

Action Plan for the Environment (Endless Green Program 2021)

In the Endless Green Program 2021 (fiscal 2019 to 2021), which expands the scope of application to all the Group companies including overseas ones, we are going to accelerate integrated environmental management within our Group and globally based on the life cycle approach to ensure that corporate profitability can coexist with environmental sustainability. In particular, we place emphasis on the carbon-free initiative, which is raised as one of the policies in our 6th Medium-Term Management Plan (fiscal 2019 to 2021).

Our Group has extracted materiality (priority issues) in terms of degree of importance to our Group's business and the demands and expectations of society. The materiality was identified with reference to experts' opinions and reviewed as we formulated the Action Plan for the Environment.

Identification of materiality (priority issues)

Key policies

- 1 Promoting "carbon-free" in the fields of products and business activities for achieving SBT, EP100, and RE100
- 2 Promoting win-win cooperation for reducing environmental risks in supply chains
- 3 Promoting the development and dissemination of environmentally conscious products and services for boosting business competitiveness
- 4 Advancing strategic eco communication for improving environmental brand and ESG assessment
- 5 Enhancing integrated environmental management within the Group and globally for advancing environmental management

Looking back on the Endless Green Program 2021

In EGP2021, we faced difficulties in promoting environmental activities amid the rapidly changing business environment caused by the COVID-19 pandemic. However, as a result of the PDCA cycle through finely tuned management, we successfully achieved most of the targets, mainly those related to climate change. This is considered the fruit of our initiatives, including those to improve the environmental literacy of employees through the acquisition of the Eco Test certification over the past three years, and to share with them the long-term environmental vision reviewed in 2020. These efforts resulted in environmental activities that were conducted autonomously at the workplace level.

Meanwhile, during the period of the EGP2021 plan, the Japanese government announced the "2050 carbon neutrality" and set ambitious interim targets for 2030 as its milestones. Among those targets, household and business sectors are set as significant targets for GHG reduction, and the expansion of renewable energy is greatly expected centered on solar power generation. These are the very areas relating to the business of our Group, making us reaffirm the importance of our role and responsibility.

In light of the above, under EGP2026 starting in FY2022, we will continue to accelerate our efforts with new ambitious targets covering our value chain with carbon neutrality as the most important theme. In conjunction with this, we will also focus on initiatives for a circular economy and nature positive.



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: Target for fiscal 2021 achieved
 : Target for fiscal 2021 not achieved (achieved 90% or more)
 : Target for fiscal 2021 not achieved (achieved less than 90%)

Main Targets and Results of Endless Green Program 2021

Focal themes	Stage	Management indicators	FY 2018 results	FY 2021 targets	FY 2021 results
General (Expand environmental contribution business)	Products and services	• Sales of environmental contribution business	1,117.2 billion yen	1,400.0 billion yen	1,396.9 billion yen
	Procurement	• Setting rate of principal suppliers' greenhouse gas emissions reduction targets	54%	90%	87.7%
Mitigating and adapting to climate change	Business activities	• GHG emissions (vs FY2015, per unit of sales)	26.3% reduction	35% reduction	41.4% reduction
	Business activities	Energy efficiency (EP100) (vs FY2015)	1.27 times	1.4 times	1.47 times
	Business activities	• Renewable energy utilization rate (RE100) • Renewable energy rate	0.23% 84%	10% 100%	18.2% 131%
	Products and services	• GHG emissions derived from use of products (vs FY2015, per area)	5.1% reduction	6% reduction	34.9% reduction
	Products and services	• ZEH sales rate • ZEB sales rate	29% 22%	70% 40%	63% 44.1%
	Products and services	• Rate of Green Building Certification obtained	15%	80%	91.6%
	Harmony with the natural environment	Procurement	• Ratio of C-ranked timber	2.1%	0.0%
Business activities		• Development of the company's facilities filled with greenery (cumulative)	4	9	10
Closed-loop resource sourcing	Business activities	• Construction waste emissions (per m ²)/ New construction	19.3kg/m ²	19kg/m ²	20.0kg/m ²
	Business activities	• Construction waste recycling rate	96.6%	97% and above	97.7%
	Business activities	• Waste plastics recycling rate	90.1%	90% and above	93.4%
Conservation of aquatic environments	Business activities	• Water consumption (vs FY2012, per unit of sales)	28.2% reduction	34% reduction	46.8% reduction
Prevention of chemical pollution	Business activities	• Release and transfer of PRTR (vs FY2012, per unit of sales)	49.9% reduction	57% reduction	69.3% reduction
	Business activities	• VOC emission (vs FY2013, per unit of sales)	20.4% reduction	15% reduction	36.8% reduction
Strengthening the foundation of environmental management	Environmental education	• Number of those who acquired the Eco Test certification	4,402	15,000	19,033

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