14: Establish human rights due diligence at plants	
Issue 15: Establish corporate ethics and compliance rules	
Issue 16: Build management base for global business development from a long-term perspective Internal Control/Risk Management/Anti-corruption	

Chapter 03 Implementation Report Corporate Governance

Management

Commitment from the Executive Officer in Charge	147
---	-----

Corporate Governance	149
----------------------------	-----

Chapter 04 Third-Party Assessment / Data Section

Cooperating with Third Parties and Their Assessment

Cooperating with Third Parties	156
Main certifications and awards	158
Inclusion in ESG indices	162

Data Section


Corporate Data / Financial Information	164
Medium-Term Plan Self-Assessment Indices	166
Environmental Data	170

Third-Party Assurance Report

Third-Party Assurance Report	199
------------------------------------	-----

Editorial Postscript

Editorial Postscript	200
----------------------------	-----

Information on GHG in this report has received third-party certification, and an accompanying  mark indicates all data subject to such certification. (See Third-Party Assurance Report on P199.)