

ESG Data (Additional Disclosure)

Introduction

Sekisui House publishes the Value Report, which combines the Integrated Report and Sustainability Report, serving as a tool to communicate its corporate value from business, financial, and non-financial perspectives to all stakeholders. As part of our efforts to improve transparency in our disclosures, this document includes additional data related to the ESG information included in VALUE REPORT 2024.

Working toward our global vision, “Make home the happiest place in the world,” and aiming to become a leading company in ESG management, we will continue to strive to meet society's expectations for data disclosure.

January 31, 2025

SEKISUI HOUSE, LTD.



Decarbonization Strategy for Achieving Short-, Medium-, and Long-term GHG Reduction Targets

	FY2023		Short- and Medium-term efforts			Long-term initiatives
	GHG Emissions	(Breakdown)	Short-term	Medium-term	Targets	
Scopes 1, 2	72,873 t-CO ₂	Offices : 40,338 t-CO ₂	Electrify Company vehicles and achieve RE100 : Roughly 22,000 t-CO ₂ reduction		75% reduction in Scope 1 and 2 emissions by 2030 compared to FY2013 levels	Achieve net zero GHG emissions by 2050
		Factories : 17,357 t-CO ₂	Convert to low-carbon fuels : Roughly 500 t-CO ₂ reduction Electrify forklifts : Roughly 1,000 t-CO ₂ reduction	Promote electrifying manufacturing facilities and achieve RE100 : Roughly 2,000 t-CO ₂ reduction		
		Construction and demolition : 15,178 t-CO ₂	Achieve RE100 for electricity consumed at construction and demolition sites : Roughly 6,600 t-CO ₂ reduction			
Scope 3, Category 1	2,264,020 t-CO ₂		Support SBT targets setting by establishing consultation services	Continuously support SBT targets setting and quantify emissions at key suppliers and take an approach to reducing emissions	SBT targets setting for 80% of suppliers based on CO ₂ emissions by 2030	
Scope 3, Category 11	8,300,245 t-CO ₂		Strive to reduce GHG emissions by further promoting ZEHs, including increase of ZEH ratio in new rental units to 70%		55% reduction in Scope 3 category 11 emissions by 2030 compared to FY2013 levels	

Note: We have an adaptation plan to mitigate or avoid the impacts of climate change. This plan includes measures such as providing hydration and salt supplementation, as well as ensuring appropriate breaks for employees working in construction sites and factories where high temperatures are unavoidable. To reduce or avoid the impacts of energy usage and to improve efficiency, our group implements capital investments and other measures. We aim to achieve a reduction of at least 1% in total energy consumption each year compared to the previous year.

Environmental Data

Data on GHG emissions, energy use and water use in the real estate portfolio

Sekisui House is working to decarbonize its real estate portfolio. The figures below are for the portion of real estate that our group owns, or for which it owns the real estate trust beneficiary rights, that is office and commercial buildings in the leasing business for which energy use and other such data is available. Additionally, all properties in our group's real estate portfolio in Japan and overseas are equipped with smart meters for electricity measurement.

	Unit	FY2021	FY2022	FY2023
Electricity consumption	MWh	28,698	36,491	28,322
Gas consumption	Thousand m ³	3,339	3,608	3,260
Water consumption	Thousand m ³	172	261	182
GHG emissions	t-CO ₂	13,840	19,599	14,367
Direct emissions		6,240	6,702	6,623
Indirect emissions		7,600	12,897	7,744
Floor area	m ²	231,402	293,133	235,650

Evidence and ratio of green certified buildings in the real estate portfolio

Grand Front Osaka, in which Sekisui House holds a partial stake, received a five-star certification under the CASBEE*1 for the Real Estate system in 2022. Sekisui House aims to increase the ratio of green certified buildings in its real estate portfolio. The ratio of green certified buildings for this fiscal year stands at 14.3% (based on the number of properties).

*1 CASBEE® (Comprehensive Assessment System for Built Environment Efficiency) is a unique Japanese green building certification system that comprehensively evaluates the environmental performance of buildings, similar to LEED and BREEAM. The CASBEE Real Estate Certification applies to buildings that have been completed for more than one year.

 Evaluation of Grand Front Osaka under CASBEE for Real Estate (Japanese only)

Water Security

Metrics and Targets

The Sekisui House Group's Water Use

	Unit	FY2021	FY2022	FY2023
Municipal water*1	Thousand m ³	812	812	894
At production facilities		134	134	138
Industrial-use water		22	21	17
At production facilities		22	21	17
Ground water		457	471	459
At production facilities		457	471	459
Total*2		1,291	1,304	1,370
At production facilities		613	626	613

*1 The boundary of calculation has been expanded from FY2021 results to improve accuracy.

*2 We have set the reduction of water usage in our business activities as a continuous challenge and target.

Supply Chain Management

Conducting annual action policy briefings for suppliers

We hold an annual action policy briefing for our suppliers to ensure the best quality, robust delivery and reasonable price while promoting ESG in procurement. The purpose of the briefing is to deepen the understanding of suppliers regarding our procurement activities, and approximately 150 major suppliers participate in the briefing where we ask suppliers to understand and comply with the purpose and content of the "CSR Procurement Guidelines." We also explain specific procurement initiatives, share examples of improvements made by suppliers, and recognize outstanding suppliers for their contributions.

Additionally, we provide feedback on CSR evaluations and conduct lectures by external experts to raise awareness of ESG issues.

Supplier monitoring

The CSR evaluation is conducted using a self-assessment checklist based on GCNJ's version of SAQ. Suppliers are asked to self-evaluate their own initiatives in nine areas, including corporate governance, human rights, and labor, from five perspectives ①awareness of laws, ②policies, ③systems and responsibilities, ④confirmation of results of initiatives, and ⑤corrective actions. The results are then scored and evaluated.

If risks are identified in the CSR evaluations of existing suppliers in areas such as the environment or human rights, we conduct monitoring to understand the actual conditions by visiting the individual suppliers in question and providing advice on the evaluation criteria and achievement levels. In this way, we practice due diligence. If a significant risk is discovered, the Company will take appropriate action in consultation with relevant departments and stipulate measures such as reducing transactions based on the supplier evaluation score.

We select the CSR evaluation targets in order of transaction amount, covering all key suppliers and exceeding 95% of total procurement amounts. As of the end of 2023, we conducted CSR evaluations of 163 suppliers and determined that four suppliers should be monitored in terms of human rights, three in terms of labor, and one in terms of the supply chain (with overlap). We are monitoring each company to promote improvement.