

## ESG Data (Additional Disclosure)

### Introduction

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In June 2022, Sekisui House published its first *Value Report*, combining its *Integrated Report* and *Sustainability Report*, which previously had been issued separately. As part of efforts to make our disclosure more transparent, in this document, we publish additional data related to the ESG information covered in *Value Report 2022*.

Working toward the global vision we established in 2020, “Make home the happiest place in the world,” and aiming to become a leading company in ESG management, we will continue striving to routinely satisfy the data disclosure expectations of society.

January 30, 2023

**SEKISUI HOUSE, LTD.**



# E Environmental

## Damage to Company-owned Assets Due to Weather-related Disasters

The Sekisui House Group conducts risk management based on the following assumptions about rain or windstorms of a severity it has never yet experienced.

[ Physical risk ] Damage to Company-owned assets due to weather-related disasters			
Impact	Nationwide weather disasters could damage assets owned by the Group (factories, office buildings and other business locations, production facilities, vehicles, etc.), making it impossible to continue operations and incurring significant repair or replacement costs.	Financial impact	Assumed time
		High	Medium-term
Response	<p>The Sekisui House Group operates throughout Japan, with the exception of Okinawa Prefecture, and has already established a system that allows its business to continue through support from undamaged areas in the event of a disaster in some areas, including the head office functions. Such BCP measures for business continuity are properly managed by the Risk Management Committee, and are updated as necessary.</p> <p>The amount of damage to five factories in Japan was calculated based on the assumed inundation depths using river flooding hazard maps or internal flooding simulations, and it was found that for four of these factories, excluding the Hyogo Factory, there is the potential to suffer inundation damage. A more detailed analysis based on the IPCC RCP 8.5 scenario was conducted for the Kanto Factory, which is expected to suffer the most damage, and it has already been confirmed to be within the coverage of the insurance policy that is already in place.</p> <p>However, assuming an increase in the severity of natural disasters in the future and the simultaneous occurrence of large-scale disasters throughout Japan, our business is expected to suffer extensive damage, and we will continue to examine ways to strengthen our disaster resilience</p>		

Source: Value Report 2022 page 109

## Commitment in the Event of Inconsistencies between Trade Association Positions and Company Policy on Climate Change

As an industry leader, Sekisui House is positioned to play a leading role in decarbonization efforts. Industry trade associations have already developed a good understanding of the Paris Agreement and the Japanese government's policy on climate change, and there is no inconsistency among industry activities in this area. In the event of inconsistencies between Sekisui House's policies and the climate change position of trade associations due to future changes in social conditions or other factors, or the event that the Company deems trade associations' stance on climate change insufficient, the Company will take the lead in engaging with industry actors to promote consistency with national policy.

## Short Term (up to 5 Years) GHG Emissions Reduction Targets

Sekisui House is working to decarbonize its businesses in line with the long-term target for 2030 of reducing the Scope 1 and 2 emissions from its business operations by 75% compared with the 2013 levels. To achieve this target, we aim to reduce emissions by 4.4% each year, to this end advancing such initiatives as switching to renewable energy, moving to office buildings that meet ZEB specifications and adding electric vehicles to our fleet of Company vehicles.

## Greenhouse Gas Emissions from Specific Activities

	(FY)		
	2019 (t-CO <sub>2</sub> /year)	2020 (t-CO <sub>2</sub> /year)	2021 (t-CO <sub>2</sub> /year)
Flaring emissions (CO <sub>2</sub> e)	0	0	0
Methane emissions (CH <sub>4</sub> )	0	0	0
Cement production GHG emissions intensity	0	0	0

# E Environmental



## Carbon Intensity (t-CO<sub>2</sub>/million USD)

Scope 1 and Scope 2 Emissions per Unit of Net Sales

(FY)

	2019	2020	2021	
Yen	50.10	55.17	33.98	t-CO <sub>2</sub> /billion yen
USD	5.46	5.76	3.92	t-CO <sub>2</sub> /million USD

## Membership and Involvement in Organizations Dedicated to Climate-related Issues

As a member of Global Alliance for Buildings and Construction (GlobalABC), Sekisui House supports the publication of the *Global Status Report for Buildings and Construction* and presentation of Buildings Pavilion events at the COP. Furthermore, as a member company of the Japan Climate Leaders' Partnership (JCLP), we participate in the JCLP's construction working group, renewable energy promotion project, and communications and opinion shaping project.

## Expanding Group Zero Emissions Activities

In 2019, a joint application for certification under the Wide Area Certification System including all 17 (at the time) Sekiwa Construction companies was approved, and we are currently in the process of jointly applying with Sekisui House noie Limited (certification expected in 2023). Through these efforts, we aim to further expand and strengthen the resource recycling system of the entire Group. We have begun the Company-wide implementation of initiatives aimed at achieving zero emissions of waste (interior materials such as wallpaper and cushion flooring) generated during repair work when tenants vacate Sha Maison rental housing constructed by the Company and managed by Sekisui House Real Estate companies. We aim to roll out these initiatives to all areas.

A large volume of solar panels are expected to be scrapped in 20 to 30 years. We are advancing concrete considerations related to installing recycling facilities for these panels within the Company's internal waste treatment system, which primarily comprises the recycling centers.

## Resource Use Policy or Commitment

To effectively utilize byproducts resulting from the production of factory-manufactured components, we recycle such byproducts by processing and converting them into raw materials.

For example, we have adopted and operate equipment to turn scraps generated in manufacturing exterior walls back into raw materials for exterior walls.



# E Environmental



## Target to Reduce or Avoid Resource Use

Resource usage rate target: 95.0% in 2024

### Basic Program for Increasing the Resource Usage Rate

We will continue working to maintain resource efficiency-conscious product design that minimizes the generation of unused materials (waste), regardless of changes in material inputs required to enhance housing functionality (such as improving durability, thermal insulation and the flexibility of living spaces).

### Notable Initiatives

#### ■ Dyne Concrete Recycling

The Kanto Factory and Hyogo Factory manufacture Dyne Concrete. These factories recycle concrete waste that arises in the manufacturing process as raw materials. Scrap material bored out of exterior-wall panels and concrete residue that adheres to equipment were previously disposed of as waste. Some of this material is now recycled by pulverizing it to specific grain sizes and for reuse as raw materials, reducing resource costs.

#### ■ Bellburn Recycling

Bellburn scraps are pulverized and used as filler in Sekisui House's Shellshut Slab sound- and vibration-absorbent floor system. By replacing the inorganic sands previously used for this filler with Bellburn pulverized to specific grain sizes, we are able to reduce material costs.

## Target to Reduce or Avoid Raw Material Use

	2019 results	2020 results	2021 results	2024 target
Raw material and resource input (1,000 t)	960	843	924	—
Waste from new construction (factory production/construction) (1,000 t)	55.6	49.3	49.8	—
Resource usage rate (Resources used/raw material and resource input)	94.21%	94.15%	94.61%	95.00%

(FY)

## Hazardous Waste Management

In addition to maintaining zero emissions at our factories during normal operations, including emissions of hazardous waste, we are working to ensure that no hazardous waste is emitted into the natural environment as a result of accidents or emergencies. To this end, we have established and repeatedly test procedures to prevent and mitigate contamination in the event of an accident, earthquake or other emergency.

# E Environmental

## Reusing Solid Waste

At manufacturing and processing facilities located at two of our recycling centers in Japan, scrap plasterboard collected from new housing construction sites and eggshells from food processing factories are mixed together and crushed. This produces Platama Powder, an athletic field marking chalk, which we have manufactured and sold since 2010. This initiative has enabled us to establish a new commercial distribution channel and a system for continual recycling by regularly purchasing eggshells, which were previously thrown away as food waste.

We also reuse sorted solid waste by selling waste in such forms as resin materials, woodchips, power line materials, and Styrofoam materials (ingots).

(FY)

	2019 result	2020 result	2021 result	2025 target
Platama Powder production (t/year)	1,795	1,932	1,979	Up 5% from 2019

## Product Requirements in Green Procurement Policy

We are committed to CSR-based procurement, seeking to fulfill our social responsibility based on a basic purchasing policy of providing the best quality, robust delivery, and reasonable prices while also incorporating ESG considerations. Through such efforts as working with suppliers to develop and procure products that are easy to separate and sort for recycling, Sekisui House strives to procure environmentally friendly products that contribute to sustainability.

## Pollution, Waste and Resource Use Costs and Investment in R&D on Reducing or Avoiding Their Impacts

The Recycling Centers at our factories handle waste from construction sites, sorting plastic products for recycling and collecting metals and other valuables. In fiscal 2021, the operating expenses associated with the facilities, from the operation of collection points to disposal fees, totaled ¥485 million.

In addition, Group company Konoike Construction invested ¥1,100,000 for experimental research aimed at developing technologies for processing soil containing radioactive substances.

## Water Management Plans at Domestic Production Factories

Our domestic production factories (the Tohoku Factory, Kanto Factory, Shizuoka Factory, Hyogo Factory and Yamaguchi Factory) use groundwater in addition to the municipal water supply and industrial water in the painting of steel frame members and the manufacturing and painting of exterior walls used in residential construction. All five of these factories have formulated water management plans. We are making ongoing efforts to ensure appropriate wastewater quality management and the efficient use of water resources in these processes. Specifically, we are taking action to reduce water consumption by reusing wastewater after washing transportation pallets and reusing treated water for cleaning.

# E Environmental



## Working with Outside Parties to Reduce Water Use

Sekisui House participates in [the Ministry of the Environment's Water Project \(Japanese only\)](#)<sup>[7]</sup>. This project carries out activities related to offering initiatives, products, technologies and services that promote the effective use of water resources and water-saving sewerage in business activities in Japan.

Group company Konoike Construction is actively involved in renewable energy projects aimed at contributing to decarbonization. One such project it has started is a small-scale hydroelectric power generation project at the [Higashinada No. 1 low-rise water distribution plant of the Kobe City Waterworks Bureau \(Japanese only\)](#)<sup>[7]</sup>. The project, installed on a site leased from Kobe City, commenced power generation in June 2020. It comprises a small-scale hydroelectric power generation system through which passes a stable water flow from the water purification tanks in the distribution plant to a distribution reservoir.

## Costs associated with Water-related Risks

	(FY)		
	2019	2020	2021
Municipal water and sewerage costs (Thousands of yen/year)	99,161	104,338	107,721
Other operating costs (Thousands of yen/year)	106,986	107,416	109,368
Total	206,147	211,754	217,089

## Investment in R&D to Mitigate Water-related Risks

In fiscal 2021, Group company Konoike Construction implemented research and development as shown below.

Research and development	Cost (Thousands of yen)
Development of water purification technology using high-pressure cavitation technology	29,480
Development of water treatment technologies for removing persistent substances, such as PFOS/PFOA	14,040
Enhancing existing technologies (solidification and insolubilization, bio-treatment, handling heavy metal-contaminated groundwater, etc.)	8,560

## Water Pollutant Discharge (BOD)

	(FY)		
	2019	2020	2021
Tohoku Factory	0.071	0.053	0.061
Kanto Factory	0.653	0.755	0.771
Shizuoka Factory	0.057	0.088	0.094
Hyogo Factory	0.170	0.043	0.056
Yamaguchi Factory	0.303	0.238	0.279
Total	1.255	1.178	1.261

## Water Pollutant Discharge (COD)

	(FY)		
	2019	2020	2021
Kanto Factory	2.482	2.187	1.918
Hyogo Factory	0.174	0.061	0.085
Yamaguchi Factory	0.920	0.753	0.835
Total	3.577	3.001	2.839

# E Environmental



## Evaluating Water Stress Levels at Production Sites

We have confirmed that none of the Company's production sites are located in regions designated as having high or extremely high (>40%) water stress levels as identified using the WRI Aqueduct tools developed by the World Resources Institute (WRI).

However, the Shizuoka Factory is located in a region predicted to have an extremely high (>80%) level of water stress in 2030. Taking a medium- to long-term perspective, the Company considers the Shizuoka Plant as equivalent to a production site in a water-stressed region. Accordingly, we have confirmed the need to strive for the efficient use of water resources and usage reduction and are promoting better use.

\* The Ingleburn Manufacturing and Quality Control Centre in Australia is located in a region predicted to have an extremely high (>80%) level of water stress in 2030, but the facility is not included as it does not carry out manufacturing processes that use water.

## Company Facilities in Water-stressed Regions

Shizuoka Factory: 1 location

Number and Proportion of Facilities, Assets, Production, and Revenue in Water-stressed Regions

	Shizuoka Factory	All factories	Percent of total
Maximum production capacity	800 houses/month	2,420 houses/month	33%

## Water Withdrawal/Consumption in Water-stressed Regions

Shizuoka Factory

(FY)

	2019	2020	2021
Water withdrawal Thousand m <sup>3</sup>	67.0	58.6	57.5
Water consumption Thousand m <sup>3</sup>	11.5	9.7	7.8

## Collaboration with Stakeholders at Water-stressed Sites

The Shizuoka Factory uses municipal water drawn from the Oi River system. Based on requests from the Toen Industrial Water Business Association, the Shizuoka Factory proactively uses industrial water, helping to reduce municipal water consumption.



# E Environmental



## Green Leases with Tenants

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Sekisui House has entered into green lease agreements with certain tenants, including those at Grand Front Osaka. From the perspectives of energy saving and environmental consideration, and sharing the principles of maintaining and improving property comfort and productivity, we and our tenants mutually cooperate in one another's environmental initiatives.

## Building Management Systems That Measure Energy Efficiency

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Umeda Sky Building, which Sekisui House jointly owns, uses a building energy management system (BEMS). Managing the indoor temperature and humidity as well as the operation of heat source facilities, the system is used to, for example, optimize the operating hours of building equipment. The system is also able to measure electricity consumed by lighting separately from the rest of the building's power.

## Evidence of Urban Brownfield Redevelopment

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Sekisui House is developing Miramachi, a 27-hectare former factory site in Toyohashi City, Aichi Prefecture. This complex was developed with the aim of solving local issues and realizing a compact city. In the Company's approval screening standards for purchasing real estate, the standards for purchasing brownfield properties specify that the cause, responsibility, burden, cost, schedule and procedures (including site de-designation) for the remediation of any soil contamination or suspected soil contamination must be made clear before purchasing.

In addition, for the redevelopment of former factory sites and similar sites, Group company Konoike Construction draws on its wealth of experience and technologies to plan and implement optimal measures, based on surveying results, for dealing with soil contamination, including that caused by leaks of hazardous substances, heavy metals and volatile organic compounds.

## Commitment regarding Greenfield Development


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In the Company's approval screening standards for purchasing real estate, the standards for purchasing greenfield properties specify that, for any farmland land being considered for purchase, the appropriate farmland conversion procedures must be observed. We purchase only land that has received government permission for conversion from farmland to land for other purposes.

The Tama New Town Higashiyama subdivision is an example of greenfield development. For this project, we are advancing development with due consideration to the local ecosystem in line with the commitments of the community development charter, which states that "We will preserve existing woodlands and transplant trees that cannot be kept in place. Even small saplings will be saved and planted in various locations around town."

## Urban Renewal Evidence

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At the [West Village](#) , Brisbane redevelopment project, we have left intact the Peters Ice Cream Factory, established in 1928, at the corner of the site to preserve the historic view while creating an out-of-the-ordinary office space for lease by small and medium-sized enterprises.





## Customer Satisfaction Surveys

Sekisui House conducts surveys of owners in each of its built-to-order business and development business segments.

The collated and analyzed survey results are communicated to the relevant departments, helping to improve ordinary operations, expand services, develop new products, and improve design and construction.

Respondents who Answered “Very Satisfied,” “Satisfied” or “Fairly Satisfied”

(FY)

Segment		2017	2018	2019	2020	2021
Built-to-order business	Custom detached houses	95.6%	95.8%	95.9%	96.1%	96.0%
	Rental housing	94.5%	94.5%	94.5%	95.4%	94.0%
Development business	Condominiums for sale	95.2%	92.9%	88.0%	92.6%	87.8%
	Ready-built detached houses	95.4%	98.6%	97.0%	98.3%	96.7%

Survey overview:

Custom detached houses, ready-built detached houses and condominiums for sale: Survey of owners one year after moving in

Rental housing: Survey two years after closing

Survey with a choice of seven levels: Very satisfied, satisfied, fairly satisfied, neutral, slightly dissatisfied, dissatisfied and very dissatisfied

# S Social



## Commitment to Children's Rights

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### Children's Human Rights and the Sekisui House Group

The Sekisui House Group Human Rights Policy, established in 2020, expressly and strictly prohibits any form of child labor. We support the Children's Rights and Business Principles published by UNICEF in 2012. In addition to working to prevent and eliminate child labor, we implement initiatives to ensure respect for children's rights based on an awareness that corporate activities may impact children in diverse ways.

We regard children as important stakeholders and direct users of housing. Since the 1970s, we have been engaged in housing research from the perspective of universal design, and we strive to create products that enable healthy living for all users, from children to seniors.

### ■ Developing Products That Enable Healthy Living for Children

[Sekisui House's Kids Design \*Kodomo idokoro\* \(Japanese Only\)](#) 


*Kodomo idokoro* is a lifestyle proposal product developed in line with the principles of smart universal design to provide a variety of living spaces that help children grow and flourish. With a focus on safety, peace of mind and independence, *Kodomo idokoro* aims to create homes that nurture children's vitality. *Kodomo idokoro* is focused not just on the child rearing-oriented perspectives of parents, but also on the perspectives of children themselves with the aim of promoting their emotional, intellectual, physical and social development at each stage of growth.

### ■ Supporting Employees Who Care for Children

[Sekisui House IKUKYU.PJT \(Japanese Only\)](#) 

As a "Kids-First" company that supports parents and other employees engaged in childcare, Sekisui House encourages male employees with children under the age of three to take childcare leave. Our policy is to ensure that all employees with children under three, regardless of gender, can take childcare leave.

### ■ Supporting Organizations That Promote the Sound Growth of Children

[Employee-company Joint Donation Program: Sekisui House Matching Program \(Japanese Only\)](#) 

Sekisui House has established the Children's Fund to support the happiness and well-being of children. In fiscal 2022, the fund supported 57 organizations.



## Response to Human Rights Inquiries

We accept inquiries related to human rights via our public website. In 2021, the greatest portion of these inquiries, 23%, were complaints about the manners of rental housing tenants. We have looked into and responded as needed to all inquiries received, and we did not identify any serious human rights violations inflicted by our business.

(FY)

2019	2020	2021
—	7 inquiries	32 inquiries

## Smart Universal Design Providing Safety, Security, Ease of Use and Comfort

Since the 1980s, we have been going beyond barrier-free design and conventional accommodations for seniors and people with disabilities by creating housing based on the principles of universal design. For all of our buildings, our approach has been based on the concept of constructing lifelong housing, and we have consistently sought to create homes that are easy for all to use. In 2002, we established the proprietary Sekisui House Universal Design (SH-UD) standard, and since 2010 we have been pursuing smart universal design, a conception of universal design that extends to comfort.

We apply internal rules when planning and designing all buildings, including the outdoor landscaping. We also set and apply internal rules at the housing component development stage. In addition to these initiatives, for the design and development of all real estate, including lots for sale and condominiums, we have established guidelines regarding access to such facilities as train stations, bus stops, public facilities, and commercial facilities. By applying these guidelines, we ensure that our housing design incorporates barrier-free and other such considerations. These efforts have been well received by the public and won Good Design Awards and numerous Kids Design Awards.



# S Social



## Basic Policy of the Urban Redevelopment Business

Leveraging our decades of expertise in housing construction, we are implementing urban redevelopment that goes beyond mere scrap-and-build. Through the urban redevelopment of rental and for-sale condominiums, offices, hotels, retail facilities, and complexes incorporating these property types, we aim to realize buildings that are accommodating to all and will be passed on to subsequent generations, thereby creating value for society as a whole with focus on people, communities and the future.

When planning urban redevelopment projects, we always consider the impact of our operations on the environment and community, referencing relevant laws, regulations and internal rules.



### Garden City Shinagawa Gotenyama

This property was developed as a large-scale office building complex on the site of the former Sony headquarters. Surrounded by greenery, including an expansive rooftop garden, the office building features a seismically-isolated structure, and its design incorporates the concept of *keinen bika*, or creating a townscape that grows more beautiful over time. The property harmonizes with the surrounding community while providing comfortable spaces for office workers.



### Grand Maison Misonoza Tower

Conceived as a project to rebuild and redevelop the Misonoza kabuki theater, the tower incorporates a theater with new functionality as well as high-rise housing and shopping with the aim of invigorating the surrounding community and creating a lively townscape.

## Declaration of Partnership Building

In November 2022, Sekisui House joined the Declaration of Partnership Building system set up by the Japanese Cabinet Office. Under this system, the representatives of companies that contract out work make a Declaration of Partnership Building in which they commit to coordinating and promoting coexistence and co-prosperity with business partners and value-creating contractors in the supply chain to build new partnerships. As of December 2022, more than 16,000 companies had made declarations under the system.

The declaration includes commitments to

1. Coexistence and co-prosperity throughout the supply chain and new partnerships that transcend scale and business affiliation
2. Compliance with preferred business practices between contractors and subcontractors (a “promotion standard” based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises)

The declaration is published on a dedicated portal site.

[Declaration of Partnership Building portal site \(Japanese Only\)](#)

[Full text of Sekisui House’s declaration \(Japanese only\)](#)

# S Social



## Policy for Reducing Excessive Working Hours

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The Sekisui House Group recognizes workstyle reforms for employees as an important issue. In particular, we believe that reducing total working hours is crucial to enabling employees to sustainably do their best work.

Average monthly employee work hours are used as an ESG management indicator to calculate Performance Share Units (PSU), a form of remuneration for directors of the Board (excluding outside directors). By setting a KPI based on this metric, we are uniting the entire Company in striving toward reductions. To this end, in fiscal 2022, in addition to maintaining legal compliance, individual divisions set their own targets for average total work hours to achieve the targeted KPI.

Furthermore, aiming to enable employees to work with autonomy, we are advancing efforts to ensure that employees in all divisions take their annual paid leave through systematic planning.

## Labor Practice Initiatives

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Sekisui House regularly participates in workshops to discuss employee benefits and labor practices with other companies.

We use the insights into other companies' initiatives provided through these workshops to improve our labor practices.

## Health and Safety Management Structure

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Sekisui House has established the Health and Safety Management Regulations based on occupational health and safety laws and regulations and its Rules of Employment. These regulations set out the Company's essential basic tenets of health and safety management and are designed to help create a pleasant work environment and ensure health and safety at workplaces.

To prevent occupational accidents, we formulate Company-wide annual health and safety plans covering employees and business partners. We also establish occupational accident prevention plans as needed. In addition, to enhance workplace health and safety, we provide relevant instruction for employees as well as guidance and support for our business partners' training efforts related to health, safety and employment management.

The Health and Safety Management Regulations lay out a health and safety management structure headed by the President (Yoshihiro Nakai, Representative Director of the Board, President, Executive Officer and CEO). For employees, the director of the Board responsible for the Division of Administration and Human Resources (Satoshi Tanaka, Representative Director of the Board, Executive Vice President and Executive Officer) is assigned to oversee the system, and the Human Resources and General Affairs Department administers system operations. For employees, business partners and their workers that Sekisui House engages as a specified principal employer, the officer in charge of the Division of Technology and Production (Toshiharu Miura, Director of the Board and Senior Managing Officer) is assigned to oversee the system, and the Construction Quality and Workers Safety Promotion Department administers system operations.

A health and safety committee meets monthly at each workplace, working to increase occupational health and safety awareness and improve related initiatives at workplaces. The committee members are diverse in terms of rank, position, age and gender.

Matters discussed by committees are shared with employees through email and notices.

Furthermore, every year, each division and worksite selects a non-managerial employee as a worker representative to engage in dialogue with management.



## Frequency Rate of Accidents Resulting in Lost Worktime / Frequency Rate of Occupational Illness (total of one or more days of lost worktime)

(FY)

Departments		Frequency rate of accidents resulting in lost worktime			Frequency rate of occupational illnesses		
		2019	2020	2021	2019	2020	2021
Administration (employees)		0.42	0.45	0.32	0.07	0.32	0.00
Production	Employees	0.45	0.00	1.30	0.00	0.00	0.00
	Contractors	0.27	1.59	0.61	0.00	0.00	0.00
Construction (Contractors only)		2.92	2.27	2.49	0.43	0.37	0.20

### Calculation standards

Frequency rate of accidents resulting in lost worktime: Number of fatalities and injuries due to lost worktime injuries per million total working hours

Frequency rate of occupational illnesses: Number of occupational illnesses per million total working hours

### Scope of aggregation:

FY2019: Employees and contractors of Sekisui House

From FY2020:

Administration and production departments:

Employees and contractors of Sekisui House (on a non-consolidated basis)

Construction departments:

Contractors of Sekisui House, Sekisui House noie, and Konoike Construction (including sole proprietors and employers)

Total working hours of administration and production department employees and contractors of Sekisui House are calculated based on actual working hours.

Total working hours of construction department contractors of Sekisui House and Sekisui House noie are calculated as eight hours per person per day.

Total working hours of construction department contractors of Konoike Construction are calculated as nine hours per person per day.

### Comparison with Industry Averages

(FY)

Occupational accident rate	2019	2020	2021	
General contractors	1.69	1.30	1.39	
Contracted amount	¥1 billion or more	1.65	1.29	1.42
	¥500 million to less than ¥1 billion	1.61	1.70	1.59
	Less than ¥500 million	2.06	0.97	1.12

Source: Ministry of Health, Labour and Welfare, "Survey of Industrial Accidents"



# S Social



## Health and Safety Management Initiatives

As a form of internal health and safety audits, Sekisui House conducts special safety audits of individual worksites.

When deemed necessary by the head of the Construction Quality and Workers Safety Promotion Department, these audits are conducted at worksites where accidents or infractions defined as significant by the Company have occurred.

Special Safety Audits Conducted by Fiscal Year (FY)

2019	2020	2021
1	2	0

## Checking Safety Risks at Construction Sites

Sekisui House's business operations entail the use of heavy machinery and work performed in high places, and as such there is a significant possibility of a fatal accident occurring. We therefore carry out site inspections at each business site for all new projects for which we receive orders. In addition to planning construction in accordance with manuals and checking risks related to the safety of construction workers, in accordance with Japanese laws, we consider the impact on local residents from the planning stage.

## Quality Management Certification

Our production departments, including all domestic consolidated Group factories,\* were the first in the industry to acquire certification under the ISO 9001 international quality management system standard, and we continue to maintain this certification.

\* The Tohoku Factory, Kanto Factory, Shizuoka Factory, Hyogo Factory and Yamaguchi Factory

## ISO 45001 Certification

One of our overseas factories (the Ingleburn Manufacturing and Quality Control Centre in Australia) has acquired certification under ISO 45001, an international occupational health and safety management standard. The factory undergoes annual external audits to maintain this certification.



## Fiscal 2021 Director Attendance at Major Meetings

Name	Position	Board of Directors		Personnel Affairs and Remuneration Committee		Management Meetings		ESG Promotion Committee		Risk Management Committee	
		Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
Yoshihiro Nakai	Representative Director of the Board, President, Executive Officer, CEO	○	12/12	○	12/12	●	9/9				
Yosuke Horiuchi	Representative Director of the Board, Vice Chairman, Executive Officer	○	12/12			○	9/9	●	4/4		
Kunpei Nishida	Representative Director of the Board, Executive Vice President, Executive Officer					○	9/9				
Satoshi Tanaka	Representative Director of the Board, Executive Vice President, Executive Officer	○	12/12	○	12/12	○	9/9			●	8/8
Toshiharu Miura	Director of the Board, Senior Managing Officer	○	12/12			○	9/9			○	10/10
Toru Ishii	Director of the Board, Senior Managing Officer	○	12/12			○	9/9				
Yukiko Yoshimaru	Director of the Board ■	○	12/12	●	12/12						
Toshifumi Kitazawa	Director of the Board ■	●	12/12	○	12/12						
Yoshimi Nakajima	Director of the Board ■	○	9/9								
Keiko Takegawa	Director of the Board ■	○	9/9	○	12/12						

- Outside director
- Chairperson or committee chair

\* The Directors of the Board who are not members of the Management Meetings and ESG Promotion Committee attend meetings of these bodies as observers.



## Marketing and Advertising Policy

As stipulated in the Sekisui House Group Corporate Code of Conduct, we provide appropriate and accurate information on products and services to consumers and customers. We comply with the relevant laws and regulations of the countries where we operate, including Japan's Act against Unjustifiable Premiums and Misleading Representations, regulations on real estate representations, and the Real Estate Brokerage Act. We strive to consider the perspective of consumers and customers to carry out marketing and advertising in a manner that will not cause misunderstanding.

We produce and supervise advertisements in accordance with an in-house manual that stipulates precautions to be taken during production and checks by relevant departments as necessary.

At offices that handle advertising, we offer training on housing construction for a wide range of employees, not just general managers and supervisors. We have also established a system to check Group websites.

## Infractions and Penalties Related to the Environment

There were no major infractions or penalties related to environmental laws or regulations in fiscal 2021. Furthermore, there were no accidental spills impacting the environment surrounding our factories. Although we have identified the need for provisions and other measures to deal with any major environmental problems that may occur, we maintained no environmental or other ESG-related provisions in the period under review.

## Anti-corruption Initiatives

Sekisui House strives to maintain a sound and healthy corporate presence. To this end, we believe that we must eliminate any inappropriate relationships with government officials or politicians and promote appropriate business activities. To ensure fair business practices, improper relationships with government officials and politicians are expressly forbidden in the Sekisui House Group Corporate Code of Conduct and Sekisui House Group Corporate Ethics Guidelines.


Furthermore, we have established internal anti-corruption guidelines. These guidelines concretely define the government officials to whom the guidelines apply and conduct that is generally prohibited in order to prevent improper relationships or transactions on the part of officers (directors of the Board, Audit & Supervisory Board members, executive officers and operations officers) or employees (including contract employees and part-time employees).

A single improper action can become a major problem; in light of this danger, when in doubt, we recommend that employees consult with their supervisors, the head of the General Affairs Department, or the Head Office Legal Department before taking action and always maintain appropriate records.

[Sekisui House Group Corporate Code of Conduct \(Japanese only\)](#) 

Fair business practices

2. We will engage in fair and free competition, appropriate transactions, and sustainable and responsible procurement. We will maintain sound relationships with political and governmental entities.

[Sekisui House Group Corporate Ethics Guidelines](#) 

2-4 Restrictions on Donations and Political Contributions

- (1) Upon donating to various organizations, etc., recognize the roles of companies in society, proactively judge the need for donations, comply with related laws and regulations, and follow proper methods.
- (2) Upon making political donations, comply with related laws and regulations including the Public Offices Election Act and the Political Funds Control Act, carefully avoid any and all action that can be misunderstood as colluding with politicians or government officials by bribery and payoffs, and strive to create healthy and transparent relationship with all parties.
- (3) Receive prior authorization according to internal rules upon making various donations and contributions.

3-6 Entertaining and Presenting Gifts

- (1) Do not entertain nor present gifts to public officials or any equivalent individuals.
- (2) Upon entertaining or presenting gifts to business partners, operate within the range of generally and socially acceptable common sense.
- (3) In principle, do not accept entertainment nor gifts from customers or business partners.





## Data Security Initiatives

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### **Information Security Oversight Structure**

To address information security risks, the Information Security Committee reports to the Risk Management Committee every quarter and as needed. The Risk Management Committee (chaired by Satoshi Tanaka, Representative Director of the Board, Executive Vice President & Executive Officer) is a consultative body to the Board of Directors and makes regular annual reports on the matters reported by the Information Security Committee.

### **Data Breach and Incident Response Planning**

In August 2022, in response to growing cybersecurity (information security) risks, under the direction of the Information Security Committee, we established a Computer Security Incident Response Team (CSIRT) within the IT Design Department's Information Security Systems Office. In addition, we have developed incident response plans for use in normal operations and in emergencies.

In the event of a confirmed or suspected leakage of, loss of, or damage to customers' personal data, we take necessary measures in accordance with relevant laws and regulations as appropriate to the specific circumstances. These measures may include internal reporting, containment, fact-finding, investigating causes, identifying the scope of impact, considering and implementing measures to prevent recurrences, reporting to the Personal Information Protection Commission, and notifying the affected customers.

### **Employee Training on Data Security and Privacy Risks and Procedures**

Training on information security and on personal information is provided via e-learning once a year for all employees, including those at domestic Group companies.

In addition, we hold risk management training for worksite managers once a year.

### **Information Security Policies and Systems Audit Frequency**

We receive independent outside audits of information security policies and systems at least once every two years. We have established information security guidelines and made them available on the Group intranet for all Group companies. All domestic Group company workplaces are required to perform information security self-checks based on the information security guidelines.