

Becoming a Leader in ESG Management

Sustainability Vision 2050: Long-Term Goals for ESG Management

In 2016, the Sekisui House Group formulated its Sustainability Vision 2050, with long-term goals for ESG management. In 2020, we established our global vision to “make home the happiest place in the world,” and in 2021, we identified five material issues for management. With each of its businesses working in concert, the Sekisui House Group will address these five material issues with the aim of being a leader in ESG management. In addition, the ESG Management Promotion Headquarters we established in 2020 will drive the implementation of our ESG management to raise awareness and foster understanding among all employees for the ongoing growth of our business under two themes: the happiness of everyone involved with the Sekisui House Group, and continued contribution to forward-thinking initiatives that will help build a better society through our businesses.

Themes for Promoting ESG Management

E Environment

- Decarbonized society
- Society in which humans and nature coexist
- Circular economy

To help make life happy for our customers, we promote decarbonization of all our business activities, including shifting to the net zero energy house (ZEH), and integrate proactive initiatives into our businesses that will help preserve biodiversity and recycle resources.

S Social

- Promoting diversity
- Workstyle innovations
- Health and productivity management
- Human resource development
- Respect for human rights
- Contributing to society

We aim to contribute to society by creating a culture that accepts and makes the most of diversity while allowing employees to maximize their abilities in their own way so they can be happy as they grow along with the organization.

G Governance

- Fostering an organizational culture that facilitates innovation and communication
- Strengthening our Group governance system

In our ongoing efforts to strengthen corporate governance, we consider it important to create an open workplace culture, and therefore we make every effort to ensure all employees understand our corporate philosophy and the essence of ESG management.

The Framework of ESG Management

In June 2020, the Sekisui House Group established the ESG Management Promotion Headquarters, which oversees planning, drafting and promotion of the Group’s basic ESG management policies. This reorganization goes beyond the promotion of Group-wide efforts for ESG management to integrate support and coordination as well as collection, analysis and communication of information inside and outside the Group. As such, the new organization shows our determination to gain recognition for the Sekisui House Group as a leader in ESG management in both name and reality.

We have also established an ESG Promotion Committee under the control of the Board of Directors. This committee meets once every three months to evaluate and improve policies related to the promotion of ESG management. It is chaired by the director in charge of ESG, and includes internal members and two experts from outside the Group, adding to lively discussions from various perspectives. The details of ESG Promotion Committee meetings are reported to the Board of Directors for its deliberation.

- Chairperson: Director in charge of ESG
- Outside members: 2
Katsuhiko Kokubu (Professor, Graduate School of Business Administration, Kobe University; Dean of V. School, Kobe University),
Hidemi Tomita (Representative Director, Lloyd's Register Japan K.K.)
- Internal members: General Manager of ESG Management Promotion Headquarters, chairpersons and vice-chairpersons of the three ESG subcommittees (Environmental Subcommittee, Social Improvement Subcommittee and Governance Subcommittee)

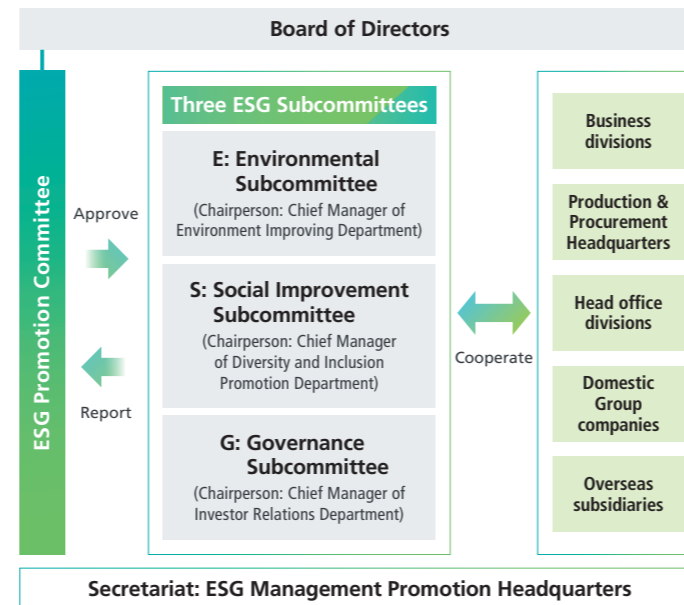
In addition, we have set three themes as essential elements of ESG management: participation by all employees, forward-thinking initiatives, and improvement of our external evaluation. Sekisui House exists within the context of ESG. Each of us will deepen our understanding of ESG management as the basis for all of our corporate activities as we work for the happiness of our customers and society.

Establishment of Three ESG Subcommittees

Under the ESG Promotion Committee, we have established three subcommittees responsible for promotion: the Environmental Subcommittee, the Social Improvement Subcommittee and the Governance Subcommittee.

The chairpersons of each of the three ESG subcommittees are given responsibility for setting targets and KPIs. Working in cooperation with the business divisions, Production & Procurement Headquarters, head office divisions, domestic Group companies and overseas subsidiaries, these three subcommittees will take the lead as the standard bearers for ESG management and carry out effective measures. They will also work to foster understanding and adoption of these measures among all employees through progress reports, communication of feedback on issues, and proposals for improvement.

ESG Management Promotion Structure



Initiatives to Instill ESG Management within the Group

▶ Award System Incorporating ESG Indicators

To promote ESG management throughout the Sekisui House Group, we have incorporated ESG indicators into the President’s Awards for workplaces.

In line with our ESG promotion policy, we have set six straightforward and objective indicators directly related to business: leading the way to a decarbonized society and protection of ecosystems under “Environment;” health and productivity management and employee happiness under “Social;” and strengthening management at workplaces under “Governance.”

▶ Conducting Dialogue on ESG

In the Sekisui House Group’s global vision to “make home the happiest place in the world,” “home” does not exclusively mean housing for our customers. For our employees, it can mean their company and workplaces. As such, employee happiness could be considered a foundation of ESG management.

A key element of promoting ESG management is the participation of all employees in dialogue on ESG.

Employees participate in dialogues with others of the same rank under the theme of how we can make employees, customers and society happy through our businesses. During these dialogues, participants become aware of a chain of happiness, in which working for the happiness of our customers leads to contributions to society, leading in turn to the happiness of our employees and business partners, and once again back to the happiness of our customers. Through these dialogues, we also aim to stimulate communication between employees that leads to an open workplace culture that will generate innovation, thus further improving corporate value.

This ESG dialogue initiative, in which our desire for the happiness of others becomes our own happiness, is a way of practicing our love of humanity, which underlies our corporate philosophy.