


■ Respect for human rights


Basic policy on respect for human rights

In January 2018, after gaining an understanding of the corporate responsibility to respect human rights set forth in the United Nations Guiding Principles on Business and Human Rights, and after receiving advice from outside experts, we established the Daiwa House Group Human Rights Policy.

It is clearly stated in the Daiwa House Group Principles of Corporate Ethics and Code of Conduct that: “we respect basic human rights and the dignity of all people, we shall not discriminate against anyone on the grounds of race, nationality, ethnicity, gender, sexual orientation, gender identity, disability, age, creed, religion, or social status, and we shall not engage in workplace harassment.” We also prohibit forced labor and child labor in Group companies and our supply chains.


The company also stipulated the harassment prevention regulations pursuant to revisions in relevant laws in June 2020.

 [Daiwa House Group Principles of Corporate Ethics and Code of Conduct](#)

 [Human Rights Policy of Daiwa House Group \(PDF\)](#)


• The Supply Chain Sustainability Guidelines

The Daiwa House Group established principles that underline the responsibilities we expect of our business partners regarding human rights, quality, safety, environment, and compliance. The Guidelines clearly set forth the importance of human rights to ensure our business partners understand the Daiwa House Human Rights Policy.

 [Supply Chain Sustainability Guidelines](#)

• Timber Procurement Policy to Achieve Zero Deforestation

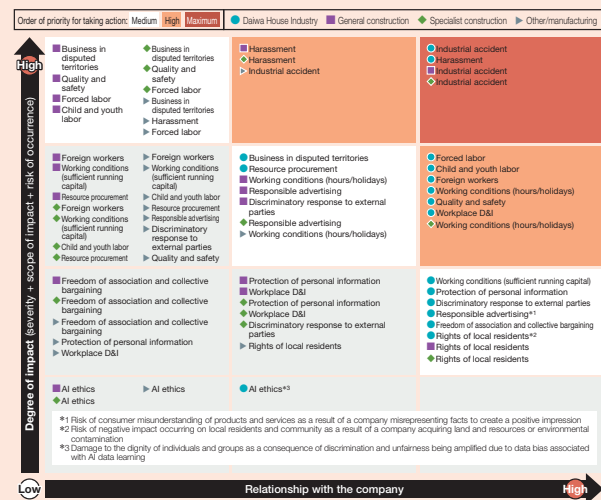
In 2021, we adopted a timber procurement policy aimed at achieving zero deforestation. In accordance with this policy, we aim to purchase timber only from suppliers that handle products harvested or manufactured with due consideration for the safety and rights of indigenous peoples, local residents and workers in the country of origin.


 P031 Zero deforestation policy

• Human rights risk map

We painted a clear picture of our overall assessment in terms of identifying human rights risks in supply chains and their impact. In fiscal 2023, we conducted surveys of our business partners regarding human rights risk related to our business based on the standards set by the government and public organizations, and created a “human rights risk map” from the results.

■ Human rights risk map



 [Sustainability Report 2024](#)
Identifying and assessing negative impact on people in human rights due diligence

Management

Structure relating to human rights issues

In the Daiwa House Group, the momentum for human rights protection is increasing across our entire supply chain as well as in our own business activities. To build on it, we established the Human Rights Promotion Department within our Management Administration Headquarters, which specializes in the day-to-day protection of human rights. In addition, human rights awareness-raising promoters are assigned at our branch offices and Group companies to create a system to immediately respond to and report individual human rights problems. To facilitate access to consultation, harassment prevention experts are appointed as well as the human rights awareness-raising promoters at every branch office in a way that maintains gender diversity to make consultations regarding harassment easier.

Information received by whistleblowing hotlines is reported to the President by the director responsible for human rights every month.

The information is also reported to the Internal Control Committee once every six months.

■ Main committees/departments relating to human rights and themes discussed therein

Committee/department	Main themes discussed (human rights-related)
Human Rights Promotion Department	Human rights in general, harassment, whistleblowing hotlines (Human Rights Hotline)
Human Resources Department	Wages, work hours, freedom of association, collective bargaining rights, etc.
Sustainability Management Department	Whistleblowing hotlines (Partners Hotline)
Disciplinary Committee	Deliberation of inappropriate behavior and disciplinary action
CSR Procurement Subcommittee	Human rights in supply chains
Human rights awareness-raising promoters and harassment prevention experts	Provides consultation relating to human rights at each branch office

■ Respect for human rights

Response to employee harassment issues

· Whistleblower hotline “Human Rights Hotline”

The hotline accepts consultations with regard to harassment, striving for the early detection, and solutions to, harassment in the workplace.



P068 Various whistleblowing systems, target scope of consultation service, operational procedure

· Harassment self-check

The Company has all employees conduct harassment self-checks four times per year. Through these periodic self-checks, we foster a harassment-free workplace culture by reflecting on one's own words and actions, viewing harassment as a personal matter, updating knowledge of harassing behavior, and endeavoring to improve behavior.

· Harassment prevention staff

Harassment prevention staff appointed at branch offices around the country attend regular specialized training courses on harassment, and are also given backup and advice as needed by the Human Rights Promotion Department of the Head Office on how to handle and resolve harassment cases so that they can accept queries at branch offices.



P072 Joint training by human rights awareness-raising promoters around Japan and harassment prevention staff

· Distribution of “Sexual Harassment Self-defense Guidebook” and carrying a personal safety alarm

In addition to distributing to all employees the Sexual Harassment Self-defense Guidebook aimed at preventing sexual harassment and raising awareness of self-defense, women salespeople and those in construction are equipped with personal safety alarms. Rules were also established to cover visits to clients and participation in social gatherings in the course of sales activities to prevent sexual harassment outside the company.

· Policy regarding customer harassment

In April 2025, the Company formulated and announced its policy on customer harassment so as to protect employees from harassment by customers. To appropriately respond to and prevent customer harassment, we have established response methods and procedures, and provide education and training for employees.



➤ Policy regarding customer harassment (Japanese text only)

Human rights awareness-raising activities for employees

· Human rights awareness training for all employees

We conduct training to raise awareness of human rights for all officers and employees via e-learning at least once a year. Through such training, we seek to improve each individual's sense of human rights, thereby leading to the prevention of harassment, while fostering an organizational culture of mutual respect and recognition based on respect for self and others.

· Job grade-specific training to raise awareness of human rights

The Daiwa House Group is focused on training to raise awareness of human rights with the aim of gaining proper knowledge. All employees across the Group, including managers, attend training courses on human rights awareness-raising at least once a year. Further, a program of ongoing human rights-related job grade-specific training for executives, managerial staff, chief staff, and new recruits works to ensure that they will fulfill their responsibilities in accordance with their respective roles.

· Human rights awareness training for new recruits

We conduct human rights awareness training via e-learning for employees who have newly entered the Company. In addition to providing basic knowledge on harassment, internal regulations, and consultation services for all job categories, sales staff and purchasing staff will learn primarily about preventing complicity in discrimination, and about preventing complicity in human rights violations that exist in the supply chain, respectively. Concluding with a confirmation test, they will have acquired knowledge related to human rights.

· Human rights due diligence digital survey

The Group conducts a human rights due diligence digital survey to assess employees' human rights literacy for items considered as high risk on the human rights risk map, with the objective of identifying priority items for mitigating human rights risks and fostering organizational culture. The results of the survey are analyzed and measures are taken to address “items with a high risk of human rights violations.” The human rights due diligence digital survey utilizes services provided by an outside consulting firm, and incorporates the types of human rights risks presented in the United Nations Guiding Principles on Business and Human Rights.

· Human rights slogan contest

The Group solicits human rights slogans every year. In the third round of judging, the votes of all employees select the top and outstanding runner-up entries, the authors of which are presented with commemorative gifts. Out of 29,950 entries in fiscal 2024, four top entries and 20 runner-up entries were chosen and displayed on posters throughout the Company during Human Rights Week (December 4 to December 10). Going forward, we will continue work to raise human rights awareness through the creation of human rights slogans.

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Responding to the Company's employees risky behavior toward our business partners

The Group has established a system to obtain feedback from our business partners with the aim of fostering a corporate structure that enables safe and sustained business activities based on a spirit of co-existence and co-prosperity.

・ Whistleblowing hotline “Partners Hotline”

This hotline is used to identify any speech or behavior by Group employees that may be problematic from an ethical or compliance standpoint, as well as any issues among suppliers, and to strengthen relationships of trust with business partners. The Company corrects any problems identified by the reporting as appropriate. From fiscal 2024, the psychological safety of whistleblowers has been ensured by subcontracting the acceptance of whistleblower reports to an external specialized company.

・ Questionnaire Surveys for Business Partners

To determine if there is any problematic behavior in the relationship the Company's employees have with our business partners, every year we conduct an anonymous survey of members of the Confederation of Partner Companies.

The results of the questionnaire survey are reported to the relevant division executives, including the Company's representative director, and feedback is provided to the offices that serve as the actual contact points with business partners. The results are communicated to business partners, and include improvement measures provided by branch offices.

Response to rights of indigenous people

As we procure timber globally, we have established our Biodiversity Guidelines [Timber Procurement] to avoid complicity in biodiversity loss or human rights violations. In accordance with these Guidelines, we carry out an annual procurement of timber survey and confirm the rights and working conditions of indigenous people. The survey establishes areas with a strong possibility of destroying forests and violating human rights as “high risk areas.” When we ascertain ongoing procurement from such areas, we demand that the relevant suppliers take

corrective action. In fiscal 2024, the percentage of wood procured from such high risk areas, excluding certified wood, was 0.1%. We also amend survey items when needed, including high-risk areas based on information obtained from NGOs and forest certification bodies possessing detailed information on logging areas worldwide.

Conducting human rights due diligence with sources of centralized purchasing

The Procurement Department undertakes human rights due diligence with all sources of centralized purchasing for housing to prevent risks materializing in supply chains and to prevent their occurrence in the first place. We conduct a questionnaire survey on human rights, working environment, harassment, foreign workers, and risks in procurement of raw materials, etc. and all surveyed partners (248 companies as of the end of July 2024) have responded. We convert the answers into scores and rank them into four grades (S, A, B, or C), while providing an evaluation form with comments for each evaluation item. Business partners ranked C and for which risk has become apparent are interviewed and requested to make improvements. We will visit the factories of our business partners as necessary and confirm the status of improvements.

In addition to lectures on the SDGs and carbon neutrality, we hold briefings on human rights due diligence and report on the results during the annual meetings (two separate meetings, in Tokyo and Osaka, respectively) held jointly with our business partners. We are working to raise awareness of human rights issues in supply chains and to prevent risks before they occur.

Measures to protect privacy

Daiwa House Industry fully recognizes the importance of protecting personal information and believes that the proper use and protection of this information not only forms the basis of our business activities, but also represents a key area of our social responsibility. From this perspective, we have established our Privacy Policy and disclose it inside and outside the Company. In accordance with the Privacy Policy, we have built a secure organizational and personal information management system such as by formulating internal rules and assigning a personal information manager, and all employees participate in training when they join the company to ensure compliance with this privacy policy and internal rules. In addition, we recognize the greatest importance of personal information and the importance of protecting it when using information technologies (IT); therefore, we have implemented a user authentication system, access restrictions, and operational log controls. We also take measures at various levels, including hard disk drive encryption and the detection of illegal external access.

In addition, we have appointed an employee to be responsible for information management, not only for just personal information, but for all of the information assets held by the Company, established rules governing the handling of information depending on its importance, and conduct employee training. However, in fiscal 2024, we caused a serious information leakage incident that required a report to the Personal Information Protection Committee, and will in fiscal 2025 therefore work to develop a system to prevent recurrence.



[Privacy Policy](#)

[DX Annual Report \(Japanese text only\)](#)

[Notice Concerning External Leak of Customer Information, etc. \(Apology\) \(Japanese text only\)](#)

■ Respect for human rights

Percentage of all employees covered by collective bargaining agreements and agreement details

At the Company, while there is no organized labor union, we support international standards such as the International Labour Organization's (ILO) Core Labour Standards, which consist of "the effective recognition of the right to freedom of association and collective bargaining," "the prohibition of all forms of forced and compulsory labor," "the effective abolition of child labor," and "the elimination of discrimination in employment and occupation," and we respect and recognize basic labor rights such as "the right to collective bargaining" and "freedom of association" for all employees.

Providing product information

Daiwa House Industry provides product information documents at the time of building handover to ensure the customer can use it safely. For single-family houses, for example, we provide the customer with "Lifestyle Guidebook" that contains building maintenance information. For customers that request, we disclose a design and construction performance evaluation certificate based on Japanese housing performance labeling standards. For condominiums, along with the key at the handover, we also give the customer an instruction manual on the use of the building and facilities, a document detailing support after moving, "D's File" (a document showing the history of the residence), and equipment warranties.

Human rights violations by armed guards

As we expand our business around the world, we may employ security companies to ensure the safety and security of our employees. In fiscal 2024, no human rights violations by armed guards were reported at any of our business partners.

Main approach

Implementation status of human rights awareness-raising activities for employees

· For directors and executive officers

In February 2025, we invited outside experts to an event entitled "The Potential Human Rights Risks of the Daiwa House Group." After lectures on domestic and international trends in business and human rights and expectations for corporate human rights initiatives, the participants received an explanation of the results of the analysis of the Group's human rights due diligence digital survey, enhancing their literacy in human rights.

· Implementation of e-learning

In fiscal 2024, we implemented e-learning themed "microaggression" for all employees of the Company. Conducted in two parts, the first and second sessions, the courses were completed upon successfully passing respective tests. The attendance rates were 94.7% for the first session and 96.3% for the second session. We also requested each Group company to conduct human rights training and confirm the status of implementation. The educational materials produced by the Company have also been provided for utilization by each Group company.

Joint training by human rights awareness-raising promoters around Japan and harassment prevention staff

The Company conducts annual training for those responsible for consulting hotlines (human rights awareness-raising promoters) and harassment prevention staff stationed at branch offices, factories, and research centers across Japan, with the objective of raising the quality of consulting hotline responses.

The training instills an understanding of the importance and usefulness of interview records and learn how to create them, enabling information to be shared and reported to relevant departments accurately and quickly. In addition, the training develops skills to identify key points and risks in determining harassment based on precedents and past cases, with a link

to problem solving.

In fiscal 2024, gathered at eight venues were 151 participants who enthusiastically exchanged opinions on what they learned that day during their discussions, as well as the actual consultations they received, their concerns and other issues. Comments from participants included, "When responding to consultations, there is a risk of misinterpretation when working alone, so I realized the importance of collaborating with experts," and "It was very helpful to learn specifically about methods to proceed and ways of sharing information based on actual consultation cases." We will continue to improve our ability to respond to harassment consultations through regular training using case studies.