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June 2021

## 1. Introduction

This Sekisui House Group Human Rights Report presents a summary of Respecting Human Rights and human rights-related content from our Sustainability Report 2021 in an easily viewable form, and provides information that could not be included in the above due to editorial space limitations.

At the Sekisui House Group, with respect for human rights positioned as one of the priority issues in our ESG management promotion, all employees are committed to fulfill their responsibility to respect human rights by practicing our corporate philosophy, “love of humanity” being its fundamental principle.

From the Sekisui House Group Human Rights Policy announced in April 2020, with the following in mind:

① business management that respects human rights (integrity management), ② diversity management, and ③ an open workplace environment (innovation & communication), we are working to develop “leaders with good knowledge of human rights” as our top priority. At the same time, we are also focusing our efforts on respecting human rights in the supply chain, etc. as we expand our business globally.

Based on our Human Rights Policy, we have incorporated the process of human rights due diligence into our business activities and are promoting initiatives for top management, all Group employees, customers, supply chains, and people working at partner building constructors.

We are determined to further promote our initiatives on respect for human rights, through clarifying in this report the overall picture, progress, and issues regarding these initiatives, and then through fulfilling our responsibility of “information disclosure” stipulated in our Human Rights Policy.

## President Nakai announces participation in “My Jinken Declaration,” a human rights campaign sponsored by the Ministry of Justice

The Sekisui House Group has endorsed the “My Jinken Declaration” project advocated by the Ministry of Justice in July 2021, and Yoshihiro Nakai, President, announced the declaration.

The Human Rights Bureau, Ministry of Justice, is calling for participation of companies, organizations, and others in the “My Jinken Declaration” project, initiated based on the Japanese government’s National Action Plan on Business and Human Rights (NAP, October 2020) to boost momentum of its initiatives.

President Nakai has proclaimed his own “My Jinken Declaration” based on Global Vision, as well as the “Sekisui House Group Human Rights Policy,” which was formulated in April 2020, and our corporate philosophy.

The Sekisui House Group will further promote initiatives to encourage respect of the human rights of its stakeholders.

My Jinken Declaration



In order to achieve our vision  
“making home the happiest place in the world,”  
we are committed to fulfilling our responsibility to respect  
human rights by upholding “love of humanity,” a  
fundamental principle of our corporate philosophy.

Yoshihiro Nakai  
Representative Director,  
President & Executive Officer, CEO  
Sekisui House, Ltd.



## 2. Sekisui House Group Human Rights Policy

In April 2020, we formulated the Sekisui House Group Human Rights Policy (the “Policy”) to maximize the “happiness” of our customers, employees, and society through our business activities.

Based on our corporate philosophy and code of conduct, the Policy complements and clarifies the “Respect for Human Rights,” which is one of the principles outlined in our Corporate Code of Conduct.

In the Policy, we have expressed our commitment to respecting international norms such as the International Bill of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and Guiding Principles on Business and Human Rights, supporting the 10 principles of the United Nations Global Compact. Along with that, we have declared a resolution to continue to promote the creation of a corporate structure with zero tolerance for any infringement of human rights, discrimination or harassment.

In order to fulfill our social responsibility in our global business activities, we have shared with all stakeholders who may be affected by our business activities, including our supply chains, our intention to bolster our efforts on respecting human rights that the Group employees have promoted in line with the Policy.

The Policy has been formulated through the advice of external experts and approval of the Board of Directors, and the English version is available on our corporate website.

### Sekisui House Group Human Rights Policy

The Sekisui House Group believes that its mission is to continue to provide safe, secure, and healthy housing and services that aim to contribute to a sustainable society.

In order to achieve our vision of “Making Home the Happiest Place in the World”, we strongly hope to create happiness for all stakeholders through our various businesses. We express our commitment to fulfill our responsibility to respect human rights by practicing “love of humanity”, which is a fundamental principle of our Corporate Philosophy.

Based on our Corporate Philosophy and Code of Conduct, the Sekisui House Group Human Rights Policy complements and clarifies the “Respect for Human Rights”, which is one of the principles outlined in our Corporate Conduct Guidelines.

This policy applies to all officers and employees of the Sekisui House Group. We also expect our business partners, including building contractor partners and suppliers, to understand and support this policy.

The Board of Directors of Sekisui House, Ltd. shall supervise compliance with this policy and its implementation.

### Respect for Internationally Recognized Standards

We are committed to respecting human rights as stipulated in the International Bill of Human Rights (\*1) and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work (\*2). We are a signatory of the United Nations Global Compact and we support its ten principles.

We strictly prohibit any form of forced labor and child labor.

We shall continue to promote the creation of a corporate structure with zero tolerance for any discrimination or harassment based on birth, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, gender identity, age, disabilities, preference, educational background, family or any other ground. We also strive to maintain a healthy working environment without discrimination in employment or treatment of employees.

We respect the freedom of association and the right to collective bargaining. We comply with labor-related laws and regulations and observe labor-management agreements. We are committed to engaging in employees or their representatives in good faith through dialogue and consultations and continuously work to build constructive relations.

We comply with national and regional laws and regulations in countries and regions where we operate. Where national and regional laws and regulations conflict with international human rights standards, we seek ways to honor the principles of internationally recognized human rights while complying with national and regional laws and regulations.

### Implementation of human rights due diligence

In line with the United Nations Guiding Principles on Business and Human Rights (\*3), we are committed to integrating human rights due diligence processes in our business activities in order to identify negative impacts on human rights and continuously work to prevent and mitigate such impacts.

We believe that the perspective of affected stakeholders is critical to understand human rights issues. We are committed to engaging in dialogues with relevant stakeholders in order to appropriately address human rights issues associated with our business.

If we identify that we have caused or contributed to negative impacts on human rights, we strive to remediate such impacts by appropriate means.

### Diversity Initiatives

We shall promote the creation of a working environment with free and open communication, where people who work together and every employee recognize and make the most of each other's diversity, values and working styles. We aim to build an organizational culture that fosters innovation.

### Awareness Raising and Training

We shall continue to provide education and training necessary for all Group officers and employees to implement this policy.

### Grievance Mechanisms

We have in place the following complaint reporting channels to identify concerns and potential negative impacts on human rights associated with our business activities. The use of the mechanisms is strictly kept confidential and the users are protected from any detrimental treatment as a consequence of reporting issues.

- Internal consultation services for employees regarding harassment, human rights abuses, and issues related to workplace environment
- Contact points for stakeholders affected by our business activities that enable consultation regarding negative impacts on human rights

We shall investigate and respond to reports made through the mechanisms and take remedial measures as necessary. We continuously seek to optimize our grievance mechanisms in order to respond appropriately to any potential negative impact on human rights associated with our business activities.

### Disclosure

We will regularly disclose our efforts to respect human rights as outlined in this policy through our website and other means of communication.

Effective on April 1, 2020  
Approved by the Board of Directors of Sekisui House, Ltd.

\* 1. The International Bill of Human Rights consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenants on Economic, Social and Cultural Rights. It is widely regarded as the fundamental human rights framework by the international community.

\* 2. The Declaration on Fundamental Principles and Rights at Work adopted by the ILO sets out the following four categories as the minimum labor standard to be observed: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

\* 3. The UN Guiding Principles on Business and Human Rights, endorsed by the United Nations Human Rights Council, is the authoritative global standard for states and businesses to prevent and address the risk of adverse impact on human rights linked to business activity.

### Opening of the <Corporate Code of Conduct>

Standing on a corporate philosophy with “love of humanity” as the fundamental principle, and based on the following 10 principles, the Sekisui House Group companies respect human rights, adhere to all laws, international rules as well as the spirit thereof, both inside and outside the country, and become a driving force for building a sustainable society with integrity.

1. Sustainable economic growth and resolution of social issues
2. Fair business practices
3. Fair disclosure of information and constructive dialogue with stakeholders
4. Respect for human rights
5. Relationship of trust with consumers and customers
6. Reform of work practices and enhancement of workplace environments
7. Engagement in environmental issues
8. Involvement in community and contribution to its development
9. Thorough crisis management
10. Role of top management and implementation of this Corporate Code of Conduct

### Excerpt from the <Corporate Ethics Guidelines>

#### 5-1 Respect of Human Rights and Prohibition of Discrimination

Consistently strive to maintain a healthy workplace environment, respect the human rights of each person and do not act in any way that could lead to discrimination. Do not discriminate in hiring and treatment of employees.

Furthermore, ensure that other persons are prevented from discriminatory behavior.

1. Do not engage in any form of unreasonable discrimination based on birth, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, gender identity, age, disabilities, preference, educational background, family and others.
2. Do not engage in acts which violate human rights through violence, derision, slander, libel, forced labor through threats, bullying, or spread of rumors.

Corporate Ethics Guidelines [Full text](#)

### No involvement in human trafficking

There shall, of course, be absolutely no involvement of our employees and the Group companies in any form of human trafficking, and we shall never have any relationship with companies or production areas that have been allegedly involved in such transactions.

This stance is also stipulated in the above items as well as “1-2 Ensuring Full Compliance, 2-5 Severance of Relations with Antisocial Forces” of the Corporate Ethics Guidelines.

### Consideration for human rights in selecting partners in new businesses and developments

The Sekisui House Group expresses its stance as stated in our Human Rights Policy: “We also expect our business partners to understand and support this policy.” Acquiring understanding for our visions, including our corporate philosophy and ESG management, is a major premise for selecting our partners. Our corporate philosophy also lays down the idea, “whether it is developing a product, creating an environment or choosing to enter into a new business, we should always ask ourselves whether this is

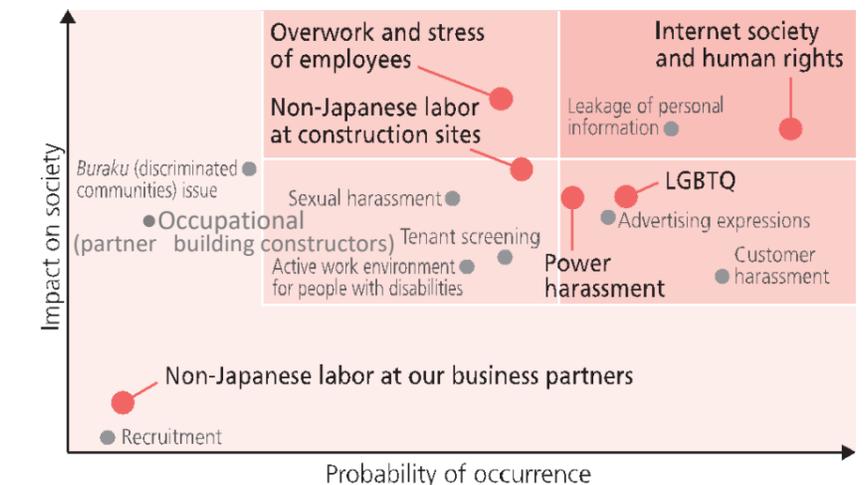
helpful to the customer and if it contributes to society,” exemplifying our practice of “love of humanity.”

### 【Special Feature for 2021】 Promoting human rights due diligence

#### Special Feature 1 Human rights risk map initiative

In fiscal year 2020, we conducted an awareness questionnaire survey and exchanged opinions within each business division in the Group, creating a “human rights risk map” for employees.

After identifying groupwide priority issues and those Human rights risk map (excerpt) ● Identification of groupwide priority issues



specific to each business division, we decided appropriate training topics and priority initiatives for fiscal year 2021.

The following five groupwide priority issues have been identified.

1. Internet society and human rights
2. Power harassment
3. LGBTQ
4. Overwork and stress of employees
5. Non-Japanese labor at our business partners and construction sites

Sekisui House Group Human Rights Report, a document related to Sustainability Report 2021

The highest degree of crisis awareness is observed with “Internet society and human rights,” due to this being a new issue to be addressed and the frequent occurrence of related problems in our society. In addition, close attention is paid to LGBTQ issues, because of the need to meet the expectations of diverse owners strengthening in demand for houses, including real estate. Regardless of relative position on the risk map, “non-Japanese labor” has been raised as a priority issue based on the idea that it is a major public concern. We will advance efforts to review these immediate issues.

Human rights issues that have occurred or those at risk of occurring in each business division (the meeting of the General Affairs senior managers of the Sekisui House Sales Administration Headquarters, the meeting of the General Affairs senior managers of the Production & Procurement Headquarters, the meeting of the General Affairs senior managers of Sekisui House Real Estate, and the meeting of the Governance Promotion of the Sekiwa Construction. Individually handled for Sekisui House Remodeling, which is under reorganization) were identified, and numerically calculated and graphed based on the survey results with the axes of “Probability of occurrence” and “Impact on society.” We exchanged opinions on the extracted high-risk issues by department. Taking issues of public concern into consideration, we determine priorities and have been working on them.

The Human Relations Promotion Committee plays a central role in fostering a workplace environment in which diverse human resources can play an active role, from two aspects: a preventive approach and a reactive approach. The annual PDCA cycle is shown on the right.

Questionnaire for human rights risk mapping  
Production & Procurement

Internal/external issues (External: shaded)	Probability of occurrence (Consider the current situation, including your organizational efforts, and the ratio of people in the target population)	Whether your organization has prepared measures (Guidelines, training, etc.)					Any additional comments (If you have taken your own measures, please describe your efforts in detail (optional))	Impact on society (Magnitude of damage)									
		5. Most probable	4. Highly probable	3. Probable	2. Sometimes	1. Not probable		5. No measures	4. There are measures, but effectiveness is not known yet.	3. There is a mechanism to take measures and verify them.	2. Measures and mechanisms are being implemented.	1. The measures have produced results.	5. Huge	4. Big	3. Some	2. Small	1. Irrelevant
Internet and human rights Is there a possibility of an employee being publicly criticized on social media (e.g. by posting internal information without permission)?																	
Personal information Is there any possibility that employees will lose, steal, or leak customer information? (Are they observing the confidentiality obligation of the information gained through their work? Are offices and computers locked? Have security measures been implemented inside facilities and parking lots? Is there any violation of regulations, such as the use of USB drives?)																	
Recruitment Is there any possibility of unfair (attribute-based) recruitment that is not related to an individual's abilities?																	
Supply chain Is there any possibility of trouble related to the workplace environment with business partners (including on-site contractors)?																	
Supply chain Is there a possibility of human rights violations at factories, raw material mining sites, or logging sites of business partners (including secondary and subsequent sites) (e.g. child labor, forced labor, and/or unjustifiable infringement of local residents' rights)?																	

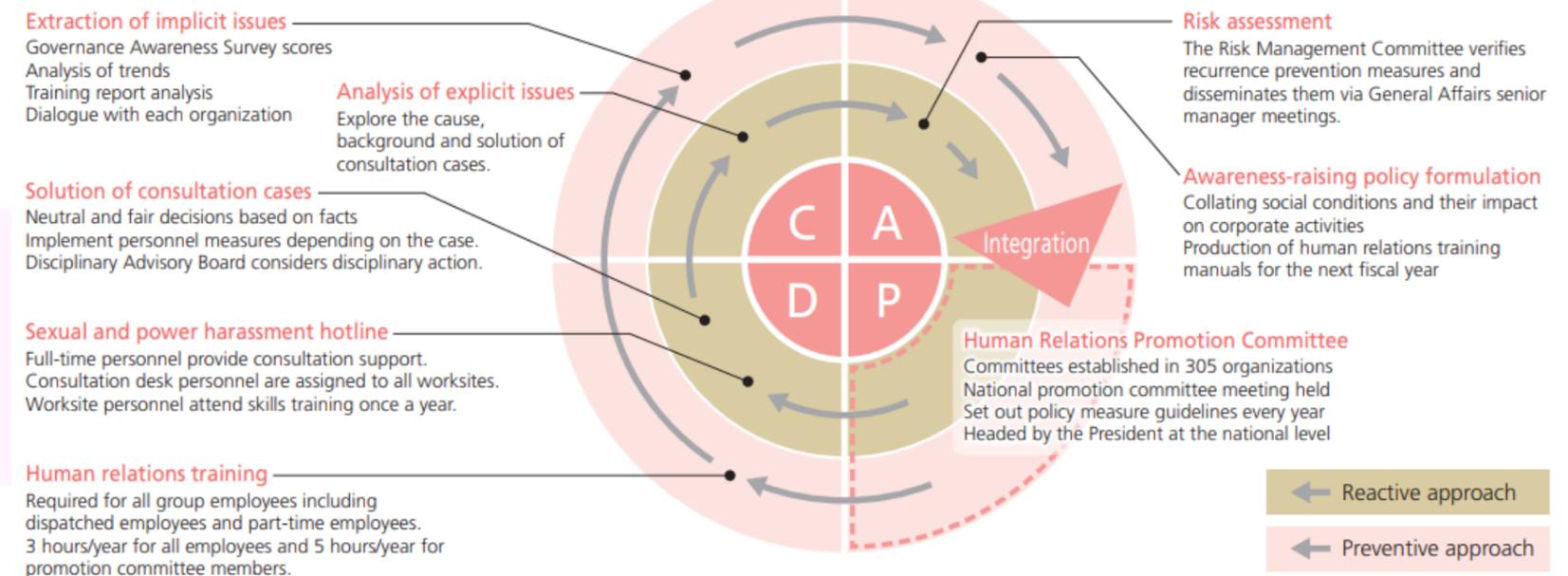
Questionnaire implemented  
September-December 2020  
Number of answers collected: 51  
Number of question items: 31  
(Question items were extracted by the Secretariat from interviews with each department of the head office conducted in 2019 and based on problems occurring in the company)

Example question> Are there any possible risks related to the workplace environment with business partners (including on-site contractors)?

> Is there a possible risk of human rights violations at factories, raw material mining sites, or logging sites of business partners (including secondary and subsequent sites) (e.g. child labor, forced labor, and/or unjustifiable infringement of local residents' rights)?

“Forced labor” and “Child labor” are omitted from the risk map because we checked with our suppliers through the questionnaire and confirmed low risk for such items. “Discrimination” is included in “Sexual harassment,” “Power harassment,” “People with disabilities,” “Recruitment,” and other items in the questionnaire.

PDCA of human rights due diligence (for employees)



**Special Feature 2 Initiatives for technical trainees**

Sekisui House has its own system in place for accepting technical trainees in a safe and secure way.

Sekisui House is involved in accepting companies and local dispatching organizations.

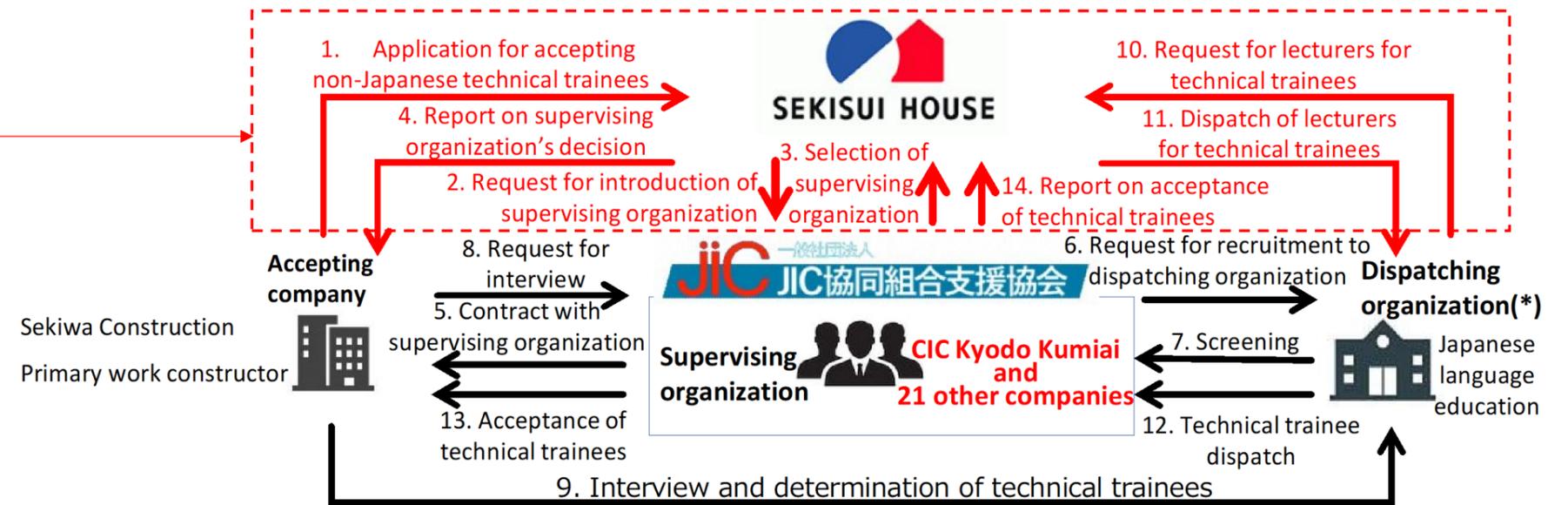
Instead of leaving matters to the accepting company (Sekiwa Construction, primary work constructors, etc.), Sekisui House is actively involved and provides both physical and mental support, enabling technical trainees to work and acquire skills without any concern in supportive environments in Japan and Vietnam. Having established and started operation of a training center in Hanoi, we are providing peace of mind not only to technical trainees but also to their families.

We have a service agreement with the JIC Kyodo Kumiai Support Association and cooperate with local dispatching organizations.

The support system provided by Sekisui House to realize these schemes is roughly divided into two, as shown on the right.

**■ Sekisui House-style technical trainee acceptance scheme**

\* The number of JIC Kyodo Kumiai Support Association members is as of July 2019.



**Support ① (Dispatching country)**  
**Smooth dispatch and acceptance**  
**Implementation of Sekisui House-style local skill training, etc.**  
**Cover all the expenses of local skill training costs**

**Support ① Smooth dispatch and acceptance**

- Acquisition of specialized skills and technical terms (basic knowledge, original on-site rules, safety and health education, specialized skills)
- Acquisition of practical Japanese language education at our construction site
- Support for job interviews and explanatory meetings for families
- Family visitation on training days
- Production of construction videos in Vietnamese

**Support ② (Japan)**  
**Post-acceptance support**  
**Support for practical training and livelihood**  
**Subsidies for partner building contractors**

**Support ② Support for practical training and livelihood**

- Assistance for other expenses incurred in first-year technical training
- Support for technical training managers, technical training instructors, and life counselors
- Support for monthly visit guidance and audits once every three months
- Website for addressing problems
- Support for passing skill tests
- Enhancement of training given one month after entering Japan
- Support for Japanese language education web services



One of the foundations that underpin a support system in the dispatching country is our technical training center. In November 2019, we opened the first technical training center as a housing manufacturer for construction work in Hanoi, Vietnam.

For its opening, Sekisui House identified risks that may arise after the acceptance of technical trainees by a company responsible for construction sites and considered countermeasures. As a result, we found that if technical trainees do not sufficiently understand the workplace environment in Japan, it will be difficult for them to play an active role within the company.

<Required understanding>

Understanding of the job, company, living environment, Japanese culture, job details, corporate philosophy, wages, valid qualifications, Japanese language education, construction term education

In the conventional way of acceptance, technical trainees received training after they started work. For this and other reasons, even if there was a job-trainee mismatch, it was difficult for them to return to their home country. We therefore opened a technical training center in Hanoi, Vietnam with the aim of creating opportunities for them to understand the job and workplace environment while remaining in a familiar environment. This helps technical trainees start working without any problems when they arrive in Japan.

Foundation training center,  
training center for framing/exterior/interior finishing



【Specific examples of what we do at our technical training center】

Job interview/explanatory meetings for families:

Rebar placement practical skill test and interview, easing anxiety of technical trainee candidates' relatives



Safety education: We communicate using videos. Trainees learn about corporate philosophy in a classroom session.



Trainees use and learn about tools for construction sites.

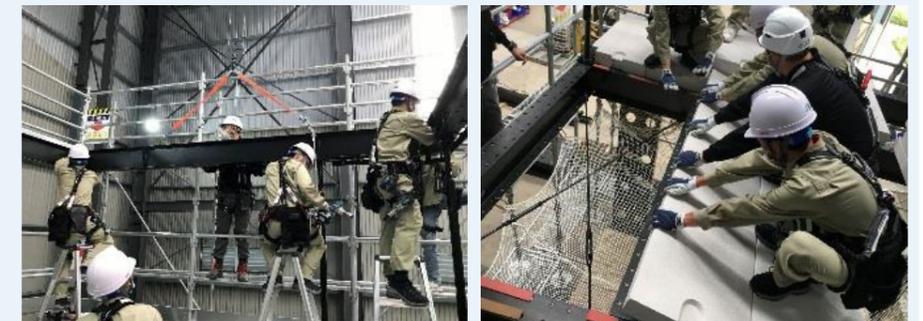


Trainees learn on-site work using structural components and tools of Sekisui House factory.

Foundation: Reinforcement assembly, frame assembly



Exterior framing: Steel frame assembly, floor frame work



The Hanoi training center enlists the help of both Sekisui House employees and first-rate Vietnamese technicians who have had practical experience learning skills on Sekisui House sites and have returned to Vietnam.

In January 2020, six trainees who had gone through the foundation course at the center started construction work in Japan.

Affected by the COVID-19 pandemic, 33 technical trainees taken on in 2019 were unable to receive education or training as scheduled and were put on standby in Vietnam. The foundation course training for three trainees, and β exterior course training for seven trainees, were significantly delayed. The ten, who had been scheduled to come in April, finally reached Japan in January 2021.

Also, it was impossible to take on trainees as planned in 2020; we were, however, able to interview ten candidates online.

We have become increasingly focused on the acceptance of technical trainees from Vietnam because of the decrease in the number of technical workers involved in the Japanese construction industry. Securing construction capability is one of our challenges in an environment where insufficiency of construction capability is expected from now on.

Learning the construction techniques of Sekisui House and practical Japanese at the technical center in Hanoi, Vietnam will create a foundation for both technical trainees and accepting companies to work with a sense of security.

Technical trainees and accepting companies are working to create a new working environment beyond language and cultural barriers.

## WIN-WIN initiative



**SEKISUI HOUSE**  
Sekiwa Construction, primary work constructors, etc.



**Vietnamese technical trainees**

<ul style="list-style-type: none"> <li>• <b>Sekisui House supports recruitment and skill development of technical trainees</b></li> <li>• <b>Securing excellent young skilled workers</b></li> </ul> <p>&lt;Strengths&gt;</p> <ul style="list-style-type: none"> <li>• Sekisui House supports recruitment of technicians and skill development for Sekiwa Construction and primary work constructors individually (employment contract, avoidance of trouble risks).</li> <li>• Providing a stable and secure workplace</li> <li>• Partnership with a good supervising organization</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Growth as building technicians</b></li> <li>• <b>Support for acquiring qualifications</b></li> <li>• <b>Improvement of Japanese language skills</b></li> <li>• <b>Stable income</b></li> </ul> <p>&lt;Strengths&gt;</p> <ul style="list-style-type: none"> <li>• Sekisui House provides both physical and mental support</li> <li>• Pre-education and information provision at the training center in Vietnam</li> <li>• Explanatory meetings for families in Vietnam</li> <li>• Follow-up for training and livelihood in Japan</li> </ul>
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### 3. Human rights due diligence promotion framework

The following framework has been put in place to promote human rights due diligence.

In order to ensure the supervisory responsibility of the Board of Directors stipulated in our Human Rights Policy, the “Risk Management Committee” (Chairperson: Executive Vice President & Executive Officer in charge of Division of Administration & Human Resources), an advisory body, regularly reports on and checks initiative progress and issues.

With human rights due diligence positioned as one of the priority issues for the Social Improvement Subcommittee in the ESG management promotion framework, we are reviewing important policies and issues in cooperation with related departments. From fiscal year 2021, with a “human rights due diligence working group” established under the Social Improvement Subcommittee, we have been building a system to accelerate our initiatives to address human rights issues with supply chains and partner building constructors as well as global issues.

#### ESG management promotion structure

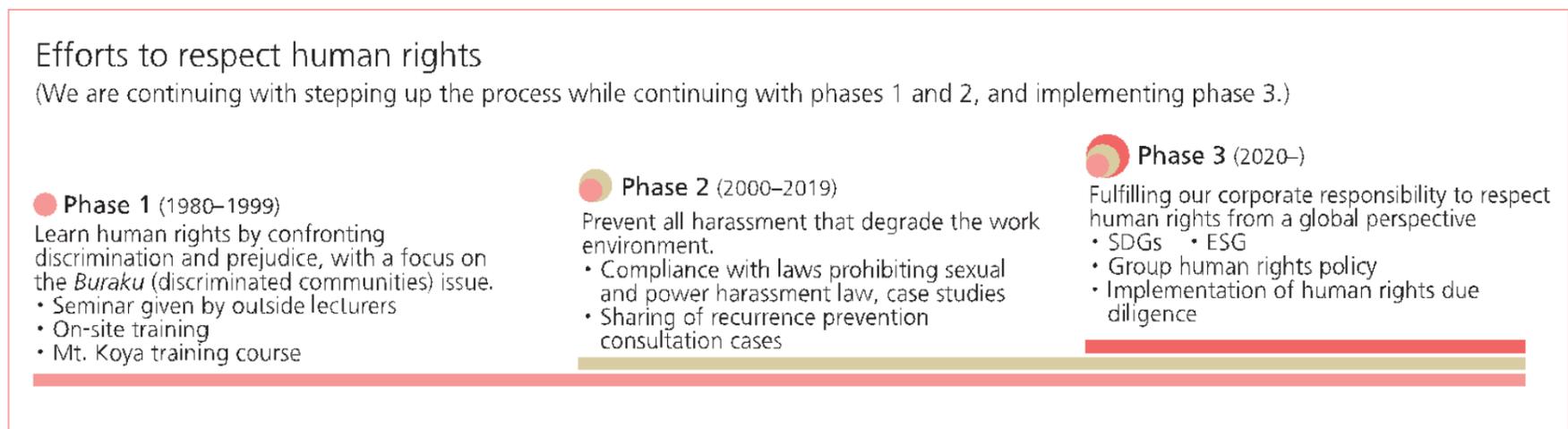


### 4. Human relations promotion framework

The Sekisui House Group has established a Human Relations Promotion Committee in all of its organizations to strengthen its corporate culture that strictly prevents infringement of human rights, discrimination and harassment. The committee formulates basic policies for human relations in general, covering all human rights issues.

Once a year, representatives from each business division committee gather to hold a Groupwide Human Relations Promotion Committee Meeting chaired by the President. At the meeting, guidelines in the human relations promotion framework, groupwide priority issues, training policies and training plans are shared. With the Human Relations Office of the Legal Department serving as Secretariat, activities are carried out under the responsibility of the Managing Officer in charge of Legal Affairs.

Under such human relations promotion framework, we provide all Group employees with training to prevent harassment and deal with issues that arise. Through this framework, training and harassment prevention measures are steadily and voluntarily implemented on each department’s own responsibility.



<Efforts to date>

A dedicated human rights department has been set up within the Legal Department of Sekisui House. Since the establishment of the Human Rights Protection Promotion Committee in 1980, we have faced discrimination and prejudice, especially concerning Buraku (discriminated communities) issues and have continued to provide human rights training for employees. We will instruct and share decisions made by the Human Relations Promotion Committee with each business site, provide guidance and monitor progress across the company to promote human rights. The name of the Human Rights Protection Promotion Committee has been changed to the “Human Relations System.”

1980	The Human Rights Protection Promotion Committee established Human rights protection training for employees started (since its establishment, training continues to be given systematically every year)
1981	Participated in an external course, the <i>Buraku</i> Liberation Summer Course (Mt. Koya training course), for the first time (continuously participated thereafter)
1984	The first “human rights slogan” solicited within the company
1990	Human Rights Awareness Report Created in-house for employee training, and issued annually thereafter
1999	Sexual Harassment Hotline launched
2003	Human Rights Promotion Office (dedicated organization dealing with human rights issues) established in the Personnel Department

2006	Human Rights Promotion Office moved into the Legal Department and reorganized into the Human Relations Office
2008	Sexual and power harassment consultation service set up at all business sites, including at the Group companies Manuals for consultation personnel training course created, and training conducted every year thereafter
2014	Sexual Harassment Hotline renamed to Sexual and Power Harassment Hotline
2016	The Sexual and Power Harassment Hotline started accepting consultations to create a comfortable working environment for employees with disabilities
2017	The Sexual and Power Harassment Hotline started accepting consultations on harassment related to pregnancy, childbirth, childcare leave, and nursing care leave
2020	Human Rights Policy formulated and publicized, full-scale operation of human rights due diligence started

5. Human relations training

Under the human relations promotion framework, we continue to raise awareness of human rights issues. Our Human Relations Training programs are held for employees every year, aiming to create a welcoming, comfortable workplace environment based on the following concepts:

- Improve knowledge and morals about various issues (compliance, sexual and power harassment prevention, labor management, mental health, etc.) stipulated in our Corporate Ethics Guidelines.
- Think about ways to improve communication to create a free and open workplace culture by truly understanding ourselves, and accepting ourselves and others (acceptance of diversity).
- Through internal case studies, each employee aims to relate human rights issues to themselves more closely, respect each other, and attain insights required to always be aware of and practice the “love of humanity” that underlies our corporate philosophy.

<Training system>

We continue to provide rank-based training to prevent human rights violations, including all types of harassment.

Training programs	Target
Management training	General Manager, Chief Manager, etc.
Human Relations Training for Promotion Leaders	Promotion leaders (managers, etc.)
Human Relations Training for All Employees	All employees
Introductory training	New employees
External training (Mt. Koya training course, etc.)	General Manager, Chief Manager, etc.

**<Groupwide Human Relations Promotion Committee Meeting>**

The theme of the Meeting in fiscal year 2020 was initiatives related to LGBTQ and other sexual minorities, and the participants listened to a lecture by Maki Muraki, representative of the certified NPO Nijiuro Diversity, as well as the experiences of those involved, and opinions were exchanged.

Our LGBTQ-related efforts expanded to Human Relations Training for Promotion Leaders in fiscal year 2020, and further to all employees in fiscal year 2021.

**<Human Relations Training for Promotion Leaders>**

**<Human Relations Training for All Employees>**

Training is provided every year to all employees<sup>(\*)</sup> in the Group, with work leaders serving as facilitators, to raise awareness of human rights issues and encourage employees to think about such issues as their own and related to their routine job. The Human Relations Office gives guidance to the work leaders who facilitate the training.

\* Training manuals are distributed to temporary, part-time, and fixed-term employees as well, and all employees are encouraged to attend training.

**Training themes for fiscal year 2020**

Training for promotion leaders (2 hours a year)

- Aiming for an LGBTQ-friendly workplace

Training for all employees, (3 hours a year)

- Business and human rights
- To create a workplace free from power harassment

Amid the COVID-19 pandemic, all employees received training using an online conferencing system, watched a lecture video, and engaged in group dialogue.

**6. Enhanced consultation system**

The Human Relations Office of the head office, a dedicated department, has established the Sexual and Power Harassment Hotline as an in-house consultation service to provide consultation on all human rights issues, including various types of harassment, and consultation to create a comfortable working environment for employees with disabilities.

We ensure that employees who cooperate in resolving cases are not disadvantaged, and provide protection for persons seeking consultation. In fiscal year 2020, the sexual and power harassment hotline received 167 consultations (92 of which were related to harassment), and is increasingly recognized as a safe resource for consultation.

Under the human relations promotion framework, we assign one male employee and one female employee to be in charge of the consultation service (about 760 people total) across all business sites of the Group. All employees are made aware of these consultation services through the company website, human relations training manuals, and posters displayed at offices.

**<Consultation personnel training>**

We hold training sessions every year to improve the skills of people in charge and to strengthen cooperation with the Human Relations Office of the Legal Department.

Training Name	Target
Consultation personnel training course	Newly appointed personnel or personnel who have not attended past training courses
Consultation personnel skill improvement training	Personnel who have taken the training course and continue to hold the positions at the consultation counter

<Internal reporting system>

In addition to the sexual and power harassment hotline, we have helplines that provide employees with counseling, known as “Sekisui House Group Compliance Support (SCS System)” and a personnel-related hotline providing consultation for employees. These points of contact can be found on our website in English as well.

At the same time, in October 2016, we established the Sekisui House Group Supplier Company Corporate Ethics Helpline as system for handling consultation regarding concerns pertaining to legal and corporate ethics infractions and transaction-related issues connected to Sekisui House Group business activities from directors or employees of partner building constructors and supplier companies with whom the Group has ongoing business relationships.

Furthermore, in June 2020, we established and began operation of the Sekisui House Global Helpline for employees at our overseas subsidiaries in English-speaking regions, using a third-party law firm as a contact point (another contact has been established for subsidiaries in China).

Sekisui House Group internal reporting system

	Point of contact	Method	Content of report
SCS (Sekisui House Group Compliance Support) System	Compliance Office, Legal Department (External) Sekisui House corporate law office	Phone E-mail Postal mail (registered mail receivable only by the addressee)	Witness account of an unlawful act or any conduct that violates laws or our corporate ethics policy
Sekisui House Group Supplier Company Corporate Ethics Helpline	Compliance Office, Legal Department (External) Sekisui House corporate law office	Phone E-mail Written correspondence	When partner building constructors or supplier companies suspect illegal activities, are uncertain about or have concerns regarding the Sekisui House Group and its transactions and business activities
Sekisui House Global Helpline	(External) law office	E-mail (English language support is available)	Witness account of an unlawful act or any conduct that violates laws or our corporate ethics policy by our overseas subsidiaries
Sexual and power harassment hotline	Human Relations Office, Legal Department	Phone E-mail	Consultation pertaining to sexual/power harassment and other human rights issues, including concerns and problems related to interpersonal relationships; consultation aimed at creating a comfortable workplace for disabled employees, etc.
Personnel related hotline	Personnel Department	Intranet	Labor management issues in general, such as work hours and working on scheduled days off

Note: We also provide an external (outside the company) contact for counseling by a professional for group employees and their families.

7. Promoting diversity

The diversity and inclusion that the Sekisui House Group aims for cannot be achieved unless a culture that respects all human rights is firmly rooted in the workplace. Recognizing diverse ideas and values, we carry out various activities to realize each individual’s workstyle and lifestyle.

With every June designated as Diversity Month, we held discussions on the theme of “unconscious bias” in fiscal years 2020 and 2021. Each of us is striving to change our ideas and actions where necessary to create a better workplace environment.

<Diverse workstyle and work-life balance>

We are taking steps to create a workplace environment and systems that allow every employee to work with peace of mind and reach their full potential. These are workstyle reforms that stimulate innovation.

**Balancing work and childcare**→See pages 90-91 of Sustainability Report 2021.

Paternity leave, Forums on Successfully Balancing Work and Child-rearing, Kindergarten Hunting Concierge, Financial Aid for Childcare, Family Friendly Day, Partnership Slide



Pair work with superior (held online in FY2020)



Grand Prix in the IKUMEN AWARD 2020

Sekisui House Group Human Rights Report, a document related to Sustainability Report 2021

**Work-life balance**→See pages 91-92 of Sustainability Report 2021.

Smart work and Competitive IT Strategy Company, annual paid leave

**Support for nursing care and employees on leave**→See page 92 of Sustainability Report 2021.

Nursing care support program, Accrued Annual Leave System, leave program for volunteering

**“Happiness” health management**→See pages 93-94 of Sustainability Report 2021.

Well-being Survey, mental health management, support system for balancing cancer and infertility treatment with work

<Gender>

In 2006, we declared our commitment to “Human Resource Sustainability.” We have been focusing on promoting diversity from early on, and working to eliminate anxieties of women, who were a minority due to the characteristics of the business form of the industry, and to solve issues.

**Action Plan for the Promotion of Active Participation by Women**→See pages 87-89 of Sustainability Report 2021.



Uniforms can be used in a variety of scenarios

Maternity uniforms

Orihime Toilets

**Promoting women to managerial positions**→See pages 81 and 87 of Sustainability Report 2021.

Sekisui House Women’s College, training for management candidates



Nadeshiko Brand 2021  
The first company in the industry to be selected six times

<LGBTQ>® See page 89 of Sustainability Report 2021.

We seek to create an organization that allows employees with various personalities to recognize differences and exercise their abilities to the fullest, thereby realizing a society where everyone can work with peace of mind in their own way.

- Optional system registering one’s partner in a common law or same-sex marriage
- Consultation exclusively for LGBTQ-related matters
- “Ally Declaration” by President Nakai
- Support for “Marriage Equality Campaign”

<http://bformarriageequality.net/>

“Ally Declaration” by President Nakai

I hereby declare that I am an “LGBTQ ally.”

In order to “make the Sekisui House Group the happiest company in the world,” we will realize a corporate group that encourages its diverse employees to fully exercise their abilities.

Invigorating communication stimulates innovation, encourages everyone to maximize their abilities in their own way, and helps people and organizations grow further. This is the diversity and inclusion of Sekisui House.



Mr. Yoshihiro Nakai, President & CEO



<Supporting employees with disabilities to take on greater roles at work>

As a company, we strive to live up to the ideal of providing all customers with lifelong housing, which is comfortable—now and always. We consider the hiring of people with disabilities to be our social mission.

Also, aiming to become a leading company in ESG management, the Sekisui House Group has joined “The Valuable 500,” an international initiative encouraging active engagement by people with disabilities, and has established the following commitments.



1. Customer happiness  
— Create homes and communities to provide lifelong housing.
2. Employee happiness  
— Provide opportunities and develop an environment for employees with diverse backgrounds to reach their full potential.
3. Social happiness  
— Support social inclusion and normalization for people with disabilities.

(\*For the “lifelong housing,” please see Page 14.

<Supporting senior citizens to take on greater roles at work>

In April 2015, we raised the employees’ retirement age to 65 with the hope that the higher retirement age would encourage individual employees of the Group to be more motivated and be able to work energetically for a longer period. In addition, in April 2020 we introduced a post-retirement re-employment option for employees aged 65 up to the month of their 70th birthday in order to support their continuing success.

<Lifelong housing>

The concept of “lifelong housing” was formulated in 1989 in the process of pursuing safety that takes into consideration the physical characteristics of people that change over time as well as construction of a house that is convenient for everyone for their entire lifetime. Since then, we have been creating housing systems and components with “lifelong housing” specifications based on the outcome of ergonomic experiments.



Awarded the title of Caring Company

1975	Built a “Wheelchair House” for elderly people and people with disabilities
1981	Participated in the construction of Japan’s first “model house for people with disabilities”
1984	The expression of “lifelong housing” is used for the first time
1985	Established the Human Life R&D Department
1989	Defined “lifelong housing” as the ideal for our housing construction
1990	Established the Comprehensive Housing R&D Institute, opened the industry’s first experiential learning facility <i>Nattoku Kobo</i>
1999	Awarded the title of “Caring Company” by a UN affiliated organization in recognition of the concept and initiative of “lifelong housing”
2002	Established SH-UD (Sekisui House Universal Design) standards
2010	Unveiled smart universal design
2018	Established the Human Life R&D Institute

The smart universal design unveiled in 2010 pursues “comfort” that appeals to touch and operability, as well as “safety and security” and “ease of use.” It also aims to create a living space where everyone feels comfortable, a place that a customer can develop an emotional attachment to. It has subsequently developed into Kids Design and *Kodomo idokoro*.



*Kodomo idokoro*

It has now become fundamental to propose a house plan that corresponds to changes in the physical functions that happen to each family member as they live a long life, such as differences in age, physique, and physical strength. This design philosophy aims to provide as many people as possible with a better home and lifestyle, respecting a wide variation of personalities and lifestyles; we also apply this philosophy to diversity in our human resources, which means creating an environment where people with diverse backgrounds can work together.

Research and development of home and living styles

The Comprehensive Housing R&D Institute is engaged in research and development of new construction methods, universal design, and eco-friendly technologies, as well as inspections and assessments of the basic performance of housing.

At *Nattoku Kobo*, consumers have the opportunity to learn about and try out all kinds of home amenities while talking with the manufacturer. The studio is a place where visitors come to think about home living, providing and receiving information.

The Human Life R&D Institute carries out surveys and performs forward-looking research on housing and lifestyles from the standpoint of how people live, focusing on homes where happiness grows the longer you reside in them. The aim of the research is to increase the intangible value that Sekisui House aspires to provide—in the form of happiness and wellbeing.



Comprehensive Housing R&D Institute



*Nattoku Kobo*  
Offers a simulated experience with the use of orthotic devices.

## 8. Overseas (by country)

Companies are increasingly expected to conduct and to require their business partners to conduct business activities that are free from infringement of human rights, such as child labor and forced labor. From the perspective of SDGs, we will take steps to respond to global human rights issues.

With regard to initiatives respecting human rights in international business, we first worked to disseminate and instill a Human Rights Policy. Since the number and composition of employees vary greatly depending on the country and business, we are committed to strengthening governance and compliance, risk management, and creating a comfortable work environment and harassment-free workplace for employees.

The Human Rights Policy has also been distributed in English. In addition, our consultation system at each country and business company, and at the Sekisui House head office (an internal reporting system that provides a point of contact with law firms available in English and other languages, and a consultation counter for human rights issues) has been enhanced.

**United States** →See pages 113-114 of Sustainability Report 2021.

**Australia** →See pages 114-116 of Sustainability Report 2021.

**United Kingdom** →See pages 116-117 of Sustainability Report 2021.

**China** →See page 117 of Sustainability Report 2021.

**Singapore** →See page 118 of Sustainability Report 2021.

**Common to all countries** →See page 118 of Sustainability Report 2021.

## 9. Supply chain (procurement)

Adding ESG to the basic procurement policies of best quality, stable supply, and optimal cost, the Sekisui House Group is practicing procurement supply chain management to fulfill its social responsibilities.

QCD and ESG

Efforts to improve supplier and outside manufacturer quality through raw material standards and product specifications	Best Quality Q	Optimal Cost C	The pursuit of optimal costs through full surveying of market conditions, cost analyses, etc.
Procurement based on considerations for the environment and corporate social responsibility, starting with human rights	ESG	D Optimal Delivery	Efforts to provide stable supply and the pursuit of efficient logistics

### <CSR procurement>

Following the signature of endorsement of the Ten Principles of the United Nations Global Compact (UNGC) in the four areas of human rights, labor, environment, and anti-corruption in 2018, we have been a member of the Supply Chain Subcommittee of the Global Compact Network Japan (GCNJ), a local network in Japan. “CSR Procurement Guidelines” have also been established as a supply chain procurement initiative and distributed to our suppliers.

### <CSR Procurement Guidelines>

The CSR Procurement Guidelines, which are based on the Self-Assessment Questionnaire (SAQ) for CSR procurement issued by the GCNJ, encompass the following nine items: ① Corporate governance relating to CSR, ② Human rights, ③ Labor, ④ Environment, ⑤ Fair business practices, ⑥ Quality and safety, ⑦ Information security, ⑧ Supply chain, and ⑨ Living with local communities.

In addition, we request our suppliers to understand and comply with the purpose and details of the guidelines, agree to cooperate with regular checks or audits conducted by the company on this initiative, and submit written agreement.

In hiring new suppliers, we start transactions with them after written agreement is submitted.

Furthermore, we announced that we expect our suppliers to understand and support the Sekisui House Group Human Rights Policy, established in April 2020. The policy is disclosed on our online information sharing platform, set up with suppliers and accessible whenever necessary.

### <CSR evaluation>

We carry out CSR evaluation of our suppliers by self-diagnosis using the SAQ issued by the GCNJ mentioned above, and the results are adopted as one of the assessment items for supplier assessments. The evaluation results are also disclosed to our suppliers for fair and impartial transactions. Evaluation items related to human rights and labor are included in the CSR evaluation.

Based on the evaluation results, we individually visit and monitor suppliers that require close attention and check actual situations. Since we were unable to visit them in fiscal year 2020, we held an online study session on CSR initiatives including human rights and the environment for 15 companies to deepen their understanding.

## 10. Partner building constructors and partner companies

### <Sekisui House Association>

The Sekisui House Association is a voluntary organization which consists of construction-related Group companies and partner building constructors. As of February 1, 2021, the association includes the 15 companies in our Group company Sekiwa Construction Ltd. and approximately 7,000 partner building constructors throughout Japan (including Sekiwa's partner building constructors, members of the Sekiwa Association).

Sekisui House has pursued "responsible construction" since the company's founding. Our partner building constructors are irreplaceable, and we consistently hold them in high regard, fostering relationships of trust and mutual interest to work together over the long term, beyond the contractual relationship of prime contractor and subcontractor.

A spirit of coexistence and co-prosperity has driven various initiatives such as responding to customers and nearby residents, developing human resources, and improving working environment, not to mention improving construction quality. It laid the foundation for our culture as to how we interact with foreigners, who have been increasing recently, on construction sites.

### <Sekisui House Cooperation Association>

The Sekisui House Cooperation Association is a voluntary group established in 1982 by Sekisui House and its partner building constructors. It aims to improve employment practices and expand benefits to partner building constructors. Sekisui House assists in the running of various systems, including our construction site safety assurance system and funded pension system.

### Systems operated and managed by Sekisui House Cooperation Association

- Sekisui House construction site safety assurance system: A compensation system aimed at reducing the economic loss of partner building constructors in the event of an accident, etc. at our construction site
  1. Occupational accident condolence/consolation payment system
  2. Third party damage compensation
  3. On-site theft compensation
  4. On-site theft consolation payment
  5. Condolence payment for the death of an employer
  6. Special condolence payment
- Hospitalization compensation
- Cancer insurance
- Income compensation
- Funded pension (contribution corporate pension system)

### Sekisui House-subsidized systems

- Skill incentive for chief technicians
- Employment service fund
- Health exam subsidy
- Funded pension subsidy
- Subsidy for new employees' completion of training school

### <Educational training centers and training schools>

Sekisui House has established educational training centers and training schools where we conduct training that allows technicians from our Group to learn techniques and acquire skills. The schools also teach proper conduct to facilitate interaction as members of society and prepare trainees for the working environment. Our schools are unique in that they do not merely provide the opportunity to acquire technical skills and knowledge necessary for construction with Sekisui House, but also the opportunity to study our corporate philosophy, which is indispensable for achieving customer satisfaction.



## 11. Collaboration with external human rights organizations

Sekisui House strives to improve its corporate value while coordinating with related organizations working on various human rights issues such as the *Buraku* (discriminated communities) issue. We continuously collect information through participation in seminars and workshops sponsored by related organizations and through subscription to publications that contribute to human rights promotion, for the purpose of raising awareness of employees and for utilization in in-house training.

### <External training>

The “*Buraku* Liberation and Human Rights Summer Course” held every August is attended by chief managers, deputy technology managers, and managerial employees selected from our factories and Group companies nationwide. In fiscal year 2019, with 22 people attending the course, the cumulative number of attendants reached 1260 persons. In fiscal year 2020, the hands-on course was cancelled but an online course was held on a reduced scale.

### <Major collaborating organizations>

- Buraku Liberation and Human Rights Research Institute
- The Corporate Federation for Dowa and Human Rights Issue, Osaka
- Association for Fair Employment and Human Rights Education
- Osaka City Corporate Human Rights Promotion Council
- Multi-Ethnic ‘Human Rights’ Education Center for Pro-existence
- Normalization Society

## Collaboration with Together, an NPO

Since 2000, the Sekisui House Group has been working with Together, a certified nonprofit, and uses SELP<sup>(\*)</sup> products as a way of supporting independence and social participation of people with disabilities. The SELP products are distributed as novelty goods to guests who come to our Sekisui House “Open House Day” events and other types of events held nationwide.

In fiscal year 2020, the number of products adopted was 20,978 pieces, worth 13.63 million yen. It contributes to bringing more employment opportunities to people with disabilities who work at employment support facilities, mainly in Osaka prefecture

※SELP products are made by people with disabilities at welfare centers as part of rehabilitation or vocational training to encourage their participation in society.



In collaboration with many social welfare corporations and organizations nationwide, including Together, the number of group homes for persons with disabilities constructed by the Sekisui House is increasing.

A group home for people with disabilities is a “home” where people with disabilities can live without any concerns in their community. Sekisui House will work toward creating

an environment where everyone can live in their own way in collaboration with land owners, corporations, and organizations.

## 12. Efforts to heighten awareness using human rights slogans

In advance of Human Rights Week (December 4–10 every year), a human rights slogan solicitation program was held for the 37th time in 2020, gathering 24,826 applications from employees (and their family members) of Sekisui House and its Group companies. Among the entries, one top slogan and five runner-up slogans were selected, and posters featuring these six slogans have been distributed.

In February 2021, Sekisui House’s best human rights slogan won a prize at the human rights slogan contest sponsored by the Corporate Federation for Dowa and Human Rights Issue, Osaka.



ESG Data  
(excerpt)

Main themes and KPIs for implementation of materiality

Themes	KPI	Unit	2016	2017	2018	2019	2020			2021	2022
			Results	Results	Results	Results	Targets	Results	Evaluation	Targets	Targets
Diversity and inclusion	Number of female directors (non-consolidated basis)	Persons	—	—	1	1	1 or more	1	○	3	3 or more
	Number and percentage of female managers (group basis)	Persons	141	158	176	206	225	236	◎	240	260
		%	2.79	2.94	3.10	3.44	—	3.79	—	—	—
	Employment rate of persons with disabilities (non-consolidated basis)* <sup>1</sup>	%	2.2	2.38	2.53	2.61	2.61	2.76	◎	2.61	2.61* <sup>2</sup>
Workstyle reforms	Take-up rate for male childcare leave (non-consolidated basis)	%	70.0	95.0	100	100	100	100	○	100	100
	Monthly average working hours per person (new criteria)* <sup>3</sup>	Hours	170.02	168.32	170.26	168.17	—	176.71	—	176	175.5
Health management	Rate of employees opting for the secondary medical checkup* <sup>4</sup>	%	—	89.9%	91.2%	85.5%	—	87%	—	89%	90%
Occupational health and safety	Frequency rate of accidents in the construction division that result in lost worktime* <sup>5</sup>	—	2.57	1.89	2.42	2.92	2.63	2.17	○	2.15	2.13
Human rights and workstyle in the supply chain	CSR procurement, human rights and labor scores	Points	—	86.2	87.6	85.2	—	90.1	—	90.4	90.9

\*1: Calculation based on the exclusion rate system (construction industry 20%)

\*2: The statutory requirement for number of employees with disabilities is achieved in the group as a whole.

\*3: The aggregation method has been changed since FY2020 (the new method includes managers and excludes employees on leave)

\*4: Figures in FY2020 Results, FY2021 and FY2022 Targets reflect non-consolidated sales divisions only.

\*5: Scope of aggregation: (FY2016-2019) Contractors of Sekisui House, (from FY2020 onward) Contractors of Sekisui House, Sekisui House noie, and Konoike Construction Co., Ltd.

Main themes and KPIs related to “Social” disclosed in our Sustainability Report 2020

Main Themes	KPI	Unit	2016	2017	2018	2019	2020			2021	2022
			Results	Results	Results	Results	Targets	Results	Evaluation	Targets	Targets
Value chain	SDG procurement coverage	%	—	77	80	76	85	88	○	89	90
	SDG procurement score	Points	—	85.0	86.2	86.7	87.0	91.2	○	91.5	92.0
Promoting diversity	Percentage and number of full-time female employees	%	24.3	25.1	25.8	26.5	27.0	27.3	○	27.5	28.0
		Persons	5,148	5,426	5,687	5,957	—	6,225	—	—	—
	Percentage and number of female new graduates hired	%	41.6	40.3	37.7	42.0	—	41.6	○	41.1	42.0
Workstyle reforms	Annual paid leave take-up rate and number of days taken* <sup>1</sup>	Persons	237	266	250	281	—	305	—	—	—
		%	35.0	39.7	42.2	56.1	57.0	46.5	△	—	—
		Days	6.2	7.1	7	9.8	—	8.4	—	—	—
Human resource development	Cumulative number of workers who have acquired major qualifications required for a position	Persons	19,588	20,632	21,516	22,176	22,300	22,534	◎	22,700	22,900
Respect for human rights	Governance awareness survey score for “Anti-power harassment culture”	Points	78.1	77.5	79.2	79.7	81.0	79.3	△	81.0	83.0
Occupational health and safety	Occupational illness frequency rate in the construction division* <sup>2</sup>	—	0.34	0.20	0.63	0.43	0.39	0.35	○	0.33	0.31

\*1: Aggregation method has been changed (to include managers) since FY2020.

\*2: Scope of aggregation: (FY2016-2019) Contractors of Sekisui House, (from FY2020 onward) Contractors of Sekisui House, Sekisui House noie, and Konoike Construction Co., Ltd.

ESG Data  
(excerpt)

Main themes and KPIs related to Governance disclosed in our Sustainability Report 2020

Main Themes	KPI	Unit	2016	2017	2018	2019	2020			2021	2022
			Results	Results	Results	Results	Targets	Results	Evaluation	Targets	Targets
Strengthening Our Corporate Governance System	Governance awareness survey score for "Workplace culture"*1	Points	77.6	79.3	79.7	79.0	82.6	77.7	△	82.6	83.0
	Governance awareness survey score for "Compliance"*1	Points	81.1	82.9	82.7	81.9	86.1	80.7	△	86.1	87.0
	Governance awareness survey score for "Employee satisfaction"*2*4	Points	80.6	82.0	82.0	81.5	82.0	80.0	△	82.0	83.0
Compliance and Risk Management	Number of serious violations of laws and voluntary norms	Cases	0	0	0	0	0	0	◎	0	0
Occupational Health and Safety Management*3	Lost-time accident frequency rate in the construction division	—	2.57	1.89	2.42	2.92	2.63	2.17	○	2.15	2.13
	Occupational illness frequency rate in the construction division	—	0.34	0.20	0.63	0.43	0.39	0.35	○	0.33	0.31

\*1: Items that serve as indicators for the creation of an open workplace culture among all survey items of the annual governance awareness survey.  
 Figures in the table are average values calculated as follows: "strongly agree": 100 points, "mostly agree": 75 points, "mostly disagree": 25 points, "strongly disagree": 0 points.  
 \*2: Average of all items in the governance awareness survey. The calculation method is the same as that stated in footnote 1 above.  
 \*3: Moved to "Bringing together diverse capabilities" by identifying materiality  
 \*4: Percentage of positive answers ("strongly agree" and "mostly agree") in the governance awareness survey (percentage of employees showed positive engagement)

	FY2017	FY2018	FY2019	FY2020 Targets	FY2020 Results
Positive answers	86.7%	86.9%	86.4%	87.0%	85.0%
Response rate	97.3%	95.7%	96.8%	—	95.5%