

## ■ Medium-Term Plan Self-Assessment Indices

In fiscal 2006, the Daiwa House Group introduced a CSR self-assessment index to measure and “visualize” the results of our activities for the environment and society. This has been beneficial in making improvements to CSR activities.

Along with the start of the 6th Medium-Term Management Plan, we formulated Endless Green Program 2021 and Endless Social Program 2021. Progress is managed annually by each related department using indices to assess the results of the plan (implementation period: fiscal 2019 to fiscal 2021), with the goal of achieving performance objectives and strengthening management foundations.

The results of our self-assessment for fiscal 2020 are as follows.

- 🟢 : Target for fiscal 2020 achieved
- 🟡 : Target for fiscal 2020 not achieved (achieved 90% or more)
- 🔴 : Target for fiscal 2020 not achieved (achieved less than 90%)

### Results and self-assessment of the Action Plan for the Environment (Endless Green Program 2021)




#### ① General

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Products and services	Pursue both environmental stewardship and corporate earnings by developing and selling products/ services that are tied to the environment	Sales of environmental contribution business	Daiwa House Group	1,117.2 billion yen	1,227.7 billion yen	1,200.0 billion yen	1,256.4 billion yen	🟢	1,400.0 billion yen	022, 172






#### ② Mitigating and adapting to climate change (Energy)

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Procurement	Provide important suppliers with support in setting targets and promoting efforts	Setting rate of principal suppliers' greenhouse gas emissions reduction targets	Daiwa House Group	54%	70.6%	80%	80.4%	🟢	90% (self-imposed targets)	028, 032, 175, 185
Business activities	Continue ZEB practices with new constructions, and energy-efficiency improvements and systematic equipment replacement with existing facilities	GHG emissions (from the fiscal 2015 level, per unit of sales)		26.3% reduction	31.9% reduction	30% reduction	39.3% reduction	🟢	35.0% reduction	032, 175
	Expand power generation projects driven by renewable energy (wind, solar, hydro and biomass)	Energy efficiency (EP100) (from the fiscal 2015 level)	1.27 times	1.34 times	1.3 times	1.46 times	🟢	1.4 times	176, 185	
		Renewable energy utilization rate (RE100)	0.23%	0.30%	7%	8.5%	🟢	10%	177, 186	
		Renewable energy rate	84%	96%	100%	133%	🟢	100%		
Products and services	Promote ZEH, ZEB and Green Building certification	GHG emissions derived from use of products (from the fiscal 2015 level, per area)	Daiwa House Industry	20% increase	19% increase	4% reduction	14% increase	🔴	6% reduction	179
		ZEH sales rate		29%	41%	55%	58.0%	🟢	70%	036, 179
		ZEB sales rate		22%	33.4%	35%	39.6%	🟢	40%	179
		Rate of Green Building Certification obtained		15%	5%	50%	75.5%	🟢	80%	037, 180





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### ③ Harmony with the natural environment (Preservation of biodiversity)

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Procurement	Procuring sustainable timber	Ratio of S-ranked timber	Daiwa House Group	94.9%	94.3%	96%	95.1%		97%	043, 045, 187
		Ratio of C-ranked timber		2.1%	0.6%	0.5%	0.5%		0.0%	
Business activities	Promote greening at our and Group company facilities	Development of the company's facilities filled with greenery* * JHEP, ABINC, SEGES	Royal Home Center Daiwa Resort	4 (cumulative)	7 (cumulative)	8 (cumulative)	8 (cumulative)		9 (cumulative)	043, 187
	Promote 3R activities with plastics at service centers	Purchase volume of plastic shopping bag (from the fiscal 2017 level)		—	0.7% increase	2.0% reduction	50.6% reduction		70% reduction	044
Products and services	Promote the preservation and creation of green spaces in projects and community development	Compliance rate with voluntary standards	Daiwa House Group	100%	100%	100%	100%		100%	043, 188




### ④ Closed-loop Resource Sourcing (Greater Durability and Waste Reduction)

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Business activities	Promote 3R activities with construction waste	Construction waste emissions (per unit of sales)	Production	61.9 kg/million yen	61.4 kg/million yen	62.0 kg/million yen	61.2 kg/million yen		62.0 kg/million yen	049, 191
		Construction waste emissions (per m <sup>2</sup> )	New construction	19.3 kg/m <sup>2</sup>	18.7 kg/m <sup>2</sup>	19 kg/m <sup>2</sup>	21.1 kg/m <sup>2</sup>		19 kg/m <sup>2</sup>	
		Recycling rates		96.6%	97.1%	97%	97.7%		97% and above	
		Waste plastics recycling rate		90.1%	91.2%	90%	91.7%		90% and above	



### ⑤ Conservation of Aquatic Environments

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Business activities	Identify and minimize risks to water resources	Water consumption (from the fiscal 2012 level, per unit of sales)	Daiwa House Group	28.2% reduction	30.5% reduction	33% reduction	41.5% reduction		34% reduction	049, 192
Products and services	Reduce water consumption in our corporate facilities as well as houses and buildings	Water-saving device adoption rate (housing and hotels)		94%	89%	96%	97%		97%	053, 194

### ⑥ Prevention of chemical pollution

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Business activities	Reduce the use of toxic chemicals in production stages	Release and transfer of PRTR (from the fiscal 2012 level, per unit of sales)	Daiwa House Group	49.9% reduction	57% reduction	57% reduction	63.0% reduction		57% reduction	055, 195
		VOC emission (from the fiscal 2013 level, per unit of sales)		20.4% reduction	12% reduction	12% reduction	23.7% reduction		15% reduction	
Products and services	Further improve indoor air quality of residential houses and facilities	Compliance rate with voluntary standards		100%	97%	100%	96%		100%	055

### ⑦ Environmental education

Focal themes		Management indicator (KPI)	Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
Develop human resources for environmental management and improve environmental awareness and knowledge of the entire workforce		Number of those who acquired the Eco Test certification	Daiwa House Group	4,402	8,218	10,000	11,818		15,000	025, 173
		Green purchasing ratio		—	96%	95%	96%		95%	174

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## Results and self-assessment of the Social Medium-Term Plan (Endless Social Program 2021)

### ① Innovation base

Focal themes	Assessment indices (KGI)		Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
	Indices	Benchmarks								
1. Build platforms for innovating solutions to social issues	Number of cooperative new business ventures or joint R&D projects that helped to solve social issues	Set with FY 2018 results	Daiwa House Industry	Figures are not disclosed			<span style="color: green;">⊙</span>	Maintain a high level both in terms of quantity/ quality using fiscal 2018 as a benchmark	077-079	
2. Promote social inclusion in real-estate development	Percentage developed of large projects based on Community Development Guidelines and large-scale construction by our divisions	Figures unavailable as it was prior to establishing system		Not applicable (prior to Establishing system)	Building the system	70%	Building the system	—	70%	078, 081

### ② Human resources base

Focal themes	Assessment indices (KGI)		Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
	Indices	Benchmarks								
3. Work style reform for employees (by creating workplace environments that both maximize results and ensure health and safety)	Improvement in "motivation" of entire workforce * Calculated based on question about "motivation" on a sustainability survey.	FY 2018: 65%	Daiwa House Industry	65%	65%	70%	71%	<span style="color: green;">⊙</span>	80%	088-089
4. Upgrade human resource development and recruitment (by building programs based on projected 2030 group requirements)	Retention rate of young employees (3 years after joining the company)	FY 2017: 82.6% * Entered the Company in April 2015		73.9%	75.4%	90%	78.6%	<span style="color: orange;">○</span>	90% and above	089-090
5. Promote diversity and inclusion	General indices for diversity and inclusion * Calculated from the following items. Figures for April 1 of the fiscal year following the last fiscal year	FY 2017 Set with (April 1, 2018 results)		—	—	—	—	—	—	—
	① Percentage of women managers	3.3%	3.6%	4.1%	4.5%	4.5%	<span style="color: green;">⊙</span>	5%	090, 101	
	② Percentage of line leaders amongst women managers	27.6%	24.1%	25.0%	35%	21.5%	<span style="color: red;">△</span>	40%	090	
	③ Percentage of women engineers	4.3%	4.6%	4.9%	5.5%	4.9%	<span style="color: orange;">○</span>	6%	090	
	④ Percentage of women sales reps	9.1%	9.9%	10.2%	12%	9.9%	<span style="color: red;">△</span>	13%	090, 101	
⑤ Percentage of women amongst new college recruits	28.4%	27.2%	24.8%	30%	23.5%	<span style="color: red;">△</span>	30%	090, 101		




### ③ Technology and manufacturing base

Focal themes	Assessment indices (KGI)		Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
	Indices	Benchmarks								
6. Enforce safety/security at construction sites	Frequency of worksite industrial accidents * Number of industrial accidents related fatalities/injuries per 1 million hours of work (Injuries requiring 4 or more days-off)	FY 2018: 0.23	Daiwa House Industry	0.23	0.19	0.21	0.16	<span style="color: green;">⊙</span>	0.21	102-103
7. Improve productivity in manufacturing operations with the cooperation of business partners	Number of days off per annum for construction site workers	FY 2018: 77 days		77 days	88 days*1 (6 days-off for every 4 weeks)	100 days (7 days-off for every 4 weeks)	100 days*2 (7 days-off for every 4 weeks)	<span style="color: orange;">○</span>	112 days (8 days-off for every 4 weeks)	103-104
	Number of days off per annum for factory workers	FY 2017: 105 days	108 days	111 days	114 days	114 days	<span style="color: green;">⊙</span>	117 days		
8. Promote and improve the efficiency of CSR procurement across the Group	① Percentage of important suppliers that comply with our CSR Procurement Guidelines (Scores of 80 or higher are judged as compliant)	Figures unavailable as it was prior to establishing system	Daiwa House Group	—	42.4%	60%	44.2%	<span style="color: orange;">○</span>	70%	103-104
	② Reply rate to CSR Procurement Guidelines self-check sent to all suppliers	15.1%		—	19.7%	60%	43.5%	<span style="color: orange;">○</span>	70%	103-104





\*1 Results for fiscal 2019 construction site target days off of 88 days are unconfirmed. For fiscal 2018, 93% of partners had obtained the 77 target days off (from questionnaire survey for business partners 2019).

\*2 Total of sites adopting a face recognition access control system. Approx. 80% of sites on average took holidays as scheduled.





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### ④ Customer base

Focal themes	Assessment indices (KGI)		Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
	Indices	Benchmarks								
9. Upgrade corporate communications (new customers)	① Interbrand Japan's Best Domestic Brand/ Brand monetary value	595 million USD	Daiwa House Group	668 million USD	700 million USD	900 million USD	700 million USD		1,000 million USD	115-116
	② Nikkei Corporate Perception Survey Favorability (Individuals)	45.1%		52.5%	44.1%	65%	52.4%		70%	
	③ Nikkei Corporate Perception Survey First-class evaluation (business people)	63.4%		73.6%	71.7%	85%	68.7%		90%	
10. Promote customer support to maintain long-term relationships	Order rate using our customer base (Housing sales by referral)	39.6%	Daiwa House Industry	38.7%	37.4%	60%	39.9%		70%	115-116

### ⑤ Communication base

Focal themes	Assessment indices (KGI)		Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
	Indices	Benchmarks								
11. Integrate and upgrade financial and non financial communications (For investors, government authorities, specialists and internal use)	Establish a system and practices for financial and non-financial communications, and promote understanding that financial and non-financial communications system is fully integrated	Figures unavailable as it was prior to establishing system	Daiwa House Group	Holding small meetings	④ Launch	④ Launch	④ Launch		④ Launch	121-122
12. Keep pace with rapidly evolving communication environments (IT literacy improvement for employees)	Establish communications platforms to ready the workforce for the information age * Following commencement of operations, quantify through usage log for provided communications tools and number of systems improvements	Results unavailable as it was prior to establishing system	Daiwa House Industry	—	—	—	—	—	—	122
	① Build the means for sharing all sorts of information with stakeholders inside and outside the company	Results unavailable as it was prior to establishing system		—	④ Launch	④ Launch	④ Launch		④ Launch	
	② Build the means for effectively using information within the company	Results unavailable as it was prior to establishing system		—	③ Building the system	④ Launch	③ Building the system		④ Launch	
	③ Support introduction of the communications platform at our Group companies	Results unavailable as it was prior to establishing system		—	③ Building the system	④ Launch	③ Building the system		④ Launch	

### ⑥ Risk countermeasures base

Focal themes	Assessment indices (KGI)		Scope	2018 results	2019 results	2020 targets	2020 results		2021 targets	Pages
	Indices	Benchmarks								
13. Prepare business continuity plans on the premise of natural disasters/ extreme weather	Business continuity plan score (points)* <sup>3</sup> (Scoring based on status of efforts in six themes, as assessed by the BCM Subcommittee)	Figures unavailable as it was prior to establishing system	Daiwa House Group	—	44 points	60 points	66 points		100 points	129-130
14. Establish human rights due diligence	Establish a process of due diligence for human rights at plants	Results unavailable as it was prior to establishing system	Daiwa House Industry	Not applicable (prior to establishing system)	① Not started	③ Building the system	② Collecting information		④ Launch	129-130
15. Establish corporate ethics and compliance rules	Internal control system attainment score* <sup>4</sup>	FY 2017: 388 * FY 2021 goal set as 15% advancement	Daiwa House Group	408.1	397.4	436	705.2		447	130
16. Build management base for global business development from a long-term perspective	Improved score on sustainability survey at overseas bases * Surveys target employees at overseas Group companies wholly owned by Daiwa House Industry	Figures unavailable as it was prior to establishing system		Figures unavailable as it was prior to establishing system	Collecting information	Launch	Launch		Benchmarks +5pt	130-131

\*<sup>3</sup> Calculated based on the degree of progress in six indices ① Ensuring employee safety ② Ensuring power and backing up information systems ③ Upgrading aftersales support services for customers ④ Maintaining production purchasing capacity ⑤ Keeping the group functional as a whole ⑥ Establishing a development system based on the long-term risks of customers

\*<sup>4</sup> Calculated from the right 1. Completeness of internal control system ① Systems for collecting and sharing information (Reporting and sharing of risk information, etc.) ② Management and supervisory systems (Operation of Internal Control Committee and other organizations) ③ Training and awareness programs (Implementation of internal training programs and awareness activities via internal notices, etc.)  
2. Degree of damages and losses ① Degree of financial losses and occurrence of serious incidents, etc.