

Environmental Action Plan (Endless Green Program 2018)

Of the 20 items in the KPI related to the focal themes of each activity, 13 of the items have been accomplished and, compared to the results for the preceding fiscal year, three have gotten worse.

■ Environmental activities

Environmental theme	Focal theme		Management indicator		Scope	FY 2016 Results	FY 2017 Targets	FY 2017 Results
Prevention of global warming	Business operations	Reducing CO ₂ emissions associated with business operations	CO ₂ emissions per unit of sales (compared with fiscal 2005 level)		Daiwa House Group	53.7% reduction	53% reduction	58.5% reduction
			CO ₂ emissions (compared with fiscal 2005 level) (after offset by power generation using renewable energy sources)			35.4% reduction	34% reduction	41.8% reduction
	Products and services	Expanding our contribution to CO ₂ reduction by popularizing ECO products and services	The composition of power generated through reusable energy for purchased electricity		Daiwa House Group	54%	57%	63%
Harmony with the natural environment	Procurement	Promoting sustainable wood procurement	Ratio of C-ranked wood in procured wood		Daiwa House Group	2.5%	1.2%	2.4%
	Products and services	Promoting the preservation and creation of green spaces in development and town planning	Surface area of green spaces		Daiwa House Group	871,000 m ²	910,000 m ²	765,000 m ²
Conservation of natural resources	Business operations	Reducing waste at the production/construction stages	Manufacturing	Construction waste emissions per unit of sales (compared with fiscal 2012 level)	Daiwa House Group	0.6% reduction	2.8% reduction	0.2% reduction
			New construction	Volume of waste produced per construction site surface area (compared to 2012)	Daiwa House Group	20.9% reduction	25% reduction	17.4% reduction
	Business operations	Promoting recycling of construction waste	Manufacturing	Recycling rate	Daiwa House Group	98.6%	≥95%	97.6%
			New construction	Recycling rate	Daiwa House Group	97.7%	≥95%	98.1%
			Civil engineering	Recycling rate	Daiwa House Group	99.8%	≥95%	98.5%
			Demolition	Recycling rate	Daiwa House Group	96.0%	≥95%	96.6%
	Products and services	Popularizing housing and buildings that conserve natural resources and promote recycling	Housing	Ratio of houses certified under the Long-Life Quality Housing Certification System	Daiwa House Industry	83.5%	90%	83.7%
			Building	Adoption rate of pre-engineered buildings* ¹ (floor space)	Daiwa House Industry	30.0%	31%	30.3%
Business operations	Reducing water consumption associated with business operations	Water consumption per unit of sales (compared with fiscal 2012 level)		Daiwa House Group	21.7% reduction	23% reduction	25.2% reduction	
Prevention of chemical pollution	Business operations	Suppressing the use of chemical substances at the production stage	Release and transfer of PRTR-listed substances per unit of sales (compared with fiscal 2012 levels)		Daiwa House Group	40.6% reduction	40% reduction	42.2% reduction
			Reduction of VOC (volatile organic compounds) emissions per unit of sales (compared with fiscal 2013 levels)		Daiwa House Group	12.6% reduction	10% reduction	13.9% reduction
	Products and services	Improving indoor air quality in residential facilities	Completion of in-house criteria for indoor air quality		Daiwa House Group	Achieved in all segments	≥100%	Achieved in all segments

■ Basics of environmental management

Basic policy	Focal theme	Management indicator		Scope	FY 2016 Results	FY 2017 Targets	FY 2017 Results
Basics of environmental management	Expand environmental activities globally to business partners.	Understanding environmental impacts at operation sites outside Japan		Daiwa House Group	Operating sites and all consolidated subsidiaries outside Japan	Operating sites and all consolidated subsidiaries outside Japan	Operating sites and all consolidated subsidiaries outside Japan
		Environmental initiatives through business partner organizations		Daiwa House Industry	Introduction to 5 Group companies	Development of CSR Procurement Guidelines	Currently implementing self-assessments for CSR Procurement Guidelines
	Raise all employees' awareness of participation in environmental management.	Formulation and implementation of environmental performance assessment system	Number of companies below Rank D	Daiwa House Group	2 companies	0 companies	1 company
			Number of worksites below Rank D	Daiwa House Industry	2 worksites	0 worksites	0 worksites
		Implementation rate of worksite ECO training		Daiwa House Industry	95%	100%	99%

*1 Scope of application: Convenience stores, drug stores, nursing care facilities
 *2 We have reviewed our targets using the results of FY 2017.

- : Goal for fiscal 2017 achieved
- : Goal for fiscal 2017 not achieved (improved from the previous year)
- : Goal for fiscal 2017 not achieved (worsened from the previous year)

Self-Assessment		FY 2018 Targets	Related page
	At the newly constructed facilities of our company, we are pursuing the change to make them all Zero Energy Buildings as well as making energy self-sufficient offices. At existing facilities, we are trying to make operational improvements as well as taking actions to invest in energy saving through high-efficiency air conditioners, water heaters and LED lighting by using check sheets classified by application. As a result, we have accomplished our targets.	60% reduction*2	P118, 193, 194
		43% reduction*2	
	Through Groupwide efforts toward the DREAM Solar Project, we are smoothly achieving the development of our mega-solar business and have also built our first hydropower plant. We are operating 225 MW of solar power, 9 MW of wind power and 1 MW of hydropower. The total production of energy is 1.2 times that of last year. As a result, purchased electricity increased 2% accompanied by business growth, but we still achieved our targets.	65%*2	P118, 195, 196
	With the expansion of earnings, the contribution to overall CO ₂ reduction by use of insulation and energy saving efforts etc., have gone up accordingly. Furthermore, the environmental energy business expanded greatly and drove overall growth although the contribution to overall CO ₂ reduction by solar power has been declined in the single-family and rental housing business, commercial facilities business and office building business. As a result, we have achieved our target.	5,150,000 t*2	P118, 197, 198
	We changed our procurement of wood to low risk areas and took other measures for those ranked C by the research in the preceding fiscal year. The proportion of C-ranked wood decreased by 0.1 point as a result, but fell short of our target.	0%	P126, 201, 202
	The external area available for greening (with some greening regulations) was, in the commercial facilities and office building businesses, down by a large 31% compared with last year, falling short of our target surface area of green space. Note: Surface area of green space = external area X greening rate	800,000 m ² *2	
	In all properties, due to our strict adherence to in-house criteria for development and town planning, we have achieved our targets.	100%	
	Due to the reinforcement of regulations on importing waste in China, we have, more than before, been processing by-products as waste rather than as valuables that we sold. As a result, we were unable to achieve our target.	0.6% reduction*2	P132, 205, 207
	Regarding building-related construction, since the need for nursing care facilities and business hotels have gone up, there is a trend for construction site surface area of walls to increase, leading to increase waste emissions. As a result, we were unable to achieve our target.	20% reduction*2	
	Through our dedication to sort management of waste products, we have been able to maintain a high rate of recycling. As a result, excluding renovations all departments have achieved their targets. Going forward, we plan to maintain the high level through choosing the disposal route that allows recycling to continue.	≥95%	P132, 204, 207
		≥95%	
		≥95%	
		≥95%	
		≥85%	
	Although we maintained high standards in promoting the popularization of housing satisfying the requirements of long-life quality housing certifications, we were not able to achieve our targets.	90%	P132, 208
	Working toward improving productivity and the betterment of products, our adoption rates have grown at drug stores but declined at convenience stores and nursing care facilities. As a result, we were unable to achieve our target.	31%*2	P132, 206, 207
	Through the introduction of water conservation devices in offices, hotels and sports facilities as well as the installation of water meters in each respective system at resort facilities to prevent water leakage, we were able to achieve our target.	26% reduction*2	P132, 206, 207
	By promoting the weakening of coating machine cleaning thinners and anticorrosive paints and thinners, as well as change to water solvent paint for panel repair, we were able to achieve our target.	40% reduction	P138, 209
		10% reduction	
	We were able to achieve our targets in all segments by switching to low-emission building materials and by promoting ventilation before measurement.	≥100%	P138

Self-Assessment		FY 2018 Targets	Related page
	As for operating sites and consolidated subsidiaries outside Japan, we rolled out our policies regarding the environment and also implemented surveys about environmental impacts. As a result, we were able to achieve our target.	Operating sites and all consolidated subsidiaries outside Japan	P115, 127, 135
	By implementing self-assessments for business partners who submitted letters of consent for our CSR Procurement Guidelines, we were able to achieve our target.	Surveys for suppliers about greenhouse gas emissions reduction	P115, 116
	While managing processes at our Group companies and worksites, we promoted environmental initiatives and conducted follow-up in an effort to achieve our targets, but some companies and worksites could not achieve their targets.	0 companies	P113
		0 worksites	
	Trying to conduct follow-up to implement trainings at all worksites, we increased its implementation rate from the preceding fiscal year; however, we were unable to achieve our target.	100%	P114

Managerial Philosophy and Overall Picture

Customers

Employees

Business Partners

Local Communities

Shareholders

Environment

Foundation of CSR Management

Data Section