

■ 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, we established and announced the Daiwa House Group Human Rights Policy. This policy was developed with input from outside experts and has been approved by our Board of Directors.

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 prohibit forced labor and child labor in Group companies and our supply chains. Furthermore, we honor “Children’s Rights and Business Principles.”

The Company also stipulated the harassment prevention regulations pursuant to revisions in relevant laws in June 2020, and in 2025 formulated its policy pertaining to customer harassment.



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

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

➤ [Policy regarding customer harassment \(Japanese text only\)](#)

• The Supply Chain Sustainability Guidelines

The Group established the Supply Chain Sustainability Guidelines for our business partners, consisting of (1) the Business Partner Code of Conduct, (2) the Corporate Activity Guidelines, and (3) the Guidelines for Products, and requires adherence with standards such as those related to human rights, quality, safety, the environment, and compliance. It also includes our commitment to respect for human rights, in line with the Group’s human rights policy, and explicitly states the prohibition of child labor, forced labor, discrimination, and harassment.



➤ [Supply Chain Sustainability Guidelines](#)

• Timber Procurement Policy to Achieve Zero Deforestation

In 2021, the Group established a “zero deforestation policy” aimed at the elimination of deforestation. In accordance with this policy, we seek to procure timber only from suppliers that handle timber products with due consideration for the rights and safety of indigenous peoples, local residents and workers in the country of origin.



P038 [Zero Deforestation Policy](#)

Management

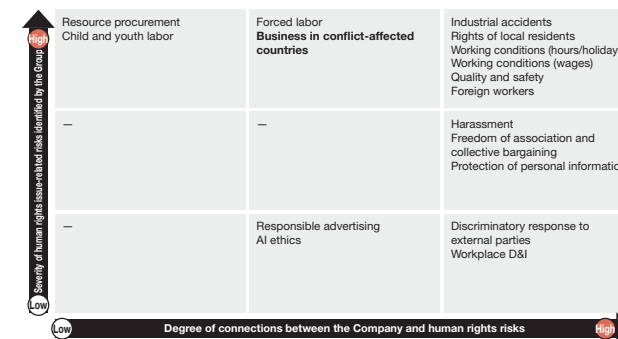
Human rights risk map

As a first step in human rights due diligence, in fiscal 2023 the Company identified and assessed significant human rights risks and developed and published a human rights risk map (domestic edition).

Starting in fiscal 2025, we formed a working group on human rights due diligence comprising multiple Head Office divisions, and expanded the scope of this initiative to include our overseas supply chains. That same year, with the assistance of external experts, we revised our human rights risk map to create a global version. In this way, we can compare general human rights risks related to the Group’s business with potential human rights risks that may arise in light of our future business development, so that we will ascertain the issues that require attention and formulate countermeasures, thereby striving to prevent and mitigate human rights risks in the supply chain for our products and services.

In fiscal 2026, based on the newly developed risk map, which identified foreign workers employed by our contractors and subcontractors as the most significantly affected stakeholder group, and recognizing the increasing number of such workers at our production and construction sites, we launched specific initiatives focused on this group. Looking ahead to future overseas operations, we also plan to expand these initiatives to our overseas sites.

■ Human rights risk map (consolidated; including overseas)



➤ [Sustainability Report 2024](#)

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

Conducting questionnaire survey

In order to identify general human rights risks related to Group business using the human rights risk map and to ascertain the actual state of human rights risks within the Group, we conducted a human rights questionnaire survey covering all employees in fiscal 2024. As a result of comparing response results from 38,638 participants, or about 95% of the total, with the human rights risk map, we determined that “harassment” and “work hours” were key issues. Based on those results, in fiscal 2025, the Company conducted a “human rights focus survey” focusing on “harassment” and “work hours.” We seek to better understand workplace-level trends (personal experiences and instances witnessed) and the factors contributing to long work hours at the workplace level and call for corrective measures and improvements at each workplace. In fiscal 2026, the next fiscal year, we plan to conduct another human rights focus survey to confirm the effectiveness of corrective measures and efforts to make improvements. Through ongoing monitoring, we will carry out human rights due diligence that involves corrective actions and improvements at the workplace level, as well as verification of the effectiveness of those measures.

■ Respect for human rights

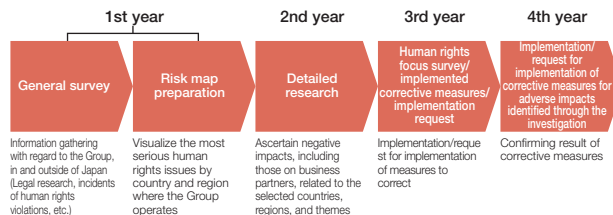
Implementation of human rights due diligence

Under our Social Action Plan (ESP2029), first launched in fiscal 2026, we promote human rights due diligence on a four-year cycle.

As human rights risks evolve over time, we plan to review our human rights risk map every four years and will implement corrective and improvement measures every year through human rights focus surveys and impact assessments* of rights holders. Following that, in line with the risk map review, we plan to once again identify key issues.

* A process for identifying and assessing the adverse impacts of business activities on the human rights of rights holders, and prioritizing responses in accordance with the UN Guiding Principles.

■ Overview of human rights due diligence (consolidated; including overseas)



Structure relating to human rights issues

The Group recognizes the importance of respecting human rights throughout our entire supply chain as well as our own business activities, and has established the Human Rights Promotion Department, which specializes in the day-to-day respect for human rights and is overseen by the General Manager of Management Administration Headquarters (Executive Vice President). In addition, human rights awareness 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 staff are appointed as well as the human rights awareness promoters at every branch office in a way that maintains gender diversity to make consultations regarding harassment easier.

The Executive Vice President is designated as the person responsible for human rights issues within our business.

Monitoring is conducted primarily based on information received through various internally established whistleblowing hotlines, and significant matters are referred to the Internal Control Committee for discussion.

■ 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, Partners Hotline)
Human Resources Department	Wages, work hours, freedom of association, collective bargaining rights, etc.
Disciplinary Committee	Deliberation of inappropriate behavior and disciplinary action
CSR Procurement Subcommittee	Human rights in supply chains
Human rights awareness promoters and harassment prevention staff	Provides consultation relating to human rights at each branch office

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

The Company conducts annual training for those responsible for consulting hotlines (human rights awareness 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.

Fiscal 2025 training gave participants hands on experience of the entire consultation response process, with an introduction to business site harassment prevention training and roleplaying, among other activities. Based on case studies, they gained an understanding of initial response procedures and issues and a deepened understanding of harassment through exercises involving the determination of whether a situation constitutes harassment. The training was held at three venues and drew 136 participants. Feedback from attendees included comments such as, “It was helpful for my work to be able to reflect on and simulate actual counseling sessions,” and “Through

the discussions, I gained a clear understanding of how each person's feelings and perspectives differ regarding counseling cases, and I realize I need to take that into account when handling cases in the future.” We will continue work to improve our ability to handle harassment consultations through regular training sessions that use real-life case studies.

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.

 P129 Various whistleblowing systems, target scope of consultation service, operational procedure

・ Harassment self-check

The Company has all employees conduct regular harassment self-checks. Through these 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 the Company's 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.

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

In addition to distributing to all employees of the Company 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.

■ Respect for human rights

· 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 activities for employees

· Company-wide human rights awareness training

The Group conducts 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.

In fiscal 2025, the Company held a session titled "Why Study Human Rights?" (attendance rate: 98.5%), in which employees learned about current trends in human rights, and a session titled "Recognize, Protect, Connect—Toward a Workplace Where Everyone Can Work with Peace of Mind (Preventing Sexual Harassment)" (attendance rate: 95.6%), in which employees learned how to respond when a third party witnesses behavior that may constitute sexual harassment. The training was conducted for all employees and part-time employees on indefinite contracts.

· Human rights awareness training for directors

We continuously conduct human rights training for management. In February 2026, we invited an external expert to give a lecture to directors, emphasizing the importance of shifting the perspective in managing subordinates from "management that tries to make people act" to "management that creates an environment where people want to act." All directors participated. (*16 directors responded to the survey.)

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

As part of our job-grade specific training, we conduct systematic and ongoing human rights training for executives, managerial staff, chief staff, and new recruits 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, and work to raise awareness on basic knowledge with regard to harassment, internal regulations, and consulting hotlines among all employees. In addition, sales staff primarily learn how to prevent complicity in discrimination, while purchasing staff learn how to prevent complicity in human rights violations occurring within the supply chain; by completing these training sessions and passing the confirmation test, they will have acquired knowledge regarding human rights.

· Training for managers

The Company regularly conducts training on harassment for managers. In addition to response records in the event that there is a whistleblowing case, and details with regard to the response given to a whistleblower, we offer training to facilitate whistleblowing by third parties, and that covers penalties in the event a harassment case arises, and other content. To prevent against serious cases, we aim to create an environment where employee concerns can be promptly and easily reported.

· 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 24,554 entries in fiscal 2025, 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 work to raise awareness of human rights through submission of human rights slogans and related voting.

· Response to human rights infringements

In fiscal 2025, among the consultations received through whistleblowing and other channels, as a result of investigations we imposed disciplinary action in 21 cases found to have violated harassment prevention regulations. Taking into account the details of a case and the wishes of the parties involved, we implement measures to prevent recurrence, such as conducting training and follow-up interviews with the parties, as appropriate, depending on the workplace situation.

Response to our employees risky behavior toward 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

For the Company's employees to reveal and improve upon issues with our business partners, every year we conduct an anonymous survey of members (4,386 companies) 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 contact points with business partners. The results are communicated to business partners, and include improvement measures provided by branch offices.



P109 Cooperation with business partners

■ Respect for human rights

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 timber procurement survey and confirm the rights and working conditions of indigenous people by incorporating the Guiding Principles on Business and Human Rights and “FPIC*” into the evaluation criteria. 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 2025, the percentage of wood procured from such high risk areas, excluding certified wood, was 0.3%. 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.

* FPIC: Free, Prior and Informed Consent

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, work environment, harassment, foreign workers, and risks in procurement of raw materials, etc., and all surveyed partners (243 companies as of the end of 2025) have responded. We provide feedback on the survey results to all suppliers to raise awareness of human rights. In addition to lectures on the SDGs and carbon neutrality, we provide briefings on human rights due diligence and report on the results during the annual meetings (two separate meetings, in Tokyo and Osaka, respectively) that we hold jointly with our business partners. We strive to raise awareness of human rights issues in supply chains and to prevent risks before they occur.

Measures to protect personal information

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. Based on this policy, we have formulated regulations for the protection of personal information. Having appointed the General Manager of Management Administration Headquarters, a Representative Director, as a personal information management officer, we are working to establish an organizational and personnel-based security management system. Furthermore, all employees undergo training upon joining the Company to ensure they fully understand our approach to personal information protection and our internal regulations. We recognize that personal information is of the utmost importance 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 designated a person to be responsible for information management, not only for 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. In fiscal 2025, we invited an external instructor to conduct information security training for our executives. In addition, we reviewed our systems to enable a rapid response in the event of information security incidents, such as the cyberattacks that are increasing around the world, and worked to ensure strict compliance with our policies.



[Privacy Policy](#)

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

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

There is no organized labor union at the Company. However, 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.

Each branch is in compliance with the agreement that, with the selection of employee representatives, covers overtime and holiday work (Article 36 Agreement), and provides opportunities for dialogue between employees and Company representatives.