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Building on our 60 years of history and a customer base that is the world's largest, the Sekisui House Group aims to consolidate its status as a global enterprise committed to providing quality housing. We remain focused on addressing the importance of value creation as well as our long-term vision for the company while fully upholding our social mission.

In accordance with our Global Vision, we are determined to invest our management resources efficiently, create shared value, and survive and grow as a company committed to sustainability.

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Yoshihiro Nakai
Representative Director
President & Executive Officer, CEO

Making Home the Happiest Place in the World through ESG Management Initiatives with Full Employee Participation

What the COVID-19 pandemic has revealed

On April 7, 2020, a state of emergency was declared following the emergence of the COVID-19 pandemic. This event has significantly affected the lives of all of us individually as well as collectively across society and has even impacted the global economy. Even after a year has passed, the situation remains unpredictable. We must offer our deepest condolences to those who have lost family and friends to this terrible pandemic, and we extend our sincere best wishes to all adversely affected in myriad ways by this difficult situation. And to all those who have been making personal sacrifices for many months to help sustain society as essential workers, we express our deepest gratitude and appreciation.

The Sekisui House Group remains determined to make a significant contribution to the ongoing development of society while continuing to implement the necessary measures and initiatives to minimize the further spread of this infection. Our top priority remains the safety of our customers, business partners, employees, and all other stakeholders.

In March 2020, the Sekisui House Group introduced our 30-year Vision titled “NEXT SEKISUI HOUSE” as well as our 5th Mid-term Management Plan. Just as we were taking the first steps toward becoming a global company that offers integrated proposals of technologies, lifestyle design and services based on the “Home,” we suddenly faced the upheaval created by the emergence of the COVID-19 pandemic. Immediately after the government announced the state of emergency, we had to impose limits on some of our sales activities, but we soon developed and expanded the IT expertise that we had developed to that date. This allowed us to create a flexible environment that enabled our employees to telecommute from their homes and elsewhere efficiently. Moreover, in order to maintain contact with our customers, we quickly launched the “At-home Housebuilding,” a tool we use to communicate with our customers via phone and video-conference. In response to requests from the field, we

produced commercials in just three days, including one featuring our own employees as performers. In February 2020, we began developing a next-generation indoor environmental system called SMART-ECS. Launched in December, it is the industry’s first system to integrate ventilation, air purification, and floor plan and to enable visualization of these systems through video simulations.

We are very proud of our employees in all departments and at all our worksites for responding to the COVID-19 pandemic crisis with agility, creativity, and ingenuity. Their collective dedication was underpinned by our objective, as stated in our corporate philosophy, to constantly develop products that meet the needs of our customers with the highest quality and technology. This is our driving spirit, a quality that can be said to be part of the corporate DNA that has been passed down in our company across the generations.

The key focus of the Sekisui House Group’s business operations is to provide the value inherent in happiness. The first theme of the Platform House Concept, which positions the home as a platform for happiness, is “health.” Unexpectedly, people worldwide have suddenly faced the prospect of a threat to their own health, so our approach proved to be rather prescient. We thus remain committed to that direction and to the pursuit of a “happy living” by promoting the concept of the home as security envelope, anticipating the features and roles that will become the standard of the new era.

Promoting ESG management initiatives that encourage full employee participation

The issue of climate change—much like that of the COVID-19 pandemic—calls for an urgent response on a global scale. In 2020, Japanese Prime Minister Yoshihide Suga issued the 2050 Carbon Neutral Declaration, signaling that the Japanese government was taking a major step toward promoting the emergence of a society committed to decarbonization. Sekisui House, which has

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constructed the largest cumulative number of net-zero energy houses (ZEH), agrees with the government's stated intention to commit the country to a decarbonization agenda. This is highly encouraging and gives us confidence that the national policy aligns with the direction to which we ourselves are committed.

The Sekisui House Group has declared that it will become a leading company in ESG management, which entails a focus on the environment, social issues, and corporate governance. The driving force is our ESG Management Promotion Headquarters, which we established in June 2020. With our strong awareness of the UN's sustainable development goals, we will develop strengthened links of cooperation among the various components of the ESG initiatives, which tend to be pursued in isolation. In our view, the ESG concept does not exist inside an enterprise; in fact, an enterprise exists within the ESG concept. Our approach is to match ESG initiatives—which are highly consistent with our own corporate philosophy—with our entire business operation. The president's commendation system, which is implemented every six months, has been transformed into a system that comprehensively evaluates workplaces for their performance and support of ESG initiatives. In addition, we have identified five aspects as being materially important issues in advancing the ESG concept. We have re-organized them in line with our corporate philosophy, corporate DNA, and the values we hold, as well as with the expectations we have for the future world situation and economic environment. We intend to achieve our Global Vision by promoting ESG initiatives with the participation of all our employees. The way forward has become clearer: in accordance with our guidelines, we are determined to invest management resources efficiently and create shared value while growing as a sustainable company.

Building a strong leadership pipeline

Having constructed a cumulative total of more than 2.5 million dwellings, Sekisui House must continue to thrive in order to continue supporting the happy lives of all our customers. It is paramount that we focus on the strategic development of future generations of managers and leaders. To that end, we have

reformed our executive officer system, for which I envision a moderate separation between supervisory and executive functions.

Our Board of Directors is responsible for strengthening their management oversight function by improving our independence and achieving the goals of our Mid-term Management Plan. The responsibility for execution has been delegated to executive officers. If a change occurs in the responsibilities assumed by executive officers and general managers, it will be propagated to branch managers and sales managers. I call this "building a strong leadership pipeline." We will link these mechanisms and systems securely in much the same manner as a relay race, an approach we believe is the key to sustainability.

We have also positioned the coming year as "Year One of our initiative to reform our personnel system." Our objective is to raise awareness of the need for autonomous and voluntary behavior among employees, in other words, "creating one's own career." The company generously supports its hard-working employees, while we have pledged not to promote authoritarian leaders to managerial positions. From the perspective of governance, we recognize three qualities essential to future leaders: integrity, grit, and the ability to develop human resources.

Future-oriented innovation with a cause

In order to strengthen our corporate governance, we believe that open cooperation within departments and across hierarchies throughout the company are necessary, along with a commitment to open communication with external partners. We have thus adopted "Innovation & Communication" as our slogan and have been taking steps to revitalize such communication. We recognize that a mindset of "viewing change as an opportunity" is essential for the pursuit of our ESG initiatives, but I feel that this is becoming even more important during these pandemic times. Even in the task of "transplanting" Sekisui House technology as part of our international operations, it is clear that we must respond to variations in the performance levels required of housing and market development in the U.S.A., the U.K., Australia, and other countries. The concept of "Innovation & Communication" clearly knows no borders.

Going forward, we will focus on "innovation with a cause" that addresses social issues. Where a cause exists, we believe that alliances that transcend barriers will advance and novel ideas will emerge. One typical example is the Trip Base *Michi-no-eki* Project, a regional revitalization project promoted by Sekisui House through collaboration with 38 partner companies as well as local governments in 25 prefectures throughout Japan. Another example is "HED-Net," the world's first network for early detection of acute diseases in the home. Yet another is a collaborative development aimed at improving the efficiency of rental contracts using blockchain technology.

In addition, the promotion of diversity is crucial if we are to contribute to the emergence of a sustainable society. The proportion of women in executive, supervisory, and managerial positions is steadily increasing, and these capable employees are demonstrating their abilities in a variety of departments. Going forward, we will continue to offer training as we promote female managers and increase the ratio of full-time female employees.

The Sekisui House Group aims to become a global company focused on housing as we build on our 60-year history and the world's largest customer base. We always recognize our responsibility to talk about value and the future vision of the company over the long term with a social mission in mind. Awareness levels and attitudes toward megatrends such as climate change and crises affecting the ecosystem are concentrated in our Global Vision, while individual measures are incorporated within our Mid-term Management Plan. We believe in "making home the happiest place in the world"; therefore, it would be a mistake if we were to pursue only the evolution of technology. *Health, connections, and learning* are also key concepts. We must remember to ask, "What is important to each one of our customers?" We will focus our expertise on contributing to the "happy living" sought by our customers in Japan and around the world so that we can provide the happiest homes on Earth.

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Yosuke Horiuchi

Representative Director
Vice Chairman & Executive Officer
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Promoting Our ESG Management Initiatives to Become a Company Welcomed in the Society of the Future

Encouraging all employees to engage in “emergent ESG behavior”

The Sekisui House Group pursues its Global Vision of “making home the happiest place in the world” while also seeking to become a leader in ESG management as a means of achieving that vision. This declaration aligns all our business activities with our environmental, social, and governance goals, and the entire company and all our employees are encouraged to support our ESG commitment and contribute to the emergence of a society focused on sustainability.

In June 2020, we established our ESG Management Promotion Headquarters, which serves as the flag bearer of our ESG initiatives. We also established an ESG Promotion Committee staffed by external committee members, internal directors, and managers with special expertise. These individuals exchange views on the progress and challenges of our ESG initiatives in an effort to improve their effectiveness. Three subcommittees targeting environmental, social, and governance initiatives, respectively, have been established under this framework to formulate and review policies and to ensure thorough implementation at all business sites and all group companies. It should be emphasized that the Sekisui House Group exists within the ESG framework, and not vice-versa. Because we now have an important mechanism in place as a “weighted formation” with an internal and external structure that is sufficient to motivate the entire group, we have listed three specific actions: taking on the challenge of advanced initiatives, obtaining external evaluations of these initiatives, and encouraging the participation of all employees, which is the most important and indispensable issue for becoming a leading company.

In order to ensure substantial employee involvement, it is essential to impart a clear understanding of the meaning of our Global Vision. The ESG approach must be “made personal.” So, over the past year, we have held ESG Dialogue with managerial employees on the theme of “happiness.” How can we manage

our business to ensure greater happiness for all stakeholders, who include our customers, family members, employees, and business partners? Although this is an abstract concept, we took the approach of “dialogues” among four or five people rather than discussions. This framework avoids clashes of opinion; instead, it welcomes all views in a positive atmosphere. Since there are no correct answers, all participants can ask questions and speak up in their own words. The goal is for each employee to acquire a sense of belonging to the mission and to personalize their own participation in promoting our ESG initiatives.

The day-to-day behavior of each employee—or broadly speaking, the way we live—is also closely tied to our ESG initiatives. These are not activities that can be imposed with a top-down approach or compelled through rules. Imparting them through education, training, and verbal communication is also not enough. It is therefore important to create an environment in which all employees can initiate their own actions and act voluntarily in a natural way. We call this approach “emergent ESG behavior.” Currently, we are taking steps to encourage this sensibility among our stakeholders.

Linking materiality with key performance indicators

We aim to become a global leader in ESG management initiatives. To achieve this goal, we have had to consider which issues to focus on, what value to create, and how we should deliver this value to society. Through this effort, we have identified five material concepts that provide a roadmap to our goal.

Sekisui House formulated its first Sustainability Vision in 2005. Since then, we have been pursuing business operations with sustainability positioned as a core concept. In 2008, we introduced Vision 2050, which aims to achieve zero CO₂ emissions from all homes throughout their service life. In addition, our spirit of service—which is highlighted in

Message from Management

our corporate philosophy as “love of humanity” and which represents a fundamental tenet—demonstrates our wish for the happiness of others, our sense of joy in the joy of others, and our willingness to act in good faith and with a spirit of service. This is firmly rooted in the corporate DNA of Sekisui House, along with our focus on the customer. As we continue to preserve our achievements and assets for posterity, we are reconfirming and reconstructing our mission from a contemporary ESG perspective. Once again, we are clarifying our actions on this issue as a means of addressing materiality.

The material issues have been discussed and reviewed internally, addressed by the ESG Promotion Committee, and finally approved by the Board of Directors. To ensure this effort does not end in merely lip service or a slogan, we will also identify key performance indicators to evaluate our progress for a predetermined period. We plan to disclose the extent of our progress on a regular basis in the future. Clearly, we remain aware of the importance of just such an approach in expanding our adherence to ESG management principles as an essential part of our corporate social responsibility.

With regard to executive compensation, we have reformed the system to adopt a performance-linked approach associated with ESG management indicators. Instead of simply working on ESG issues, we are committed to taking the lead. We will work together with everyone from top management to employees of group companies inside and outside Japan in order to achieve further progress. Indeed, for the Sekisui House Group, bringing together diverse capabilities remains the best and most direct route to becoming a leading company in ESG management.

Creating a new green marketplace

The Japanese government’s announcement of its policy goal of achieving a decarbonized society by 2050 has triggered a variety of changes in Japanese society. In the housing sector, discussions are already under way on early mandatory compliance with energy-efficiency standards. Against this background, Sekisui House, with a track record of building 90% of its new detached houses to the net-zero energy house (ZEH) standard and having built the largest

cumulative number of buildings in the world, has started a full-scale shift to constructing ZEH rental housing. Our Sha Maison ZEH rental housing currently accounts for about 40% of the total number of ZEH rental buildings in Japan. Once Sekisui House, the market leader, shifts into high gear in this area, the industry will respond with greater activity. Clearly, this achievement will help Japanese society meet its target of carbon neutrality. Companies that own idle land in urban areas will now be able to propose the use of their land from an ESG stance and investment-efficient perspective. The use of such land for employee dormitories has not been considered a conventional employee benefit, but this new framework is also linked to the concept of increasing employee occupancy in net-zero energy housing as an advantage in terms of our ESG initiatives. This represents the birth of a new green marketplace, as the occupancy rate of our Sha Maison net-zero energy housing is almost 100%, and wait lists for vacancies continue to grow. We are confident that the growing environmental awareness of prospective residents and owners, mainly among the younger generation, represents a tailwind for the prospects of market growth.

The underlying policy of the Sekisui House Group’s Mid-term Management Plan is to continue expanding our core businesses while simultaneously taking on the challenge of new businesses. Reflecting the trends of the times, the points of contact between our business operations and society at large are growing broader, deeper, and more multifaceted.

In recent months, telework and working from home have become commonplace as measures to help minimize the spread of COVID-19 infections, and “health management” has further increased in importance. Going forward, it seems likely that the home will serve as a center of economic activity as well. We therefore have a responsibility to address global challenges such as climate change and pandemics and prepare an appropriate response. As a housing manufacturer chosen by our customers, our most important duty is to increase the lifelong happiness of our customers’ families, and to continue achieving healthy and sustainable growth as an enterprise on which our society relies.

Becoming a worthy company by remaining ahead of the times

We must also remain sensitive to external evaluations. Since the start of 2021, we have been evaluated positively by both domestic and international entities. This includes being selected in the “Nadeshiko Brand” list, which is compiled by the Ministry of Economy, Trade and Industry of Japan to identify companies that excel in promoting women’s advancement; and receiving a Gold Class assessment, the highest recognition offered under S&P Global’s Corporate Sustainability Assessment. Our goal of becoming a leader in ESG management is not necessarily to be a “major corporation”; it is to be recognized by all as a worthy company. We desire to stand as a corporation that takes responsibility for the future and thus gains the acceptance of tomorrow’s society. Therefore, we will remain forward-looking and adopt pioneering initiatives that will lead to changes in society. Can there be any error in such a commitment? Looking ahead, we will closely monitor all such evaluations from an objective standpoint and review our management methods on a daily basis.

Beginning with this edition, we are publishing our annual *Sustainability Report* on our website first. We are taking this step in response to reader feedback, specifically that our readers seek information that is detailed and up to date, easy to understand, and readily accessible. In this vein, the Sekisui House Group is implementing reforms under our slogan “Innovation & Communication.” Even in promoting our ESG management initiatives, we are determined to incorporate a wide variety of innovations in every circumstance. This effort, encompassing active communication and information dissemination, will address our corporate structure, our decision-making processes, and various other initiatives.

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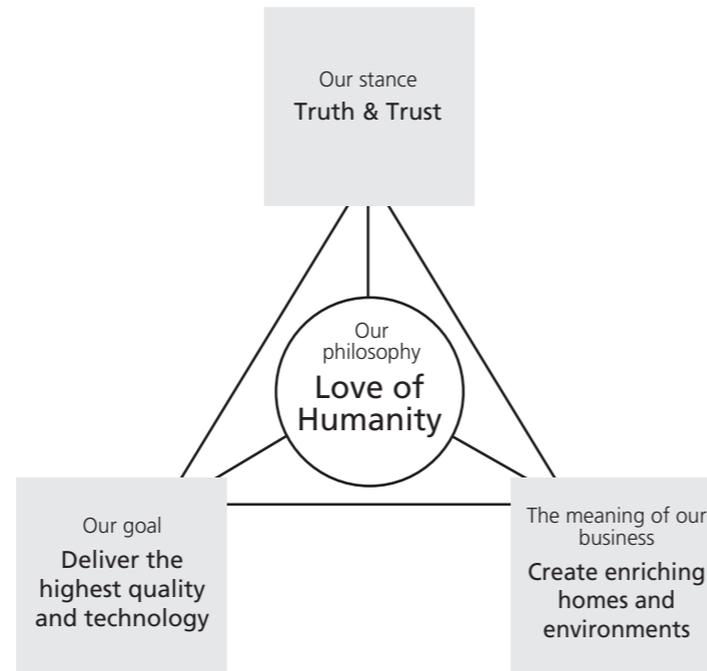
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“Love of Humanity,” Our Corporate Philosophy since Our Founding, and Our New Global Vision Adopted on Our 60th Anniversary

The Sekisui House Group’s corporate philosophy was adopted in 1989 with the desire to create a company that continues to innovate and develop with appreciation for the inspiring support offered by our customers and others with whom we engage. While the social environment continues to evolve, our spirit remains steadfast as we commit to constantly pursuing the ideal, which is to adopt a customer-oriented stance in all our interactions with our customers and others. According to the Global Vision we adopted in 2020 to “make home the happiest place in the world,” we are steadily transforming into a global company that offers integrated proposals of technologies, lifestyle design and services based on the “Home.”

Corporate Philosophy (“love of humanity”)

At the core of the Sekisui House Group’s corporate philosophy is a love of humanity: recognizing the irreplaceable value in each and every person, we maintain a fervent hope for the happiness of others and a sense of joy in others’ joy, doing whatever we do in good faith and a spirit of service. This philosophy took root in 1989 with the unanimous approval of every group employee.



Sekisui House Global Vision

Make home the happiest place in the world



Proposing happiness through the integration of technologies, lifestyle design and services



Becoming a leading company in ESG management



Making Sekisui House technologies the global de facto standard

Becoming a global company that offers integrated proposals of technologies, lifestyle design and services based on the Home

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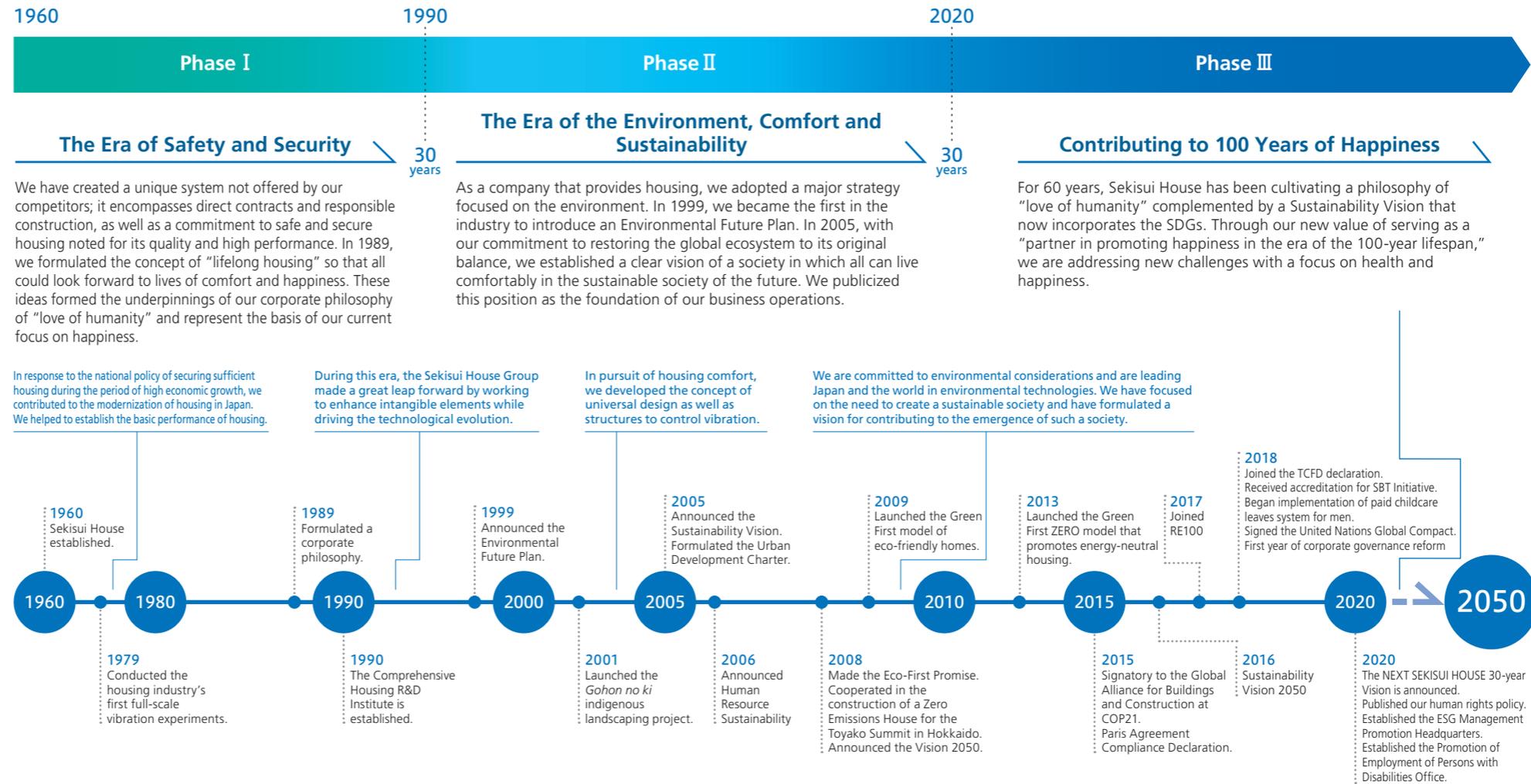
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Our History of Value Creation in Three Chapters of 30 Years

In keeping with our corporate philosophy of “love of humanity,” the Sekisui House Group creates value by responding to social change and to shifting demand. At the root of this is the mindset and the roles we have demonstrated throughout our 60 years of history. These include promoting lifelong happiness, protecting the life and property of our customers, protecting the global environment, and conserving the ecosystem. These are beliefs we continue to support.



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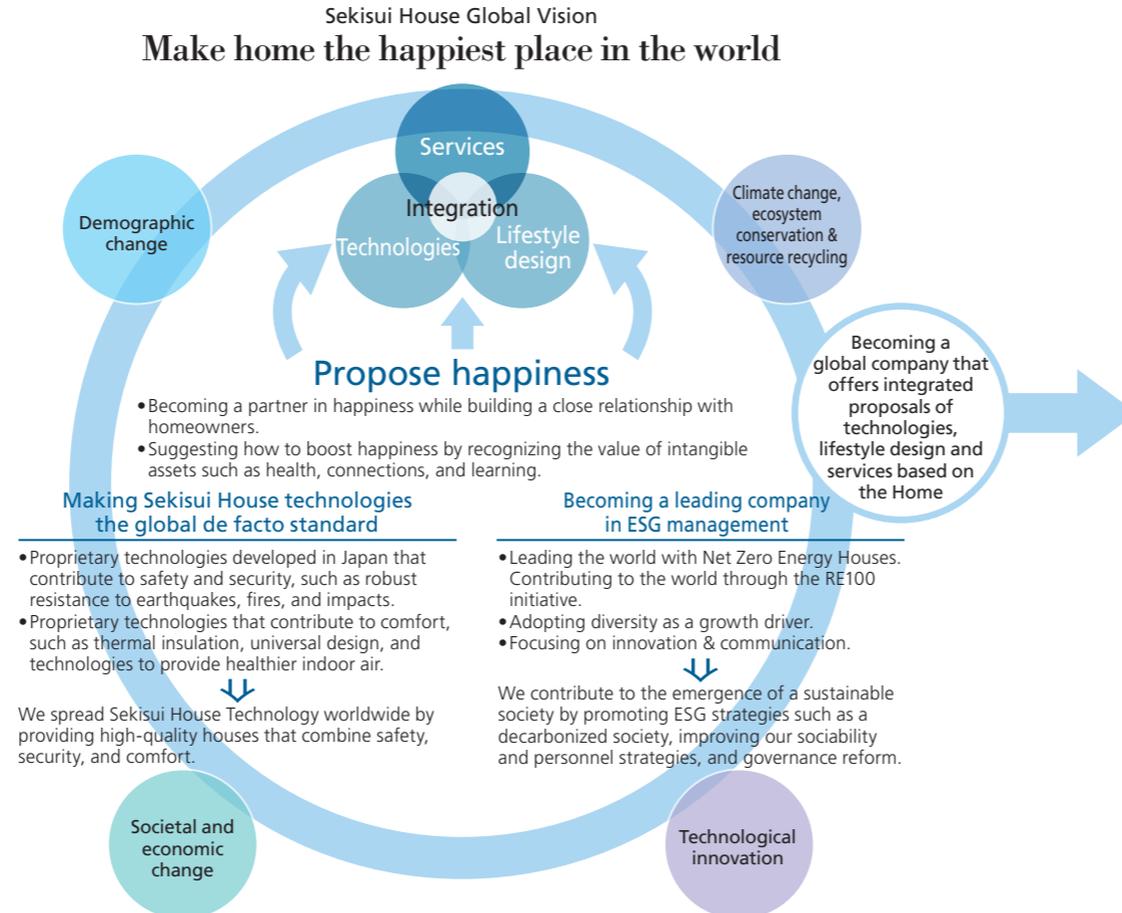
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NEXT SEKISUI HOUSE 30-year Vision

NEXT SEKISUI HOUSE 30-year Vision Targeting 2050

Forecasting the future has become a difficult undertaking, as climate change, technological innovation, and demographic changes are significantly transforming the economic environment in which we operate. In order to ensure steady progress toward 2050, the target year of our long-term vision, the Sekisui House Group has formulated a 30-year vision we call "NEXT SEKISUI HOUSE." With our Global Vision of making home the happiest place in the world, we are implementing initiatives to maximize the happiness of our customers, employees, and communities as a global company that offers integrated proposals of technologies, lifestyle design and services based on the Home.

NEXT SEKISUI HOUSE 30-year Vision



Our Vision for 2050

Maximize the happiness of our customers, employees, and communities

	Customer happiness	Employee happiness	Social happiness
Environmental	<ul style="list-style-type: none"> • Energy efficiency • Exterior enhancement • Securing energy • RE100 initiative (purchase of surplus power) 	<ul style="list-style-type: none"> • Energy efficiency • RE100 initiative (Renewable energy for business use) 	<ul style="list-style-type: none"> • Minimizing disasters caused by climate change • Prevention of global warming • Greening by enhancing exteriors • Enhancement of local communities
Social	<ul style="list-style-type: none"> • Contributing to health, connections and learning • Universal design • Comfortable, safe and secure homes and community development • Disaster-resistant housing • An affluent way of life with consideration for the elderly 	<ul style="list-style-type: none"> • Health management • Diversity • Flexibility in workstyles • Human resources development • Respect for human rights 	<ul style="list-style-type: none"> • Regional revitalization • A society committed to disaster response and mitigation • A market of high-quality housing stock • Respect for human rights • Diversity
Governance	<ul style="list-style-type: none"> • A company with integrity trusted by its customers 	<ul style="list-style-type: none"> • A fair and equitable corporate culture • A workplace culture in which employees can work safely and with peace of mind • Innovation & communication 	<ul style="list-style-type: none"> • A company trusted by society • An equitable and fair society

Our Vision for Society

Decarbonized society **Society in which humans and nature coexist**
Circular economy **Society of health and longevity** **Diverse society**

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Risks and Opportunities

Risks and Opportunities for 2050

The year 2020 was an extraordinary time in which the world was threatened by the emergent risk of the COVID-19 pandemic. As social conditions continue to shift at an accelerated rate, formulating plans to create value through a business based on current predictability can be an inadequate approach. In response, the Sekisui House Group has sought to analyze medium- and long-term issues that affect value creation with relation to sustainability, identify risk factors, and position them as opportunities for future business development. These solutions are then reflected in medium- and long-term planning of our business strategies.

Risks and Opportunities Related to the Environment

*Our response to TCFD

The TCFD, or Task Force on Climate-related Financial Disclosures, provides a framework for the efficient disclosure of climate-related financial information to encourage investors to make appropriate investment decisions. Sekisui House published Japan's first TCFD Report for non-financial companies in December 2019. We disclose our TCFD Report as a section in our Integrated Report 2021. <https://www.sekisuihouse.co.jp/english/company/financial/library/annual/>

	ESG Megatrends	Next 30 Years	Business Environment for the Housing and Construction Industries	Risks	Opportunities	
Environment	Climate change*	Global	Ongoing climate change	Ongoing temperature rise	Living difficulties caused by extreme heat Increasing need for living environments resistant to extreme heat	
		Global		Increase in abnormal weather events	Decreased productivity at production and construction sites due to extreme heat Increasing corporate competitiveness resulting from greater employee comfort in the workplace	
		Global	Acceleration of the decarbonization trend	Mainstreaming of decarbonization housing	Increasing severity of natural disasters Growing need for durable housing	
	Ecosystem conservation	Global	Change in the ecosystem due to climate change and loss of biodiversity	Changes in vegetation range and adaptation range of plants for afforestation	Introduction of carbon taxes Increasing competitiveness of decarbonization businesses	Increasing need for tree planting and other ecosystem conservation initiatives Growing awareness of material certification and ease of procurement
		Global	Increasing numbers of regions with a lack of fresh water	Increase in regional differences in water resources	Increasing requirements for buildings and facilities to be designed for water conservation	Increasing need for housing designed for water conservation
	Resource recycling	Global	Ongoing natural resource depletion	Resource depletion and changing selection in natural resources	Increasingly stringent recycling regulations	Increasing competitiveness among resource-recycling businesses
Global		Increasing awareness of the need to reduce plastic usage	Increasing development and spread of innovative materials and recycling technologies	Growing cost of processing fossil fuel-derived plastic waste		

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Risks and Opportunities

Risks and Opportunities Related to Society and the Economy

ESG Megatrends		Next 30 Years	Business Environment for the Housing and Construction Industries	Risks	Opportunities
Society and economy	Pandemic response	Global Growing worldwide prevalence of infectious diseases	More time spent working and studying at home and engaging in e-commerce such as food delivery, streaming services, and online fitness; fewer opportunities for face-to-face communication	Need for technology to reduce infections acquired in the home; growing need for comfortable living spaces	Requirement for housing to fulfill expanding role as a workplace, school, store, restaurant, gym, and theater
	Demographic change	Outside Japan Growing world population	Increase in housing demand in emerging and housing-deficient countries	Growing country risk and likelihood of labor shortages at construction sites	Expanding market potential. Demand for housing construction technologies that reduce construction labor requirements and shorten the construction period
		Global Increased numbers of countries with aging populations	Increase in ratio of elderly customers and employees, and changing requirements for living environments	A growing shortage of construction, nursing care, and health care workers as health and safety needs increase with the aging of the population	Increasing competitiveness of housing and workplaces with consideration for the health of the elderly, and increasing need for support for nursing care and health care businesses
		Global Growing influx of immigrants and migrant workers around the world	Increase in customers and employees immigrating from other countries	Growing numbers of people with unstable housing circumstances, and increased cost of communication	Growing demand for workplaces that accept diverse workers who invigorate housing and labor markets
		Japan Population decline in Japan due to the declining birthrate	Change in social capital as the market shrinks in size and demand for buildings decreases	A decline in the number of new housing starts, a decrease in the occupancy rate of managed properties, and an increasingly serious problem with vacant houses	Ongoing trends toward high-quality housing, urban migration, and compact cities. Growing demand from inbound tourism.
	Societal and economical change	Japan Ongoing urbanization	Ongoing depopulation in local regions	Increasingly intense competition in cities	Growing need for regional revitalization
		Japan Progress in the ongoing transition from ownership to usage	Expansion of the real estate rental market	Fewer business serving property owners	Rising need for good rental housing
		Global Increasing disparity between the rich and poor and widening income disparity among households	Shrinkage of the middle class and growing differentiation of the market	Increasingly intense business competition for the wealthy, and the emergence of low-cost housing	Increasing need to provide housing brands by target and range
		Japan Shrinking of the gender pay gap	Ongoing outsourcing of housework	Inadequate numbers of workers available for working at home, including childcare and nursing care	Expanding demand for childcare and educational facilities, and expansion of markets related to housework (childcare, nursing care, etc.)
		Global Diversification of working styles	Increasing employee needs for diverse working styles	Increased employee turnover when needs are not met	Increasing competitiveness in workplaces with high employee satisfaction
		Global Acceleration of corporate globalization	Increasing localization of core competencies and local partnerships	Increasing disagreement with local requirements for employment and business practices	Use of proprietary technologies to solve social issues
		Global Consumption trends increasingly driven by Gen Z	Growing numbers of customers and employees who value the environment and sociability	Growing risks to environmental reputation and social reputation	Growing need for housing that contributes to sustainability
Technological innovation	Global Increasing utilization of big data and the speed of information and communications technologies	Major transformations in financial markets through financial technology and ongoing corporate collaboration on technology	Increasing social demand for customer management and other security measures	Increased competitiveness in technologies that contribute to sustainability	
	Global Increasing opportunities for using advanced medical care	Increasing numbers of customers and employees returning after recovering from illnesses	Increasing need for familiarity with medical technology	Enhanced competitiveness of housing and workplaces focused on health and safety	

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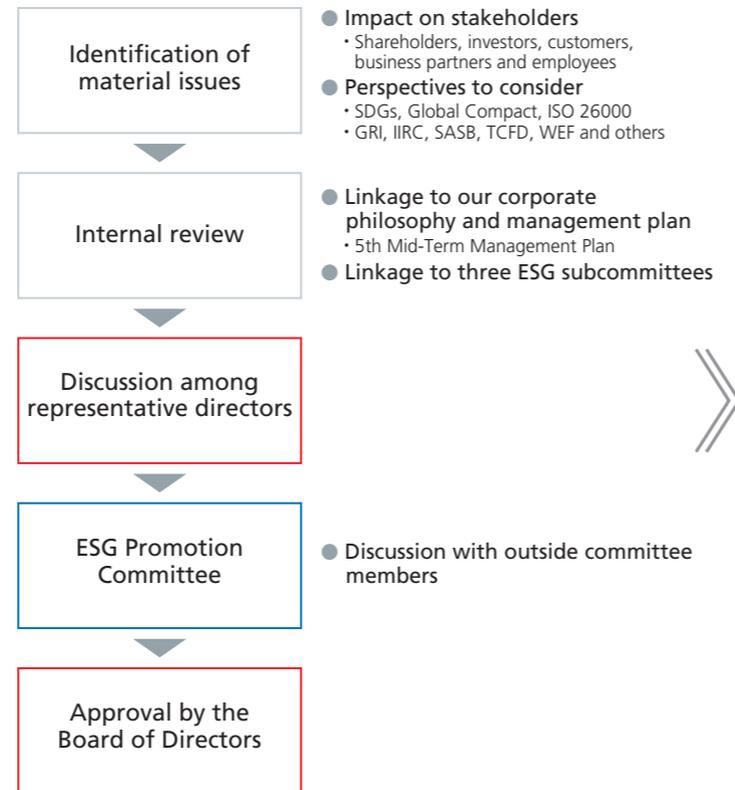
Material Issues

Material Issues

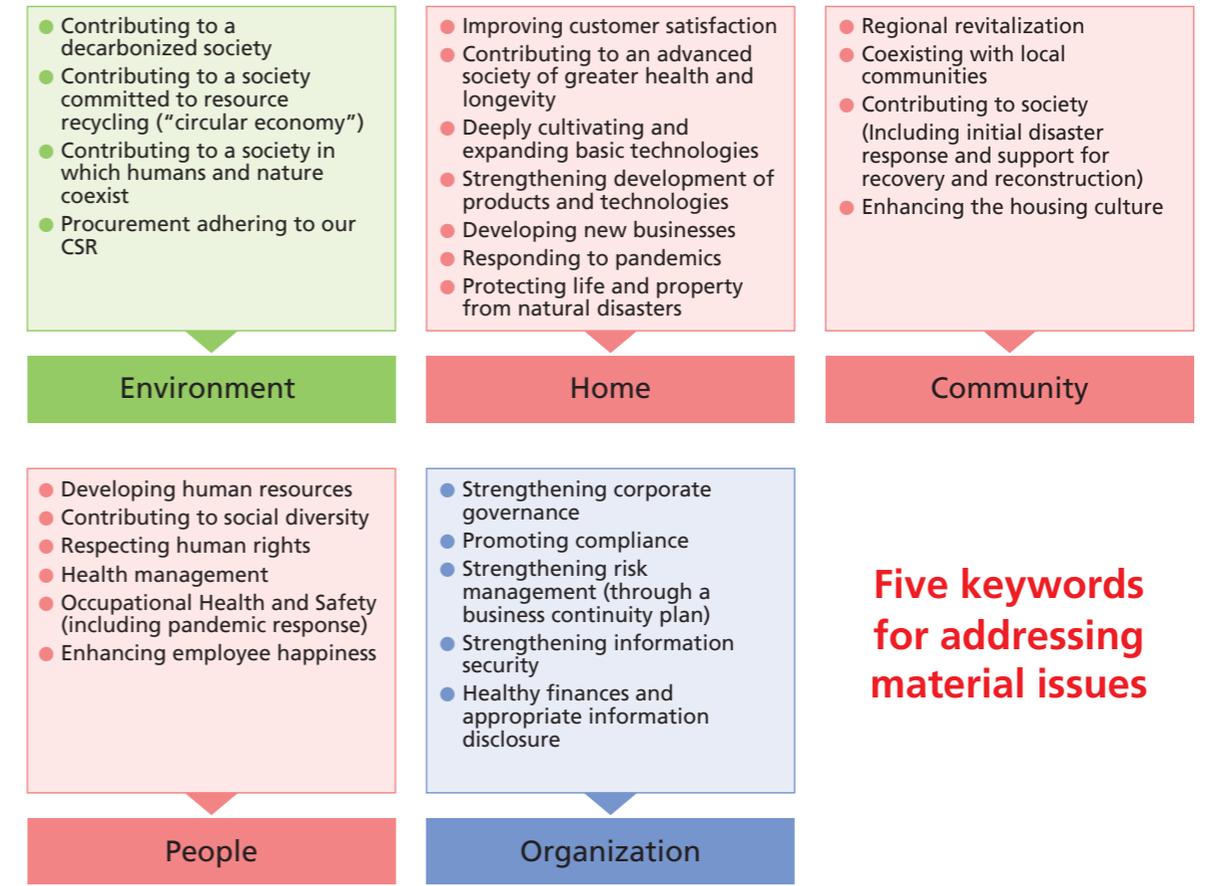
The Sekisui House Group has identified issues that are important to stakeholders and that have been determined to have a material impact on the economy, environment, and society. We have listed five initiatives to address these material issues.

In our case, we believe that our strength derives from our social responsibility initiatives, which contribute to the environment and society and which are directly linked to the creation of value through our business.

Determination of Materiality



Material Issues



Five keywords for addressing material issues

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Addressing Material Issues

Home, where we spend much of our lives, greatly affects our happiness. In recent years, however, variety of social issues such as climate change and pandemics have been threatening this happiness.

We believe that the Sekisui House Group, which has provided the largest number of dwellings in the world, has the responsibility and capability to provide the happiest homes in the world. Our Global Vision for the future is encompassed within our mission to contribute to human happiness in homes and businesses.

Make home the happiest place in the world

We are contributing to the happiness of people around the world by identifying five material issues, and we are working with pride and determination to make our Global Vision a reality.

When addressing material issues, we remain strongly aware of the need to work toward achieving the SDGs.

Keywords	Addressing Material Issues	Applicable SDGs
Environment	Leading the way to a decarbonized society	7, 13, 11, 12, 15
Home	Pursuing the potential of the home	3, 12, 11, 10
Community	Coexisting with local communities	3, 11, 4, 8
People	Bringing together diverse capabilities	5, 8, 3, 10
Organization	Embodying integrity	16, 17



Sustainability Vision 2050

Sustainability Vision 2050, Our Long-term Vision Targeting 2050 (Adopted in 2016, updated in 2017)

Sustainability Vision 2050 ushers in the 30-year vision of NEXT SEKISUI HOUSE and our initiatives with respect to the five material issues. Below are the goals we have adopted for 2030 and 2050 regarding social issues and the environment.

Our Goals	2050 Challenge Objectives	2030 Goals	Measures for ESG
<p>Leading the Way to a Decarbonized Society Secure, high-quality lifestyles will realize a sustainable society that is not dependent on fossil fuels or constrained by energy problems.</p> <p>➔ Addressing material issue ①: Leading the way to a decarbonized society</p>	<p>Zero CO₂ Emissions within the Housing Lifecycle We will eliminate CO₂ emissions from the entire housing lifecycle, from the purchase of materials to manufacturing, sales, occupancy, and demolition, as well as renewable energy usage.</p>	<p>Achieving SBT Goals We aim to reduce emissions by 50% for Scope 1 & 2 and 45% for Scope 3 (category 11: Housing) compared to FY2013 (an SBT goal). Also, as an RE100 member company, we will ensure that 50% of the electric power consumed by our business operations is from renewable energy sources.</p> 	Environmental
<p>Leading the Way to Society in Which Humans and Nature Coexist Rich natural networks not only protect the ecosystem services that support life, but also do much to improve the quality of our lives while strengthening connections between individuals. We are dedicated to maximizing this function and enhancing our ability to live in harmony with nature.</p>	<p>Maximizing Ecosystem Networks through Business We are committed to procuring 100% FairWood products to contribute to Zero Deforestation. We are also adopting ecosystem conservation and other green infrastructure initiatives, disaster response and mitigation, and efforts to enhance comfort through green housing construction and community development.</p>	<p>Leading the Mainstreaming of Biodiversity Regarding the number of trees planted under the <i>Gohon no ki</i> indigenous landscaping project, which proposes the planting of mainly native tree species in consideration of local ecosystems, we will maintain the pace of planting 1,000,000 trees each year and promote further expansion of urban greening. At the same time, we will target procurement of 100% FairWood products for use in all standard homes constructed by Sekisui House.</p> 	Environmental
<p>Leading the Way to a Circular Economy Through innovative technology and novel economic systems, we are contributing to the emergence of a society committed to recycling that sustainably utilizes recycled resources without depending solely on natural resources in order to support a stable way of life.</p>	<p>Expanding Zero Emissions Initiatives within the Housing Lifecycle To develop housing as a quality asset, we provide remodeling and renovation services that are aligned with different lifestyles and societal changes. To deal with the waste generated from these activities, we are committed to achieving zero emissions at the social infrastructure level through industry alliances.</p>	<p>Recycling Business System Development Acceleration While enhancing support for our supplied housing segment, we will expand the targeted scope of the Wide Area Certification System, a special system of the Waste Management and Public Cleansing Law. Meanwhile, we will accelerate the use of information technology to improve management accuracy and have adopted an electronic management system for waste recovery to promote efficient and smooth operation.</p> 	Environmental
<p>Leading the Way to an Advanced, Healthy and Long-lived Society We are committed to providing safe, secure, and healthy housing, solving regional issues at the global level, and contributing to the emergence of a mature and aging society that enables all its members to live in good health, with pride, in an advanced country.</p> <p>➔ Addressing material issue ②: Pursuing the potential of the home</p>	<p>Contributing to Health and Longevity through Housing Development We will contribute to the development of high-quality social assets by establishing a rich living environment and local communities that can continue to live in safety, security, and comfort. We will develop the intangible assets of health, connections, and learning while developing housing that contributes to a long-lived society. Moreover, we aim to eliminate household accidents by employing our advanced technologies.</p>	<p>Creating Value with Respect to Social Issues We aim to continue playing the role of a housing provider in the interests of an advanced, healthy, and long-lived society. By focusing on intangible assets such as health, connections, and learning—as well as tangible assets such as structures and interiors—we are helping to construct homes that add to health and longevity while also supporting greater happiness up to the age of 100 and beyond.</p> 	Social
<p>Leading the Way to a Diverse Society We aim to contribute to the emergence of a society committed to sustainability through the innovations that result when people engaged in healthy and happy activities have a positive influence on one another.</p> <p>➔ Addressing material issue ④: Bringing together diverse capabilities</p>	<p>Contributing to a Society in which All Can Demonstrate Their Individual Abilities We will provide opportunities and create an environment in which diverse groups of people can make the most of their individuality. Through innovation and communication, we are creating value in society in diverse ways.</p>	<p>Sustainable Growth through Diversity & Inclusion We are implementing management that can make the most of the unique abilities of women, people with disabilities, the elderly, foreign nationals, members of the LGBTQ community, and all individuals. We are contributing to the spread and promotion of diversity by publicly disclosing the results and challenges of our management initiatives.</p> 	Social

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ESG Management Promotion Structure

Establishing a System to Align All Our Business Operations with ESG Principles

The Sekisui House Group has adopted a Global Vision to make home the happiest place in the world. In order to achieve our vision, we remain committed to our role as a leading company in ESG management.

This vision includes the idea of aligning all business activities with ESG principles, contributing to the emergence of a society committed to sustainability, and working toward achieving the SDGs.

Our ESG management framework

In June 2020, the Sekisui House Group established the ESG Management Promotion Division (currently the ESG Division) and established the ESG Management Promotion Headquarters to administer the planning, drafting, and implementation of the group's basic ESG management policies. This organizational reform represents a statement of our determination to be recognized as a leading company in ESG management in both name and reality. We will achieve this not only by promoting company-wide initiatives related to ESG management, but also through unified support and coordination, information collection and analysis, and information dissemination both inside and outside the company.

We also established the ESG Promotion Committee as an advisory body to the Board of Directors. This committee meets every three months to actively discuss ESG management. The chairperson is the officer in charge of the ESG Division, and two knowledgeable outside members in the role of experts are allied with the internal members to enhance activities from various perspectives. The ESG Promotion Committee reports to the Board of Directors and deliberations are undertaken.

Composition of the ESG Promotion Committee

- Chairman: Officer in charge of the ESG Division (representative director, vice chairman & executive officer)
- Outside committee 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 committee members: General Manager of the ESG Management Promotion Headquarters, the respective chairmen and vice chairmen of the three ESG subcommittees

In order to promote our ESG management principles, we have adopted the themes of participation of all employees; advanced initiatives; and improvement of external evaluations. We are all in support of our ESG principles, and each one of us will deepen our understanding and work toward the happiness of our customers and society so that ESG management becomes an intrinsic activity of the company.

Establishment of three ESG subcommittees

The ESG Promotion Committee has established three subcommittees to respectively promote one leg of the ESG stool: the Environmental Subcommittee, the Social Improvement Subcommittee, and the Governance Subcommittee.

Each of these subcommittees appoints a person in charge and sets goals and key performance indicators. These three subcommittees collaborate with each division and group company

inside and outside Japan and take the lead as flag-bearers of our ESG management principles, implementing effective initiatives. In addition, they disseminate and promote understanding of these initiatives among all employees through progress reports, provide feedback on issues, and propose improvements for dissemination.

In-house initiatives

Business establishment commendation system incorporating ESG indicators

In order to promote ESG management company-wide, we have incorporated ESG indicators into the company President's Award criteria.

Evaluation index for the first half of 2021 (February to July)

- E: ZEH ratio, planting rate, and others
- S: Secondary medical examination consultation rate, average total working hours, and others
- G: Operational accuracy of internal audits

Conducting "ESG Dialogue"

From an employee's perspective, "making home the happiest place in the world" can also be thought to encompass the workplace. The happiness of employees is part of the foundation of ESG management.

To put this into practice, we are promoting what we call "ESG Dialogue." The theme of the dialogue, arranged by job classification, is "How can we increase the happiness of our employees, customers, and society at large through our business?"

By promoting such dialogue, we aim to engage employees, stimulate communication, foster innovation, and further enhance our corporate value.

ESG management promotion structure



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Stakeholder Engagement

Our Responsibility to Maintain Open Communication with Stakeholders

The main stakeholders of the Sekisui House Group are our existing and prospective customers, business partners, employees, shareholders and other investors, and our local communities. We place great importance on maintaining dialogue with our stakeholders, and we make a daily effort to maintain open communication in order to meet all expectations and any challenges that arise.

Our Responsibilities to Key Stakeholders	Examples of Engagement	Typical Themes	Associated Initiatives
<p>To customers (homeowners)</p> <p>We will maintain a customer-first attitude and continue to value open communication so that important customer assets can long be used with a sense of permanence.</p>	<ul style="list-style-type: none"> • Customer surveys • Informative magazines published as communication tools <ul style="list-style-type: none"> • <i>Kizuna</i> (detached housing, twice annually) • <i>Maisowner</i> (rental housing, twice annually) • <i>gm</i> (apartments, 3 times annually) • Operation of the Net Owner's Club 	<ul style="list-style-type: none"> • Extending the service life of housing and improving customer satisfaction • Enhancing after-sale support • Developing and building easy-to-maintain and easy-to-use exteriors 	<ul style="list-style-type: none"> • Operation of "Common's," a cityscape evaluation system • Strengthening company-wide collaboration to grow the Exterior Business
<p>To prospective customers</p> <p>We will proactively disclose information so that we can establish a relationship of trust with our goal of "creating enriching homes and environments."</p>	<ul style="list-style-type: none"> • <i>Nattoku Kobo Studio</i>, at the Comprehensive Housing R&D Institute • <i>Sumufumulab</i> • <i>Sumai-no-Yume-Kojo</i> Center • Sekisui House Eco First Park • <i>Sumajuku</i> seminars • Stimulating dialogue through life literacy books and the like 	<ul style="list-style-type: none"> • Publication of the housing development process and locations of manufacturing sites • Visualization of housing-centered solutions to environmental challenges 	<ul style="list-style-type: none"> • Establishment of the Human Life R&D Institute • Recruitment of research members and presentation of workshops at <i>Sumufumulab</i> • Partial opening to the public of our research facilities • Workshops and events for parents and children at Sekisui House Eco First Park
<p>To business partners</p> <p>In order to develop together with a track record of customer satisfaction, we will strive to uphold fair and equitable transactions while fostering relationships of mutual benefit.</p>	<ul style="list-style-type: none"> • Establishment of the Sekisui House Association and the Sekisui House Cooperation Association • Policy Briefing Session (held annually) • Supplier Evaluations • Environmental Subcommittee; Supplier Subcommittee • Procurement adhering to our CSR (CSR Procurement Guidelines) 	<ul style="list-style-type: none"> • Improving the construction site environment (reduced workload, responding to the aging of construction technicians) • Improving accuracy of delivery dates (when delivering components and materials) 	<ul style="list-style-type: none"> • Improved display of construction members, promotion of component assembly, precutting and presetting • Comprehensive online sharing and input of process charts with manufacturers

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Stakeholder Engagement

Our Responsibilities to Key Stakeholders	Examples of Engagement	Typical Themes	Associated Initiatives
<p>To employees</p> <p>In order for our employees to utilize their individual abilities to the full and grow through creativity and work of value, we affirm the individuality of each and every employee. We are creating a work environment and a system that foster fairness and an eagerness to take on challenges as we seek to enhance employee satisfaction.</p>	<ul style="list-style-type: none"> • ESG Dialogue • “SKIdea,” an in-house innovation competition • In-house recruitment system & internal qualification system • Human relations training (annually) • Governance awareness survey & well-being survey • Occupational Health and Safety Management System • <i>Hito</i> in-house online magazine • Sekisui House Shareholders’ Association, an association of employee shareholders Subscription rate 83.9% (92.8% on a non-consolidated basis) Number of shares held: 17,939,000, for a 2.63% shareholding ratio 	<ul style="list-style-type: none"> • Autonomous career development • Promotion of women’s participation • Workstyle reforms • Promotion of work-life balance • Promotion of employment of people with disabilities • Provision of a workplace with open communication • Respect for human rights • Health management 	<ul style="list-style-type: none"> • Promoting understanding and instilling management according to ESG principles • New ratings system • Promotion of diversity Training for female managerial candidates Sekisui House Women’s College Diversity exchange meetings • Workstyle reforms Adoption of <i>Ikumen</i> Leave (special childcare leave) system • Health management policy formulation • Training for all employees through our Human Relations System
<p>To shareholders and other investors</p> <p>We will engage in fair and highly transparent corporate management with the aim of remaining an enterprise assessed with high social value. We do so in order to improve our corporate value through sound growth that returns profits to shareholders and other investors.</p>	<ul style="list-style-type: none"> • Presentation of financial results & management plan briefing session • Meetings with institutional investors and analysts • General meeting of shareholders • Shareholder benefit program • Publication of <i>Integrated Report</i> (including TCFD Report section) • Publication of <i>Business Report</i> (twice annually) • Issuance of <i>IR News Mail</i> 	<ul style="list-style-type: none"> • Return of profits to shareholders • Easy-to-understand disclosure of management strategies and plans • Promotion of fair disclosure • Enhancement of online disclosure • Enhancement of information disclosure in English 	<ul style="list-style-type: none"> • Minimum average payout ratio of 40% over the medium term • Management plan briefing session and dissemination of a Q&A summary • Holding tours of factories and other facilities • ESG management briefing session • Stakeholder meetings
<p>To the community</p> <p>In order to protect the global environment and enable all to enjoy a life of affluence that is unique to humans, we will strive to cooperate, participate, and give back to society by fostering local cultures and richness while making the most of the uniqueness of our roles as a housing company.</p>	<ul style="list-style-type: none"> • Sekisui House Matching Program, a joint donation system offered to employees of the company • Collaboration with NPOs such as Uzo Nishiyama Memorial Library and Kids Design Association • Rokko Island Fund for Kobe Town Development, Public Trusts • Providing training in the SDGs using case studies • Providing training in programming for elementary school students 	<ul style="list-style-type: none"> • Safe and secure living • Community development to prevent crime and mitigate disasters • Fostering future generations (Kids First) • Supporting the self-reliance of disaster victims and people with disabilities 	<ul style="list-style-type: none"> • Community formation support (<i>Hitoen</i>) • Establishing a recovery support system in the event of a natural disaster • Future Factory Project to help minimize effects of a natural disaster • Efforts by new employees to reconstruct disaster areas • Supporting companies in a disaster area and community workshops for people with disabilities by purchasing their products • Raising awareness of the SDGs • Educating children about housing
<p>Common features</p>	<p>Thorough compliance, thorough consideration for the environment, and accountability</p>		

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Major Initiatives & Participating Organizations

Our Participation in International Initiatives and Activities with Government and Industry Groups

We are actively participating in international initiatives to contribute to the resolution of social issues on a global scale. In Japan, our group has a large role and responsibility in improving housing and living conditions. We thus participate in the initiatives of many industry groups.

Major Initiatives We Support

Name	Logo	Activities
UN Global Compact		An initiative advocated by the United Nations that requires companies to comply with and implement 10 principles addressing human rights, labor, the environment, and corruption. Signed in September 2018. Participated in a subcommittee of the Global Compact Network Japan (GCNJ).
RE100 Initiative		An international initiative of major companies around the world pledging to use only 100% renewable energy in their business operations. Joined in October 2017, becoming the second Japanese company to do so.
TCFD Consortium		The Task Force on Climate-related Financial Disclosures (TCFD) is a framework for disclosing financial information on corporate climate change initiatives and impacts. The TCFD Consortium was organized by companies supporting the TCFD; we joined in July 2018 with an expression of support for the TCFD.
SBT Initiative		An evidence-based initiative requiring companies to adopt CO ₂ emissions reduction targets. Acquired certification in April 2018.
Japan Climate Initiative (JCI)		A network of non-governmental organizations encompassing enterprises, local governments, and organizations working actively on climate change countermeasures. Participating since its establishment in July 2018.
Japan Climate Leaders' Partnership (JCLP)		A group of corporations aiming to achieve a carbon-free society committed to sustainability. Joined in August 2016.
Global Alliance for Buildings and Construction (GlobalABC)		An organization of numerous companies, local governments, organizations, NGOs, and others aiming for zero emissions, high efficiency, and resilience in the fields of architecture and construction. Participating since May 2016
Japan Business Initiative for Biodiversity (JBIB)		An initiative of highly motivated companies committed to biodiversity conservation and sustainability. Participating since the beginning (April 2008).

Association with Government-led Initiatives

Name	Committees and others
Ministry of Land, Infrastructure, Transport and Tourism	The Panel on Infrastructure Development: Building Subcommittee, Building Environment Subcommittee Study Group on the State of Energy Consumption in Housing and Other Buildings
Ministry of Economy, Trade and Industry	Advisory Committee for Natural Resources and Energy ZEH Roadmap Follow-up Committee on Apartment Housing

General Incorporation Association of ESG Disclosure Study Group

Since July 2020, we have been participating in research on ESG data in order to develop a mechanism for harmonizing the sustainable development of society with the growth of private companies through an increase in their value.

Association with Industrial Group-led Initiatives

Group name	Committees and others
Japan Business Federation	Executive Committee, Standing Executive Committee, Urban Housing Policy Committee, Women's Advancement Promotion Committee
Kansai Economic Federation	Urban Tourism & Culture Committee, Urban Development Special Committee, Labor Policy Committee, D&I Expert Committee
The Osaka Chamber of Commerce and Industry	Construction and Building Materials Subcommittee, Human Resource Development Committee
Japan Federation of Housing Organizations	Board of Directors, Steering Committee, Housing Taxation and Finance Committee, Housing Performance Improvement Committee, Building Regulation Rationalization Committee, Environment Committee, Housing Stock Committee, Housing Information Committee, Construction and CS Committee, Skilled Trades Issues Review Committee, International Exchange Committee
Japan Prefabricated Construction Suppliers and Manufacturers Association	Board of Directors, Planning and Steering Committee, Financial Taxation System Study Group, Public Relations Committee, Board of Education, Education Implementation Committee, Defect Warranty Insurance Promotion Committee, Housing Subcommittee, others
House Construction Promotion Foundation	Board of Directors, Business Steering Committee
The Provision of Quality Housing Stock Association	Board of Directors, Administrative Board, Planning & General Affairs Committee, Public Relations Website Committee, Technical Committee, Evaluation and Education Committee
NPO Kids Design Association	Board of Directors, Steering Committee, Research & Development Subcommittee, Standardization Review Subcommittee, Awards Subcommittee, others
Eco-First Promotion Association	Executive Committee, Steering Committee, Information Exchange Conference

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FY2020 Accolades and Achievements

Public Accolades and Awards (Includes some presented in 2021.)

Sustainability & ESG Management

● From ESG evaluation bodies

February 2020 Awarded "Silver Class" in the homebuilding sector under the Robeco SAM Sustainability Award 2020.
https://www.sekisuihouse.co.jp/library/english/topics/datail/_icsFiles/afiedfile/2020/02/17/20200206e.pdf



November 2020 Named to the Dow Jones Sustainability Indices (DJSI World) for the 5th consecutive year. Selected as an Industry Leader by DJSI Asia Pacific for the 4th consecutive year.
https://www.sekisuihouse.co.jp/library/company/topics/2020/20201118_2e.pdf



February 2021 Awarded "Gold Class" in S&P Global's Corporate Sustainability Assessment.
https://www.sekisuihouse.co.jp/english/company/release/library/2021/20210212_e.pdf



In addition, our indices were adopted from the outset as constituents of all four ESG indices as selected by the Government Pension Investment Fund (GPIF), managers of the world's largest pension assets.

ESG indices selected by GPIF	FTSE Blossom Japan Index	MSCI Japan ESG Select Leaders Index	MSCI Japan Equity Empowering Women Index (WIN)	S&P/JPX Carbon Efficient Index
Index Category	ESG (Comprehensive)	ESG (Comprehensive)	S (Social)	E (Environmental)
Our Indices	Since July 2017			Since September 2018

E: Environmental

● **2020 Climate Change Action Award, Minister of the Environment Award for Climate Change Action** (Advanced Introduction and Proactive Practice Division/Mitigation Category)

November 2020 Organizer: Ministry of the Environment
 Recognized for efforts to create a Net Zero Energy House (ZEH) market for rental housing.



● **Silver Award, 2nd ESG Finance Awards Japan (Minister of the Environment Award)**

February 2021 Organizer: Ministry of the Environment
 Recognized for ESG management integrated with business strategies such as information disclosure for climate change response and dissemination of ZEH.



● **Japan Wood Design Award 2020**

October 2020 Organizer: Wood Design Award Management Secretariat (Social Design Division, Architecture & Interior Design Section)
 Recognized for constructing an SGEC/PEFC overall certified house (Japan's first wooden house offering traceability of all wood used in the structure. Joint entry with Mori for Forest Certification Company).



S: Social

● **Nadeshiko Brand 2021**

March 2021 Organizer: Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange
 Recognized for Sekisui House Women's College, a training program aimed to support the promotion of female managers that has been in effect since 2014. The roughly two-year curriculum focuses on stable and systematic training of personnel for managerial positions.



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FY2020 Accolades and Achievements

- Recognized as Certified Health and Productivity Management Outstanding Organization under the large enterprise category (White 500) for the second consecutive year.

March 2021 Organizer: Ministry of Economy, Trade and Industry



- Grand Prix, Ikumen Award 2020

October 2020 Organizer: Ministry of Health, Labour and Welfare
Recognized for establishing the unique *Ikumen* Leave system that offers male employees at least one month of leave within three years of their spouse giving birth. Under the guidance of our president, we are working to increase participation company-wide by raising awareness among those in managerial positions.



- Third consecutive annual Gold Award on the “PRIDE Index 2020,” which evaluates efforts to support members of the LGBTQ community.

November 2020 Organizer: The “work with Pride” volunteer organization



Other Recognitions

- Named to the “Hall of Fame” in the Environmental Reporting Category of the 23rd Environmental Communication Awards.

February 2020 Award: Sustainability Report
Organizer: Ministry of the Environment and the Global Environmental Forum



- Presented with the 14th Kids Design Award (representing our 14th consecutive year of recognition, for a total of 93 items, since the award was established).

August 2020 Organizer: NPO Kids Design Association

Awards
Category of “Designs to develop the creativity and create the future of children”

- *Kodomo idokoro*, Sekisui House Kids Design
- Oamishirasato City Child Care Exchange Center

Category of “Designs to support comfortable raising of children”

- Kobayashi-sanchi model house displayed in the Sekisui House *Sumai-no-Yume-Kojo* Center in Kanto
- A proposed living environment for child-rearing households Sekisui House’s “Sha Maison” rental housing creates an environment that makes it easy to work from home.



The Kobayashi-sanchi model house offers the vision of a lifestyle that resonates with many prospective customers.



Partition wall providing separate interior spaces

- Open Village Nokishita (joint entry with AiNest Co., Ltd.)
- This represents a “children’s operating system.” (Joint entry with Osaka Prefecture, Jakuetsu Co., Ltd., KOKUYO Co., Ltd., and Research Institute of Geographic Information System)

- Good Design Award 2020

October 2020 Organizer: The Japan Institute of Design Promotion



Awards

- *engawa* KYOTO
(A business collaboration base and co-work facility that supports innovation. Awarded jointly to Dentsu Inc.)
- Grande Maison Water Purification Garden City Forest Gate Condominium
(Awarded jointly to Mitsubishi Estate Residence Co., Ltd., Fukuoka Shoji Co., Ltd., Saibu Gas Urban Development Co., Ltd., Shimizu Corporation, and Field for Design Office.)
- Prime Maison Shimokitazawa rental apartment
(Awarded jointly to Sakakura Associates architects and engineers.)



engawa KYOTO



Grande Maison Water Purification Garden City Forest Gate, Chuo-ku, Fukuoka City

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Responding to the COVID-19 Pandemic

Responding to the COVID-19 Pandemic (by stakeholder category)

In response to the global COVID-19 pandemic, we established our new COVID-19 Infectious Disease Control Headquarters in April 2020. This initiative was intended to ensure the safety of Sekisui House Group employees and their families inside and outside Japan and to help maintain business continuity.

For customers and sales offices

- 2020**
- January–February** Provided about 40,000 masks and containers of disinfectant to support our locations in Shenyang, Suzhou, and Wuxi, China.
 - March & September** Distributed masks and disinfectants to all business locations holding open house events.
 - April** Formulated a policy for responding to customers in areas subject to the state of emergency. Launched our “At-home Housebuilding” project to facilitate planning and consultation on home construction while the customer remains at home.
 - June** Launched “At-home Maintenance,” a service through which customers could consult with Sekisui maintenance professionals from home via a smartphone or tablet.
 - July** Distributed non-contact thermometers to all branches and showrooms.
 - December** Launched SMART-ECS, a next-generation indoor environmental system integrating ventilation, air purification, and planning.

For employees and partner companies (Sekisui House Association)

- Alerts issued (as of January 31, 2021)**
- 17 alerts involving employees (COVID-19 Infectious Disease Control Headquarters)
 - 10 alerts involving construction workers (Construction Headquarters, Construction Quality & Workers Safety Promotion Department)

General infection control measures

- We offered guidance on hand-washing, gargling, cough etiquette, mask wearing, alcohol disinfection, avoiding crowds, and resting if symptoms such as fever occurred.
- We distributed masks to all offices and partner building constructors (for construction workers). 235,000 masks to our group bases; 560,000 masks to partner building constructors (for construction workers).
- We discouraged employees from having dinner or lunch together regardless of the number of participants.

Telecommuting and staggered working hours

- We urged our employees to work from home, which reduced frequency of contact with others by 70-80%. (Attendance rates at our offices were reduced to a maximum of 30%.) We facilitated avoidance of crowded public transportation by promoting staggered working hours. (This allowed for staggering of shift schedules at 15-minute intervals at any time between 07:00 and 11:00). We installed acrylic panels in our offices to minimize the potential for transmission of infection.

Note: Uptake differed depending on the infection situation in specific urban areas; the figures indicate the time of the strictest measures.

Web Conference Usage

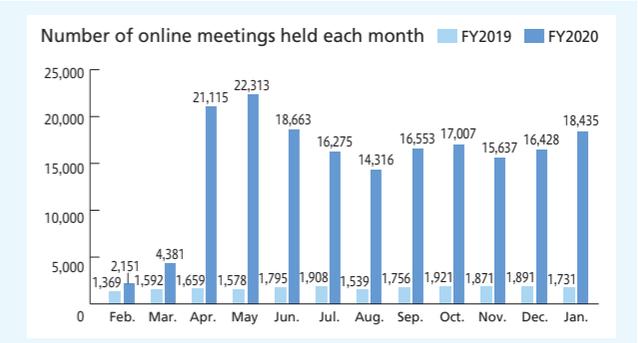
Since 2013, the Sekisui House Group has promoted company-wide utilization of iPads and has distributed more than 20,000 units of these and other mobile devices to group employees. We have also developed more than 200 proprietary business apps for internal use. By employing these devices, we have greatly enhanced work efficiency, improved the accuracy of information usage, and implemented a work approach through which a variety of information can be accessed anywhere, even after employees leave their offices. Having this foundation during the period of the COVID-19 pandemic proved invaluable, as it greatly contributed to sustainable business continuity, particularly in terms of discussions with customers who were unable to participate in face-to-face meetings.

Dealing with business trips, group training, and in-house preliminary meetings

- In principle, business trips either originating in or destined for areas where the pandemic had spread were prohibited, and international business trips were postponed, regardless of the country of destination.
- Group training was prohibited in principle, and group-style in-house meetings were conducted only when at least one meter of distance could be maintained between participants. (Online meetings, reduced numbers of participants, and other measures were adopted to minimize contact between employees.)

For suppliers

- 2020**
- February** Once lockdowns were put into place in some cities in China, we compiled lists of all materials that our suppliers procured from China. Thereafter, we monitored the supply status and delivery dates of materials procured outside Japan at all times.
 - February–April** Information on the supply of kitchen and bathroom components and the like that could potentially affect delivery dates was shared with suppliers and related departments to minimize delivery delays.



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