

■ Cooperating with Third Parties and Their Assessment

Cooperation with NGOs, NPOs and other local and citizens' groups

We build partnerships with NPOs and NGOs that have abundant information and knowledge about environmental issues and have innovative experience in environment and social issues. We cooperate with them while complementing each other's knowledge to promote the efforts toward solving environmental and social issues.

As part of this, we serve as the deputy representative of the Japan Climate Leaders Partnership (Japan-CLP), taking a leading role in enterprising policy proposals for climate change and decarbonization.

■ Key partners and activities

Collaboration partner	Major activities
Association for Business Innovation in Harmony with Nature and Community (ABINC)	Operation of biodiversity guidelines and promotion of biodiversity-aware land use
Osaka Gender Equality Foundation	Promotion of Gender Equal Community Development (Our employee participates as a director)
Japan Climate Initiative (JCI)	Strengthening of measures against climate change in Japan
Green Purchasing Network	Dissemination of green purchase and CSR procurement
Fair Recruitment and Human Rights Center	Ensuring fair hiring practices and promoting in-house human rights training
Association for Renewable Energy 100 Declaration RE Action	Promotion of use of 100% renewable energy by companies, local governments, educational institutions, and medical institutions
World Wide Fund For Nature (WWF) Japan	Implementation of the Timber Procurement Guidelines, sharing of information on risk areas, etc.
Multi-Ethnic 'Human Rights' Education Center for Pro-existence	Realizing a co-created society, promoting human rights education
Japan Climate Leaders Partnership (Japan-CLP)	Collaboration in decarbonization business and aspiring policy recommendations by enterprises, etc.
Japan Healthy House Association	Research concerning healthy housing and dissemination and awareness raising concerning healthy living style
Japan Forest-Volunteer Association	Conservation activities for Mt. Rokko
Reforestation Commercialization Research Group, Japan Project-Industry Council (JAPIC)	Reforestation Commercialization Research Group (industrialization of new forestry system, proposals on community revitalization, etc.)
Buraku Liberation and Human Rights Research Institute	Elimination of all racism and realization of a society with established human rights
Mirairo Inc.	Promotion of human rights awareness and universal manners training
Yoshinoyama Hoshokai	Cherry tree conservation activity at Mt. Yoshino
NPO NPO Chotto Shizen	Promoting biodiversity conservation activities in the regulating pond at our Mie Plant
Local incorporated administrative agency Research Institute of Environment, Agriculture and Fisheries, Osaka Prefecture, Biodiversity Center	Promoting biodiversity activities in Osaka Prefecture

Main certifications and awards

Double recognition on CDP Climate Change A List and on CDP Water Security A List. Received CDP's highest Supplier Engagement Rating for the fourth consecutive year

The company was selected for the highest CDP climate change A List and for the CDP water security A List. This was the fifth consecutive year that the company has been recognized as an "A-List company" in the CDP Climate Change category. CDP evaluates corporate and government activities to reduce greenhouse gas emissions, protect water resources, and conserve forests, and select companies engaging in outstanding initiatives for its A Lists. In 2022, 283 companies were selected for the CDP climate change A List and 103 companies were for the CDP water security A List. The number of companies selected for the A Lists of both categories was 57. Furthermore, the Company received an "A-" rating in the "CDP Forest" survey on forest conservation, which was conducted at the same time.

Also in fiscal 2022, the Company received the CDP's highest Supplier Engagement Rating, listing on the Supplier Engagement Leaderboard for four years running.



-  [Recognized as "Climate Change A List" and "Water Security A List," the highest ratings in both categories \(Japanese text only\)](#)
- [Recognized as the highest rated supplier in CDP's "Supplier Engagement Assessment" for four consecutive years \(Japanese text only\)](#)

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Company receives top Gold EcoVadis sustainability rating

More than 100,000 suppliers in 200 industries from 175 countries worldwide participate in EcoVadis, a France-based ESG assessment platform that provides third-party sustainability reviews.

Since our participation in ESG assessment from 2019, we have continued to maintain the top Gold rating (gaining a score in the top 5% in the global construction industry).

Received the “Climate Change Action Grand Prize” in the “Minister of the Environment’s Award for Climate Action 2022”

The MIRAI KACHI KYOSO Center (Kotokurie), a training facility of our Group, received the “Climate Change Action Grand Prize” in the “Advanced Introduction and Positive Practice Category (Mitigation and Adaptation)” of the “Minister of the Environment’s Award for Climate Action 2022.” This was the third consecutive year that the company has received the “Minister of the Environment’s Award for Climate Action.”

Kotokurie is a ZEB Ready facility through state-of-the-art eco-friendly technologies, such as energy-saving and renewable energy facilities installed to mitigate climate change. In addition, resilient exterior green areas and environmental education for neighborhood children have been introduced to improve the community’s climate change adaptability. These efforts were highly evaluated.

 [The Daiwa House Group MIRAI KACHI KYOSO Center, a training facility, received the 2022 Climate Change Action Grand Prize. \(Japanese text only\)](#)



The Daiwa House Group MIRAI KACHI KYOSO Center (Kotokurie) in Nara Prefecture



Integrated Report 2022 selected as an “Excellent Integrated Report” by the GPIF’s Japanese stock investment managers for the seventh consecutive year

Our 2022 Integrated Report was named as an excellent integrated report for the seventh consecutive year by organizations that manage Japanese equities on behalf of the Government Pension Investment Fund (GPIF). In addition, the report received an Excellence Award in the second NIKKEI Integrated Report Award. The report was recognized for its easy-to-understand approach to corporate value creation by describing goals and issues from both financial and non-financial perspectives.

Awarded 4.5 stars in the fourth Nikkei SDGs Management Survey

In the fourth Nikkei SDGs Management Survey, the Company’s rating was 4.5 stars (overall score from 65 to under 70) out of a maximum of 5 stars.

Nikkei rates 886 listed Japanese companies from the perspective of their moves to implement the United Nations Sustainable Development Goals (SDGs). Moving forward, we intend to take further steps to create businesses that solve social issues.

 [Nikkei “SDGs Management” Survey](#)

15th in CSR Corporate Ranking 2023 (2nd in construction industry)

Toyo Keizai Inc.’s CSR Corporate Directory (Employment/Human Capital Utilization Edition and ESG Edition) covers hundreds of Japanese companies. Firms are rated in CSR categories such as human resource utilization (max. 100 points), environment (max. 100 points), corporate governance and societal impact (max. 100 points combined), and financial categories (profitability, soundness, and scale; max. 100 points each) for a possible maximum 600 points and ranked accordingly.

Daiwa House Industry was ranked 2nd in the construction industry and 15th overall in the 2023 edition released in February 2023.

“SDGs Promotion Loan” by Sumitomo Mitsui Banking Corporation (Cosmos Initia)

The “SDGs Promotion Loan” is one of the loan products provided by Sumitomo Mitsui Banking Corporation, and upon the granting of the loan, Sumitomo Mitsui Banking Corporation and The Japan Research Institute, Limited will confirm the current status of the company’s SDGs initiatives, analyze the path (logic) to SDGs contribution through the company’s core business, and provide the company with a loan to contribute to the SDGs through the company’s core business. Advice on how to promote SDGs initiatives is also provided. Cosmos Initia, a member of the Group, was selected for the SDGs Promotion Loan based on its potential to contribute to the achievement of the SDGs goals through the following business activities.

- (1) Promotion of community development where the elderly can live actively through condominium projects for active seniors that contribute to the formation of compact cities.
- (2) Selling newly built condominiums for sale and renovated condominiums that are easy for the child-rearing generation to live in, and developing and operating an apartment hotel “MIMARU” that is comfortable for families to stay in.
- (3) Realization of diversification of work styles through the operation of “MID POINT,” a rental office in a residential location that realizes work and residence in close proximity, and contribution to regional revitalization through the operation of “ETOWA,” an outdoor resort that utilizes idle assets.

 [The Company was granted a “SDGs Promotion Loan” by Sumitomo Mitsui Banking Corporation based on its judgment that the Company can expect to contribute to the achievement of the SDGs goals through its business activities. \(Cosmos Initia\) \(Japanese text only\)](#)

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■ Major ESG-related awards

Awarded category	Award name	Organizer	Reason for the award
ESG management	CDP Climate Change 2022 A	CDP	Climate change strategies and initiatives to reduce greenhouse gas emissions
	CDP Supplier Engagement 2022 Supplier Engagement Leaderboard (highest rating)		Evaluates corporate initiatives on climate change in the four areas of governance, targets, Scope 3 management, and collaboration with suppliers
	CDP Water Security 2022 A (highest rating)		Promotion of water resources management
	CDP Forest 2022 A-		Conservation of forest resources
	PRIDE Index 2022 Gold Award (awarded to Daiwa House Industry) Bronze Award (awarded to Royal Home Center)	work with Pride	Diversity initiatives
Products and services	Received the Climate Change Action Grand Prize in the Advanced Introduction and Positive Practice Category (Mitigation and Adaptation) of the Minister of the Environment's Award for Climate Action 2022	Ministry of the Environment	The Daiwa House Group MIRAI KACHI KYOSO Center, a training facility
	Received the Excellence Award at the 5th EcoPro Awards.	Sustainable Management Promotion Organization (SuMPO)	The Daiwa House Group MIRAI KACHI KYOSO Center, a training facility
	Received the Energy Conservation Center, Japan Chairman's Award in the "Energy Conservation Grand Prize 2022 (Energy Conservation Case Study Category)"	The Energy Conservation Center, Japan	Efforts to promote ZEB in offices nationwide
	Received the Good Design Award	Japan Institute of Design Promotion	Wood Residence MARE, a detached house Premist Kyoto Saiin, a condominium MM Field Minamiodaka, a condominium
	Received the Excellent Company Award from the Director-General of the Health Bureau of the Ministry of Health, Labour and Welfare in the Extend Healthy Life! Awards	Ministry of Health, Labour and Welfare and Japan Sports Agency	Service planning and operation of condominiums for the elderly that prevent frailty by living (Cosmos Initia and COSMOS LIFE SUPPORT)  Notice of Nationwide Development of Condominiums for Active Senior Citizens (Japanese text only)
Procurement	Received the Grand Prize in the 23rd Green Purchasing Awards	Green purchasing network	Efforts to achieve carbon neutrality in the supply chain
Health and safety	Selected as an excellent case study in the "Visible" Safety Activity Contest	Ministry of Health, Labour and Welfare	Conducting safety education through remote site visits, Utilization of disaster statistics for safety education

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Inclusion in ESG indices

 <p>FTSE4Good</p>	<p>FTSE4Good Index Series The ESG Investment Index made by London Stock Exchange Group's FTSE Russell. The index began in 2001 and is characteristic because of its operation with a multistakeholder committee made up of investors, labor unions, NGOs and more, that protect its independence. Daiwa House Industry has been a member since March of 2005.</p>
 <p>FTSE Blossom Japan Index</p>  <p>FTSE Blossom Japan Sector Relative Index</p>	<p>FTSE Blossom Japan Index / FTSE Blossom Japan Sector Relative Index Used by the GPIF (Global Pension Investment Fund), which is the world's largest pension fund, as an ESG index that includes Japanese companies.</p>
 <p>MSCI ESG RATINGS AA</p> <p>ccc B BB BBB A AA AAA</p>	<p>MSCI World ESG Leaders Index / MSCI World SRI Index The ESG Investment Index made by Morgan Stanley Group's MSCI. Characteristic as an index that considers the target company's production characteristics while providing evaluations based on high priority ESG issues.</p> <p>MSCI Japan ESG Select Leaders Index The GPIF uses this as an investment target as it is an index that includes Japanese companies.</p>
 <p>MSCI Japan Empowering Women Index (WIN)</p>	<p>MSCI Japan Empowering Women (WIN) Select Index One of MSCI's ESG indexes containing companies that lead in promoting gender diversity within their sector based on their gender diversity scores. Based on the idea that companies that promote gender diversity may be better placed to cope with the risk of personnel shortages as the labor force rinks in the future, and thus be able to provide sustainable long-term earnings. It reflects the performance of Japanese companies strongly committed to gender diversity in the workplace and maintaining high financial standards.</p>
 <p>Member 2022/2023 ESG Leaders Indices</p>	<p>STOXX® Global ESG Leaders The ESG Index made by STOXX, a Deutsche Börse Group company. Based on the ESG data provided by Sustainalytics, our company has been incorporated into this index since fiscal 2016.</p>

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	<p>S&P/JPX Carbon Efficient Index An ESG index that has been adopted by the GPIF for operations that focuses on Japanese companies. Daiwa House Industry has one of the highest carbon efficiency levels in the real estate industry, and we have a good reputation for disclosing information about our greenhouse gas emissions.</p>
	<p>GRESB A ratings agency for real estate companies and REITs. More than 100 institutional investors are members. Daiwa House Industry has received an "A" rating for disclosure.</p>
	<p>Ethibel EXCELLENCE An ESG Index created by the NGO Forum Ethibel, headquartered in Belgium. Component issues maintain above average performance regarding ESG in all regions throughout the world. Our company has been incorporated in the Ethibel Excellence Investment Register since December 7, 2016.</p>
	<p>ECPI An investment management company headquartered in Luxembourg and Milan that has created various ESG indices separated by business type, region and theme. Our company has been incorporated since fiscal 2016.</p>
	<p>Bloomberg Gender-Equality Index ESG index developed by Bloomberg in the US. This includes companies with superior codes of conduct, personnel systems, product development, and information disclosure related to gender equality. Daiwa House Industry has been included in the index since January 2019.</p>
	<p>New Diversity Management Selection 100 (METI) award A program created by the Ministry of Economy, Trade and Industry that evaluates companies on their innovation, productivity growth and results that are achieved through the maximum utilization of female, elderly, foreign, disabled, diverse career persons. In addition, our company was the first in the housing/buildings industry to receive both the Nadeshiko Brand award and the New Diversity Management Selection 100 award at the same time in March 2016.</p>