

## Sekisui House's Greenhouse gas reduction ambition has been approved by SBTi as in line with a 1.5 °C trajectory

Sekisui House, Ltd. was approved by the Science Based Targets initiative (SBTi) on June 8 for greenhouse gas reduction ambition as in line with a Paris Agreement's 1.5 °C trajectory.



The Paris Agreement sets a common long-term goal of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." In 2008, Sekisui House made a decarbonization declaration pledging to achieve zero CO<sub>2</sub> emissions by 2050, and in 2018, became the first Japanese company in the homebuilding sector to receive SBT initiative certification.<sup>1</sup> The latest SBT certification is in recognition of the company's setting of an emissions reduction target consistent with the Paris Agreement 1.5°C target.

### Sekisui House's new reduction targets

- Reduce Scope 1 (direct) and Scope 2 (indirect) emissions by 75% from FY2013 level by 2030.
- Reduce emissions from the use of sold products (Scope 3 Category 11) by 55% from FY 2013 level by 2030.
- Raise percentage of SBT-certified suppliers to 65.8% by 2027.<sup>2</sup>

Large-scale procurement of CO<sub>2</sub>-free electricity through its Sekisui House Owner Denki scheme and other means enables Sekisui House to cover 78.7% of the electricity used by all of its domestic production factories. As a result of relocating business sites to low carbon offices that meet ZEB standards and using EVs for company vehicles, the company achieved a 50% reduction in Scope 1 (direct) and Scope 2 (indirect) emissions from FY2013 levels in FY2022,<sup>3</sup> and accordingly set itself an even more ambitious target of 75% reduction.

Furthermore, in the light of progress made on various fronts, including the increase in net zero energy housing (ZEH)<sup>4</sup> ratio of new housing built by Sekisui House in FY2022 to 93% for detached houses,<sup>5</sup> 65% for Sha Maison rental housing,<sup>6</sup> and 88.8% for condominiums,<sup>7</sup> the company raised its target for reduction of Scope 3 Category 11 emissions to 55%. It also set a target ratio for SBT certification in its supply chain with the aim of working with more of its stakeholders to tackle climate change.

To drive the achievement of 75% reduction in emissions consistent with the -1.5°C target, Sekisui House has included Scope 1 and 2 CO<sub>2</sub> emission reduction rate in its ESG management indicators for performance-based stock unit (PSU) for board members.

Sekisui House will continue to contribute to the building of sustainable society as a leader in ESG management based on its global vision of making home the happiest place in the world.

### About the Science Based Targets (SBT) initiative



Science-based targets (SBT) are greenhouse gas emissions reduction targets that provide companies with a clearly-defined path to reduce emissions in line with the goals of the Paris Agreement. The initiative is a collaboration between four organizations: CDP, World Resources Institute (WRI), World Wildlife Fund (WWF), and United Nations Global Compact (UNGC). <http://sciencebasedtargets.org/>

1. According to search results for the homebuilding sector in the list of certified companies on the official SBT website
2. Based on emissions from purchased goods and services
3. Related press release:  
April 26, 2023, GHG Emissions from Business Activities Reduced by 50% from FY2013 Levels  
[https://www.sekisuihouse.co.jp/company/topics/topics\\_2023/20230426/](https://www.sekisuihouse.co.jp/company/topics/topics_2023/20230426/)
4. Net zero energy house, a house that aims for an annual primary energy balance of zero through energy efficiency and energy generation, while providing a comfortable indoor environment.
5. ZEH ratio of built-to-order/ready-built detached houses in areas other than Hokkaido
6. Ratio of units ordered that are ZEH Ready or upper grade
7. Ratio of units sold that are ZEH Oriented or upper grade