

SEKISUI HOUSE GROUP

HUMAN RIGHTS REPORT

July 2024



Message from the CEO

A love of humanity is written in our DNA

Since its founding in 1960, Sekisui House has been dedicated to providing people with high-quality homes that protect lives and property in countries like Japan where earthquakes and natural disasters are common. In line with the belief that the customer always comes first and the utilization of the design-build system, we work to fulfill this mission, building deep bonds not only with our business partners but also with our partner companies as “a community with a common destiny.”

Backed by this history and with an awareness that each and every human being is precious and irreplaceable, our foremost desire is to secure the happiness of others and make their joy our own. From this, our Corporate Philosophy of love of humanity was born.

As our business continues to expand, I believe that this Corporate Philosophy has evolved beyond mere words and become part of the very DNA of our employees and partner companies. I have personally seen our employees voluntarily giving up days off and making every effort to provide support and ensure the safety of our customers in the aftermath of major earthquakes without waiting for any direction from the head office. On top of that, none of our houses have ever been fully or even partially destroyed by a major earthquake. This achievement, a testament to the tireless polishing of our skills, I am proud to say is the materialization of our DNA.

We believe that this DNA is an asset and the foundation of our business. It is also a reflection of our consistent prioritization of human rights.

We communicate this stance on respecting human rights through the Sekisui House Group Human Rights Policy, which was established in 2020.

Future efforts regarding human rights

We announced our global vision to make home the happiest place in the world in 2020. In 2022, we designated three material issues for our businesses to realize happiness through housing: creation of high-quality housing stock, contributing to a sustainable society and diversity and inclusion.

We are expanding our businesses overseas, especially in the United States and Australia. Sekisui House boasts industry-leading technologies not only in seismic resistance and thermal insulation, but also durability, soundproofing, stormproofing, fireproofing and all other aspects of housing. We will continue to work toward the goal of making Sekisui House technologies global de facto standards.

Achieving this global vision and solving management issues involves spreading the spirit of our Corporate Philosophy of love of humanity across the world. We believe that this is the only way to fulfill our responsibility of respecting global human rights.

The Sekisui House Group Human Rights Report presents a comprehensive overview of the Company's human rights-related initiatives and data. It is meant to provide clear and understandable information on initiatives undertaken by the Group up to this point, all of which are rooted in our love of humanity. We hope this report will help in understanding the Company's position on respecting human rights.



Yoshihiro Nakai

Representative Director of the Board
President, Executive Officer, CEO

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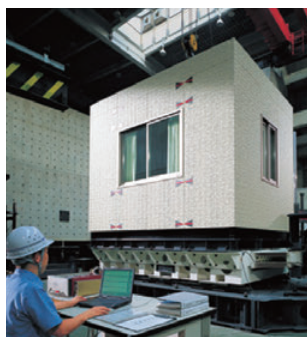
Sekisui House businesses and human rights

Providing safety and peace of mind in housing to protect people's lives and property

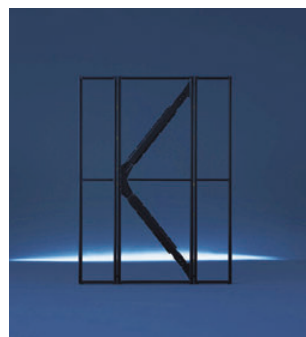
Since its founding, Sekisui House has been striving to simultaneously reduce construction time and provide housing with stable quality and performance, and to this end has long produced structural components for housing in factories.

The Great Hanshin-Awaji Earthquake of 1995 caused severe damage, leaving 104,906 houses completely destroyed and 144,274 partially destroyed, according to Japan's Fire and Disaster Management Agency's report in 2006. Although there were 29,592 Sekisui House buildings in the affected area, none suffered either partial or complete destruction. Natural disasters like earthquakes and typhoons are common in Japan, so we must continue to provide housing that provides safety and peace of mind to ensure that people's lives and property are protected. This event cemented once again that this is our mission as a housing manufacturer.

However, many of the Company's houses were damaged, which led to many challenges. To confront these challenges, we created SHEQAS, our original seismic energy absorption system, in 2007. The spread of this technology has helped enhance the seismic resistance of our housing.



Vibration table test of a full-sized house model



SHEQAS

Meter module for easier living

Sekisui House's core product, the Sekisui House Model B steel frame, uses our Universal Frame System to allow the flexible placement of shear walls, enhancing design freedom while maintaining the building's strength, but there has also been one more breakthrough. This was the adoption of metric specifications using 1,000 mm modules.

The Japanese construction industry traditionally built housing using the conventional measurement known as "shaku" in shaku-based modules (approximately 910 mm). By using a meter-based rather than a shaku-based module, we were able to create more generously proportioned spaces. One example of these improved proportions was hallway width, which we were able to expand nearly 10 cm, creating more room for movement with luggage or wheelchairs. In 1981, Sekisui House was involved in the construction of Japan's first model house for people with disabilities, and started researching ways to make housing more accommodating for both people with disabilities and the elderly. The Sekisui House Universal Design (SH-UD) standards were established in 2002 based on the results of ergonomic experiments conducted at the *Nattoku Kobo Studio* (Home Amenities Experience Studio), part of the Comprehensive Housing R&D Institute, in the 1990s. Please see page 28 for details.



Meter module

Living a fulfilling life in the era of the 100-year lifespan with "health," "connectedness" and "learning"

Now, in the 21st century, progress has been made in the development of environmental technologies that improve both comfort and environmental considerations. Improvements in insulation performance due to the adoption of next-generation energy-saving specifications are helping prevent indoor heat shock for elderly people. The introductions of the next-generation room environmental control system SMART-ECS and the Airkis high-quality indoor air system, which helps reduce the intake and spread of pollutants and suppresses chemical substances, show more examples of new technology focused on the health of residents.

Furthermore, we have begun promoting the Platform House Concept, which provides services centered on the three themes of "health," "connectedness" and "learning." These efforts include the commercialization of HED-Net, an in-home early detection network for acute illnesses.

Going forward, Sekisui House will continue striving to make residents happy by offering value through housing, such as by promoting health as well as connections with friends and family and by cultivating a variety of experiences and skills.



PLATFORM HOUSE touch

Sekisui House businesses and human rights

(Year)	SEKISUI HOUSE			Japanese domestic trends (legal)	Global trends (international patterns)
	Business growth and expansion	Stakeholder relations	Measures to promote human rights		
1948					1948 Adoption of the Universal Declaration on Human Rights
1960	1960 Sekisui House Industries, Ltd. established (trade name changed in 1963 to Sekisui House, Ltd.)			1969 Enforcement of the Unity Measure Operation Special Act	1965 Adoption of the International Convention on the Elimination of All Forms of Racial Discrimination (ratified by Japan in 1995)
1970					1976 Formulation of the OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises 1979 Adoption of the Convention on the Elimination of All Forms of Discrimination Against Women (ratified by Japan in 1985)
1980	1982 Vocational training school for technicians opened, offering training and education for crafters	1982 Sekisui House Cooperation Association established, offering benefits for partner building constructors, etc. 1989 Corporate philosophy established, a fundamental philosophy of "love of humanity" 1989 Lifetime housing concept established	1980 Human Rights Protection Promotion Committee established Human rights protection training for employees introduced (provided annually thereafter)	1986 Enforcement of the Equal Employment Opportunity Law	1989 Adoption of the Convention on the Rights of the Child (ratified by Japan in 1994)
1990	1990 Comprehensive Housing R&D Institute opened	1995 Great Hanshin-Awaji Earthquake Recovery Headquarters for restoration and reconstruction responses established	1999 Sexual Harassment Hotline launched	1998 Enforcement of the Act for Promotion of Employment of Persons with Disabilities 1999 Equal Employment Opportunity Law revised to make corporate sexual harassment prevention measures obligatory	
2000	2007 SHEQAS original seismic control system introduced (certified by the Ministry of Land, Infrastructure, Transport and Tourism) 2008 International Business Department established (began overseas business operations) 2009 Sales of eco-friendly Green First houses launched	2002 SH-UD (Sekisui House Universal Design) established 2003 Corporate Code of Conduct established, Corporate Ethics Guidelines enforced 2004 Human Resource Sustainability Statement announced As a policy for promoting diversity: 1. Promote the participation of women, 2. Utilize diverse personnel, and 3. Promote diverse workstyles 2007 Wood Procurement Guidelines and Chemical Substance Guidelines formulated	2003 Human Rights Promotion Office, an entity dedicated to dealing with human rights issues, established within the Personnel Department 2006 Human Rights Promotion Office moved into the Legal Department and reorganized into the Human Relations Office The Company created the <i>Human Relations Training</i> textbook (distributed annually thereafter) 2008 Sexual and power harassment consultation service set up at all business sites, including at all Group companies (Training for managers conducted annually thereafter)	2003 Enforcement of the Personal Information Protection Law	2006 Adoption of the Convention on the Rights of Persons with Disabilities (ratified by Japan in 2014)
2010	2017 U.S. company Woodside Homes Inc. acquired (subsequent expansion of custom detached homebuilding business)	2018 United Nations Global Compact signed and CSR Procurement Guidelines established 2018 Childcare leave program for eligible male employees introduced 2019 System for registering common law spouses or same-sex partners is established	2014 Sexual Harassment Hotline renamed to Sexual and Power Harassment Hotline	2012 Recommendations Regarding Prevention and Resolution of Abuses of Authority in the Workplace (round table meetings with the Ministry of Health, Labour and Welfare) 2013 Enforcement of the Act for Eliminating Discrimination against Persons with Disabilities	2011 Adoption of the Guiding Principles on Business and Human Rights (UN Human Rights Council) 2015 Adoption of the international goals (SDGs) in the 2030 Agenda for Sustainable Development
2020	2020 Global vision of "make home the happiest place in the world" announced 2020 ESG Management Promotion Headquarters established	2020 Well-Being Surveys for all employees established 2020 Joined the international initiative "The Valuable 500," a system to promote the active participation of persons with disabilities	2020 Sekisui House Group Human Rights Policy formulated and publicized Full scale operation of human rights due diligence launched Sekisui House Global Helpline established	2020 National Action Plan on Business and Human Rights established (2020–2025) (Ministry of Foreign Affairs of Japan) 2020 Revision of the Act on Comprehensive Promotion of Labor Measures to make corporate abuse of authority prevention measures obligatory	
2021			2021 Human Rights Due Diligence Meetings established (within the Social Improvement Subcommittee) Human rights risk map created (reviewed annually)	2022 Formulation of the Guidelines on Respect for Human Rights in Responsible Supply Chains	
2023			2023 Human Relations Office reorganized into the Human Rights and Compliance Promotion Office		

Human Rights Policy and its formulation process

Sekisui House Group Human Rights Policy

In April 2020, we formulated and announced the Sekisui House Group Human Rights Policy (hereafter referred to as the “Human Rights Policy”). It was formulated with the advice of outside experts and approved by the Board of Directors of the Company.

The Human Rights Policy respects international norms, such as the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights, and supports the Ten Principles of the United Nations Global Compact.

In order to fulfill its social responsibilities, the Company has stated that it will respect the human rights of all stakeholders who may be affected by its business activities, including those in the supply chain.

Based on the Sekisui House Group’s Corporate Philosophy and Code of Conduct, the Human Rights Policy complements and clarifies the principle of “Respect of human rights” outlined in our Corporate Code of Conduct.

All Sekisui House Group officers and employees (including temporary, part-time and fixed-term employees) must comply with the Human Rights Policy, and we promote awareness of the policy among all employees through training and other measures. We have also published the policy on our website, and we expect all partner building contractors, suppliers and other business partners to understand and support the Group’s policies and initiatives that promote respect of human rights. Moreover, we have created an website to be an online information sharing platform for major suppliers and are working to ensure their compliance.

Policy regarding prohibition of discrimination

As stated in the Human Rights Policy, the Sekisui House Group does not tolerate any form of discrimination. The Sekisui House Group Corporate Ethics Guidelines define the standards of corporate ethics that the Company and its officers and employees must comply with in pursuing the corporate activities of each Group company. We have also established the following policy on the respect for human rights and prohibition of discrimination.

5-1 Respect of Human Rights and Prohibition of Discrimination

Consistently strive to maintain a healthy workplace environment, respect the human rights of each person and do not act in any way that could lead to discrimination. Do not discriminate in hiring and treatment of employees. Furthermore, ensure that other persons are prevented from engaging in discriminatory behavior.

1. Do not engage in any form of unreasonable discrimination based on birth, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, gender identity, age, disabilities, interests, educational background, family and others.
2. Do not engage in acts which violate human rights through violence, derision, slander, libel, forced labor through threats, bullying, or spread of rumors.

 [Corporate Ethics Guidelines \(Full\)](#)

Policy on prevention of child labor and forced labor

As stipulated in the Sekisui House Group Human Rights Policy, the Sekisui House Group does not tolerate any form of forced or compulsory labor or child labor. We do not tolerate any involvement in human trafficking nor any involvement with companies or production regions where such involvement has been identified through transactions.

We observe the legal minimum working ages of the countries where we operate and verify the ages of applicants when hiring. Our CSR Procurement Guidelines, which are applied primarily to our main suppliers, prohibit discrimination based on nationality or race, inhumane treatment, forced or compulsory labor and child labor, and require the appropriate management of employee health and safety. The following is stipulated in the Corporate Ethics Guidelines.

2-7 Compliance with Laws and Regulations Related to Importing and Exporting

- (3) Do not handle products or raw materials which were produced, manufactured, or transported under conditions which violate human rights, including child labor or forced labor.

Consideration of human rights in selecting partners in new businesses and developments

The Sekisui House Group communicates its positions to business partners in annual policy briefings. Understanding of our vision, including our Corporate Philosophy and ESG management, is a major prerequisite when selecting new partners. Our Corporate Philosophy also lays out the idea that “whether developing a product, creating an environment or choosing to enter into a new business, we should always ask ourselves whether this is helpful to the customer and if it contributes to society,” defining this practice as exercising “love of humanity.”

Human Rights Policy and its formulation process

Dialogue with employees on freedom of association and respect for collective bargaining rights

As stated in the Human Rights Policy, all Group companies respect freedom of association and the right to collective bargaining. We shall comply with labor-related laws and labor-management agreements, and work to build constructive relationships through sincere dialogue and negotiations with 100% of employees, including workers with shorter working hours, or their selected representatives.

Response policy for non-compliance with labor standards

All allegations related to labor standards within the Group are dealt with by the relevant departments. When an allegation regarding working hours is made, we investigate the worksite where the allegation occurred and take measures, such as providing guidance on improving work efficiency.

Human Rights Policy formulation process

Understanding human rights issues

We collect information on human rights issues based on such international norms as the International Bill of Human Rights, The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights. Since 2019, we have participated in seminars with other signatories to the UN Global Compact and have evaluated the Company's human rights issues based on feedback from experts and other companies and organizations. Internally, we ensure a full understanding of the impact of these issues on the Group by holding interviews with participants from relevant departments, including Human Resources, General Affairs, Construction, Diversity, Real Estate, Production, IT and Legal.

Formulation of an action plan

After gaining an understanding of human rights, the Social Improvement Subcommittee, operating under the ESG Promotion Committee, formulated an action plan and system for promoting human rights due diligence within the Group. The creation of our Human Rights Policy was also included in this plan.

Announcement of Human Rights Policy

In April 2020, with approval from the Board of Directors, we announced the Sekisui House Group Human Rights Policy. When formulating our Human Rights Policy, we made sure to reflect values that the Group has cherished since its founding while considering the advice of experts. These values include building strong relationships with our partner building constructors, striving to be a corporation that has zero tolerance for any discrimination or harassment, promoting diversity and more.

Understanding actual conditions pertaining to human rights issues within the Group's domestic business division

After announcing our Human Rights Policy, we conducted an awareness survey for each domestic business location and department to both spread awareness of the policy and gain a clear picture of actual conditions.

Survey conducted from September to December 2020

Number of responses: 51

Number of questions: 31

(The questions were selected from the 2019 head office interviews conducted with each department and informed by internal incidents.)

Sample questions

- Do you believe there is a possibility that you might encounter trouble in the workplace environment with a business partner (including both internal and external onsite contractors)?
- Do you believe there is a possibility of human rights misconduct (child labor, forced labor, infringement of the rights of local communities, etc.) occurring at a factory, raw material mining site or lumber harvesting site run by a business partner (including secondary and other indirect suppliers)?

Based on the results of this awareness survey, we conducted discussions and exchanged opinions regarding the issues each business division should focus on. These discussions took place from January to March of 2021 and included the four sectors of development, construction, real estate, and production. The results of these discussions were further reflected in the themes of the FY2021 Company-wide Human Relations Training curriculum.

Sekisui House Group Human Rights Policy

The Sekisui House Group believes that its mission is to continue to provide safe, secure, and healthy housing and services that aim to contribute to a sustainable society.

In order to achieve our vision of "Making Home the Happiest Place in the World", we strongly hope to create happiness for all stakeholders through our various businesses. We express our commitment to fulfill our responsibility to respect human rights by practicing "love of humanity", which is a fundamental principle of our Corporate Philosophy.

Based on our Corporate Philosophy and Code of Conduct, the Sekisui House Group Human Rights Policy complements and clarifies the "Respect for Human Rights", which is one of the principles outlined in our Corporate Conduct Guidelines.

This policy applies to all officers and employees of the Sekisui House Group. We also expect our business partners, including building contractor partners and suppliers, to understand and support this policy.

The Board of Directors of Sekisui House, Ltd. shall supervise compliance with this policy and its implementation.

Respect for Internationally Recognized Standards

We are committed to respecting human rights as stipulated in the International Bill of Human Rights (*1) and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work (*2). We are a signatory of the United Nations Global Compact and we support its ten principles.

We strictly prohibit any form of forced labor and child labor.

We shall continue to promote the creation of a corporate structure with zero tolerance for any discrimination or harassment based on birth, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, gender identity, age, disabilities, preference, educational background, family or any other ground. We also strive to maintain a healthy working environment without discrimination in employment or treatment of employees.

We respect the freedom of association and the right to collective bargaining. We comply with labor-related laws and regulations and observe labor-management agreements. We are committed to engaging with employees or their representatives in good faith through dialogue and consultations and continuously work to build constructive relations.

We comply with national and regional laws and regulations in countries and regions where we operate. Where national and regional laws and regulations conflict with international human rights standards, we seek ways to honor the principles of internationally recognized human rights while complying with national and regional laws and regulations.

Implementation of human rights due diligence

In line with the United Nations Guiding Principles on Business and Human Rights (*3), we are committed to integrating human rights due diligence processes in our business activities in order to identify negative impacts on human rights and continuously work to prevent and mitigate such impacts.

We believe that the perspective of affected stakeholders is critical to understand human rights issues. We are committed to engaging in dialogues with relevant stakeholders in order to appropriately address human rights issues associated with our business.

If we identify that we have caused or contributed to negative impacts on human rights, we strive to remediate such impacts by appropriate means.

Diversity Initiatives

We shall promote the creation of a working environment with free and open communication, where people who work together and every employee recognize and make the most of each other's diversity, values and working styles. We aim to build an organizational culture that fosters innovation.

Awareness Raising and Training

We shall continue to provide education and training necessary for all Group officers and employees to implement this policy.

Grievance Mechanisms

We have in place the following complaint reporting channels to identify concerns and potential negative impacts on human rights associated with our business activities. The use of the mechanisms is strictly kept confidential and the users are protected from any detrimental treatment as a consequence of reporting issues.

- Internal consultation services for employees regarding harassment, human rights abuses, and issues related to workplace environment
- Contact points for stakeholders affected by our business activities that enable consultation regarding negative impacts on human rights

We shall investigate and respond to reports made through the mechanisms and take remedial measures as necessary. We continuously seek to optimize our grievance mechanisms in order to respond appropriately to any potential negative impact on human rights associated with our business activities.

Disclosure

We will regularly disclose our efforts to respect human rights as outlined in this policy through our website and other means of communication.

Effective on April 1, 2020
Approved by the Board of Directors of Sekisui House, Ltd.

* 1. The International Bill of Human Rights consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenants on Economic, Social and Cultural Rights. It is widely regarded as the fundamental human rights framework by the international community.

* 2. The Declaration on Fundamental Principles and Rights at Work adopted by the ILO sets out the following four categories as the minimum labor standard to be observed: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

* 3. The UN Guiding Principles on Business and Human Rights, endorsed by the United Nations Human Rights Council, is the authoritative global standard for states and businesses to prevent and address the risk of adverse impact on human rights linked to business activity.

Established plans for important human rights issues

Starting internal discussions on human rights

Since 2021, the Social Improvement Subcommittee has organized human rights due diligence meetings and initiated internal discussions on human rights.

→ The promotion framework for respecting human rights (Governance) is available on page 18.

A FY2020 awareness survey and exchange of opinions within our domestic business divisions revealed that these business divisions were finding it difficult to identify potential risks to human rights when they attempted to do so alone. Having thus determined the need for a system that could comprehensively identify human rights issues, we established the Human Rights Due Diligence Meeting. Held regularly, the meeting references comprehensive guidance from domestic and international sources and includes representatives from relevant divisions who participate in discussions regarding both current and potential issues that business divisions across the Company may face.

Human Rights Due Diligence Meeting participants (as of April 2024)

Legal Department, Human Resources and General Affairs Department, Procurement Department, Construction Headquarters, Diversity and Inclusion Promotion Department, ESG Management Promotion Headquarters, International Business Department, Sekisui House Construction Business Headquarters

Creating the map of human rights risks

The Group identifies important human rights issues through the creation and review of the map of human rights risks.

In July 2021, we held a discussion with external committee members of the ESG Promotion Committee. There, we learned that, regardless of their

likelihood, even potential human rights risks, such as construction site safety, have to be taken seriously. This information has impacted our further considerations of the matter.

1. Comprehensive coverage of relevant stakeholders

First, we defined the scope of coverage to include all stakeholders that influence or are influenced by the value chain.

2. Identifying human rights risks

Then, referencing the OECD Due Diligence Guidance for Responsible Business Conduct and the National Action Plan on Business and Human Rights, we identified human rights risks uncovered within the Group from 2020 to 2021 and potential risks related to business operations.

3. Evaluating human rights risks

Each identified human rights risk was scored and evaluated after confirming the stakeholders affected. Additionally, the degree of impact on human rights as well as the strength of the affected parties' connection with the Group were both evaluated.

4. Creating the map of human rights risks

The issues we evaluated were then mapped, with those deemed high-priority falling within the red zone. While creating this map, we took into consideration how these various human rights issues would impact the development of our business.

Through this process, the Group's map of human rights risks was created, integrating information extensively collected since 2019.

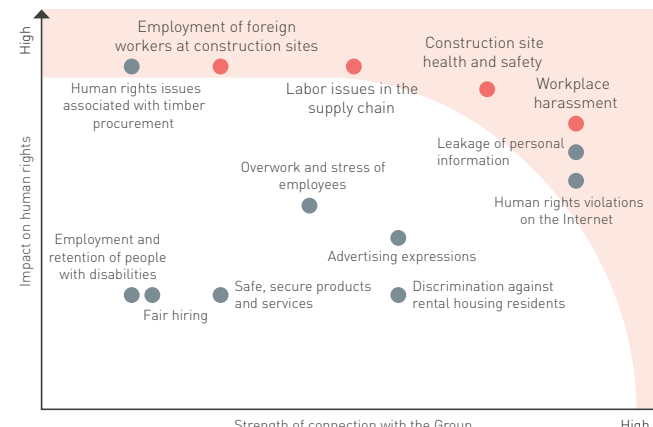
Subsequently, the map of human rights risks related to Group businesses is reexamined during our annual Human Rights Due Diligence Meeting through a process similar to that described above, and priority issues are identified.

Human rights issues identified by the Group

The important issues we have identified appear in red on the following map. We are monitoring the condition of these issues through continuous human rights due diligence, with the Human Rights Due Diligence Meeting at the center of this process.

1. Workplace harassment
2. Construction site health and safety
3. Labor issues in the supply chain
4. Employment of foreign workers at construction sites

Map of Human Rights Risks Related to Group Businesses



1. Workplace harassment Involved stakeholders: employees

The Sekisui House Group employs over 30,000 people, making the creation of an appropriate work environment that ensures psychological safety a very important issue.

The Sekisui House Human Rights and Compliance Promotion Office within the Legal Department operates the Sexual and Power Harassment Hotline to handle requests for consultation regarding human rights and workplace environment-related issues, including sexual harassment and abuse of authority as well as such issues as pregnancy, birth, child rearing and nursing care.

In FY2023, the Sexual and Power Harassment Hotline received 253 calls. The majority of calls were related to sexual harassment and abuses of authority but inquiries unrelated to harassment, such as consultations about management and interpersonal relations in the workplace, were numerous. These consultation services are known Group-wide and field inquiries from the entire Company.

The hotline maintains a dedicated staff who provide anonymous consultations. The majority of the staff have undergone training on counseling and similar topics, and work to ascertain facts while providing psychological support to consultees.

For cases that upon investigation are deemed to be serious, disciplinary action is taken and corrective and preventive measures are promptly put in place. Moreover, we consider the privacy of those involved in such cases when disclosing information related to the incident internally. Even in cases where disciplinary action is deemed unnecessary, we take human resources-related measures, for example, issuing warnings and guidance to the wrongdoer and their direct superiors.

Even in situations that do not warrant any of the above actions and only marginally impact management and interpersonal relations, we adhere to a professional approach in interviews and strive to provide appropriate advice. We consider these consultations to be indicators from our employees telling us what needs to be improved in the workplace environment. We analyze the content of such consultations and engage in

discussions with relevant departments in the Human Rights and Compliance Promotion Office. The results of these discussions are reflected in the themes of our annual Company-wide Human Relations Training, in which we strive to raise awareness regarding harassment prevention and improving the workplace environment.

Preventative measures

Human Relations Training (for all employees, including managers at all levels)

Training content is produced internally on an annual basis to reflect various reports and internal issues discovered by the Human Rights and Compliance Promotion Office members during their day-to-day management of the hotline.

Training mainly consists of case studies, with leaders at each workplace taking on the role of instructor. It is conducted either in person or through web conferences, rather than as e-learning.

The Human Rights and Compliance Promotion Office provides leaders with guidance on communicating with their teams more effectively and how to use their own words with greater impact.

In FY2023, the training themes were "Harassment and its connection to external stakeholders" and "Effective communication for improving the workplace environment." Moreover, during instructor guidance, participants learned about how to create a harassment-free workplace at a lecture called "Developing Human Resources in the Era of VUCA," which was given by an outside expert.

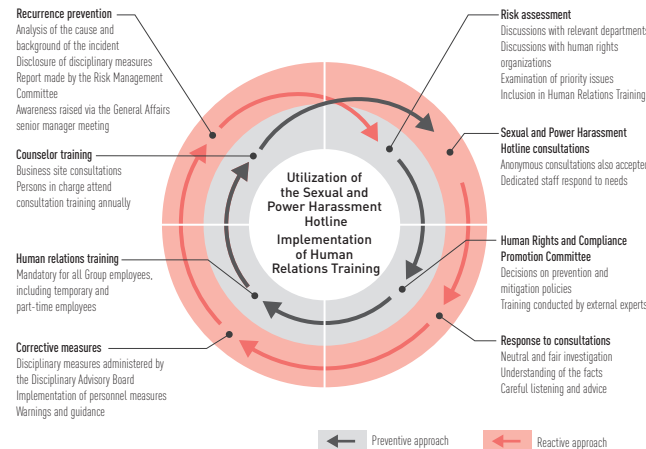
Rank-based training

In addition to Human Relations Training, we provide rank-based training to communicate the importance of preventing harassment and improving the workplace environment to employees recently appointed to various managerial positions, including chief managers.

Human Rights and Compliance Promotion Handbook (for leaders)

Our *Human Rights and Compliance Promotion Handbook*, distributed to all leaders Company-wide, explains the precautions and mentality required for workplace leaders to prevent and respond appropriately to workplace harassment. The handbook covers the main points and elements of human rights due diligence and communicates the importance of preventing harassment as an initiative related to human rights.

Due diligence concerning workplace harassment



2. Construction site health and safety Involved stakeholders: construction workers and construction site managers

Construction site work environments are hazardous and missteps can readily lead to life-threatening accidents. Accordingly, construction site occupational health and safety is the highest priority of the Sekisui House Group, underlying all business activities. We take a wide range of measures to ensure healthy and safe work environments for all construction workers.

Fundamental mindset and management structure

Sekisui House has established the Health and Safety Management Regulations based on occupational health and safety laws and regulations and its Rules of Employment. These regulations set out the Company's fundamental tenets of health and safety management and are designed to help create a pleasant work environment and ensure health and safety at workplaces.


The Construction Strategy Department manages all construction workers and partner building constructors. This department also creates the annual construction health and safety plans and, when necessary, formulates strategies to prevent occupational accidents.

Occupational health and safety activities at construction sites

We formulate annual construction health and safety plans, laying out key themes based on current conditions nationwide. Under these plans, we work to ensure safe environments in which workers can work with confidence as well as to prevent serious accidents and accidents that affect the public.

74th (2024) annual construction health and safety plan

1. Elimination of falling accidents
2. Elimination of tripping and stumbling accidents
3. Elimination of accidents involving lacerations and punctures
4. Elimination of accidents that affect the public



74th slogan poster

Slogan

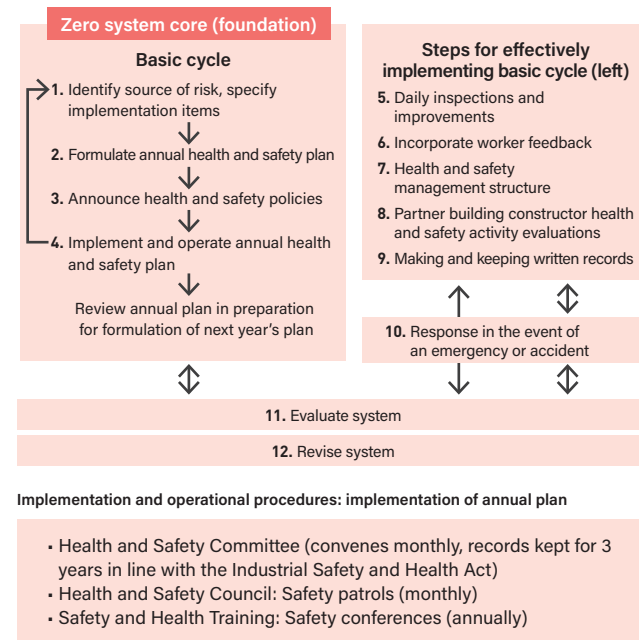
Safety is the accumulation of our individual actions—abandon habit and intuition, and wholeheartedly commit to preventing workplace injuries!

At the National Construction Health and Safety Conference held every year in February, Sekisui House and all Group companies come together to share analyses of last year's trends and discuss current challenges being addressed.

Occupational health and safety management system

In our construction departments, we have added additional provisions to the Occupational Health and Safety Management System recommended by the Ministry of Health, Labour and Welfare to independently develop and incorporate the Sekisui House Zero Hazard System, which takes the characteristics of construction sites into account. Using this system, we implement health and safety management activities. In order to reduce occupational accidents, it is important not only to take steps to prevent legal action and the recurrence of past accidents, but also to identify and evaluate sources of risk through risk assessment as well as to formulate and execute annual plans for implementation items. By building and improving our management tools while respecting and passing on the knowledge we have accumulated over many years, we are working to raise the overall standard and intend to maximize the benefits of efforts to ensure health and safety at construction sites.

Outline of Sekisui House Zero Hazard System



Implementation and operational procedures: implementation of annual plan

- Health and Safety Committee (convenes monthly, records kept for 3 years in line with the Industrial Safety and Health Act)
- Health and Safety Council: Safety patrols (monthly)
- Safety and Health Training: Safety conferences (annually)

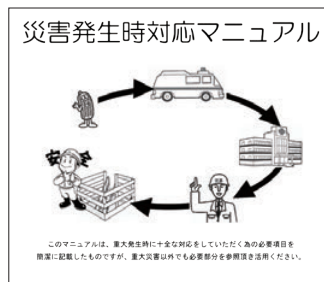
Furthermore, insights from construction workers' daily operations can be gathered to serve as feedback for identifying areas in need of improvement. Group company Konoike Construction has maintained certification under the Construction Occupational Health and Safety Management System (COHSMS) since FY2014 at all its offices as an initiative for occupational health and safety. Striving to eliminate accidents, Konoike Construction conducts regular internal audits of construction sites and safety patrols in addition to providing education on health and safety for its workers as well as the management and workers of partner companies.

2. Construction site health and safety

Occupational accidents

The Health and Safety Committee, a committee mandated by the Industrial Safety and Health Act and other laws, thoroughly analyzes the causes of occupational and commuting accidents that occur and shares information, thereby raising awareness of safety and health, preventing unsafe behavior, and discouraging long working hours that lead to accidents and illnesses.

If an accident occurs at a construction site, action is promptly taken in accordance with the *Disaster Response Manual*.



Disaster Response Manual

This manual is intended to be a comprehensive guide containing important information on responding to major incidents and can also be referenced and utilized in less serious circumstances.

The Compliance Helpline was established by the Human Rights and Compliance Promotion Office in the Legal Department. Also accessible to contractors, the hotline is a portal for receiving opinions and answering questions regarding occupational accidents and health and safety operations.

Raising awareness through posters

To prevent accidents that affect the public, we use awareness-raising posters and manage construction sites to ensure peace of mind for owners and nearby residents.



Poster about preventing COVID-19

Poster about preventing heat stroke

To prevent heat stroke, we teach construction workers to be mindful of their colleagues' health and report any abnormalities they notice to nearby coworkers or managers. We also proactively display posters.



Raising awareness through informational newsletters

To prevent occupational accidents and accidents that affect the public, the Construction Safety Management Group of the Construction Strategy Department issues quarterly newsletters about construction site health and safety. These newsletters are posted on construction site safety bulletin boards.



Increasing the appeal of becoming a housing technician with the new "crafter" personnel system

A housing technician, known as a "crafter," is a person who works to construct homes. This occupation is appealing as it involves working in close proximity to customers and bringing them safe while bringing happiness to families.

Because home construction requires a wide array of skills from many different workers, the Sekisui House Construction companies in the Sekisui House Group put a great deal of effort into employing and training crafters.

Furthermore, in addition to improving the remuneration of chief crafters (foreman-class workers) across the board, we are introducing a new personnel evaluation system as we boost education and recruitment. Sekisui House Construction is enhancing the attractiveness of these roles while stimulating local employment through increased hiring nationwide.

2. Construction site health and safety

The reason for this widespread expansion in hiring is that in addition to the aging working population and the accelerating decrease in new, younger workers, the upper limit on annual overtime hours was changed as of April 1, 2024. Due to these circumstances, our need to respond to the stabilized domestic housing demand and produce a model for high-quality housing stock built with strong seismic resistance and thermal insulation has prompted us to increase recruitment.

Ways we are making housing technician jobs more appealing

- **New personnel system:** housing technicians have been dubbed "crafters" and a new evaluation system for soliciting objective feedback has been introduced. Feedback and training for a variety of skilled human resources is done with reference to a skills matrix.
- **Substantial reforms in remuneration:** an up to 11% increase in base annual salary for new workers starting from April 2023. Chief crafters (foremen) additionally received drastic reforms in remuneration; workers in their thirties now receive around ¥9 million (an increase of approximately 180%).
- **Variety of skills training:** improving the variety of skills training provided at three domestic educational training centers and training schools, starting with fundamentals and emphasizing practical instruction.
- **Improving employee benefits:** guaranteed two days off per week, 125 days off per year, with 100% of male employees taking paternity leave.
- **Uniform:** created a new standardized uniform for all crafters to wear.



Orihime Toilet, ensuring an accommodating work environment for everyone

The Orihime Toilet is a temporary toilet that is easy and comfortable for women and children to use that was developed jointly by the city of Sendai and Sekisui House based on the lessons learned from the Great East Japan Earthquake.

Its development has helped spur efforts to increase the comfort of all temporary toilets, including those for men. Leveraging feedback from women, we are working to provide accommodating environments for all onsite supervisors and workers.

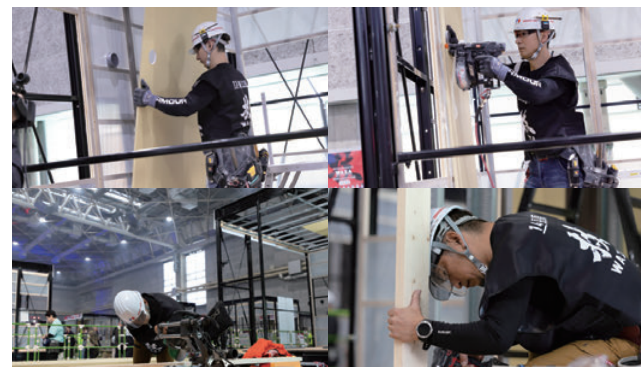


Exhibiting the skills of carpentry workers: Sekisui House Carpentry Championship Tournament WAZA 2023

In November 2023, Sekisui House held its first tournament to determine Japan's best carpenter at Intex Osaka. The event was inspired by our strong desire to motivate carpenters while elevating the branding of carpenters associated with Sekisui House. Following the tournament, we shared footage on YouTube for all to see.

The captivating "waza," or skills, possessed by our outstanding carpenters were on display, not only through their power of creation but also through their ability to maintain exemplary levels of safety and etiquette, judgment, environmental consciousness, site beautification, and health in addition to how well they were able to manage their worksites. Skilled individuals possessing such waza become carpenters who support the happiness of our customers.

These skilled individuals are crucial to the Sekisui House Group, and this carpentry championship was a way to put a spotlight on their importance.



3. Labor issues in the supply chain Involved stakeholders: workers throughout the supply chain

The Sekisui House Group recognizes the importance of issues involving human rights and labor in the supply chain. We have published the Sekisui House Human Rights Policy and clearly state our expectations when dealing with business partners regarding their understanding and support of said policy. In addition, we constantly work to broaden the scope of human rights concerns involving issues in the supply chain.

Establishment of CSR Procurement Guidelines

The Sekisui House Group's CSR Procurement Policy prioritizes ESG considerations while promoting the best quality, robust delivery and reasonable costs.

QDC plus ESG

Strive to procure materials of the best quality in order to earn customer trust and satisfaction	Best quality Q	Robust delivery D	Promote supply chain resilience, ensure stable delivery, and prepare for delivery constraint risks
Work with suppliers to improve value and achieve reasonable costs	C Reasonable costs	ESG	Proactively address social issues such as respect for human rights and decarbonization in the supply chain

Upon signing the United Nations Global Compact in 2018, Sekisui House joined the supply chain subcommittee of the Global Compact Network Japan (GCNJ). We established the CSR Procurement Guidelines for our suppliers, which are compliant with the GCNJ's self-assessment questionnaire (SAQ).

With regard to human rights, these guidelines prohibit discrimination based on nationality or race, inhumane treatment, forced or compulsory labor and child labor while requiring that employee health and safety be managed appropriately.

Since that time, we have requested that major suppliers submit a signed agreement to confirm their understanding and compliance with the purpose and content of the guidelines as well as cooperate with checks regarding their efforts, and we share the significance and importance of CSR procurement with our suppliers at our annual action policy briefing sessions held each February.

Due diligence process

The CSR Procurement Guidelines that we share with major suppliers are checked at the end of each year by a self-evaluation checklist based on the version made by the GCNJ SAQ. The CSR evaluation covers nine areas (including corporate governance, human rights and labor), with suppliers asked to self-evaluate their own initiatives from five perspectives: legal awareness, policies, systems and responsibility, verifying initiative outcomes and corrections. Sekisui House makes checks to ensure these results are then followed up on.

In the event that risks are found in the results of the CSR evaluations of these suppliers in areas such as the environment or human rights, we conduct monitoring to understand actual conditions by visiting the individual suppliers in question and providing advice on the evaluation criteria and achievement levels. Based on this monitoring, we collaboratively create plans to improve human rights issues.

As of the end of 2023, we conducted CSR evaluations of 163 suppliers and determined that four suppliers should be closely monitored in terms of human rights, three suppliers in terms of labor and one in terms of the supply chain (some suppliers presented overlapping concerns). We are monitoring each company to promote improvement.

Collaboration with suppliers

To promote respect for human rights in the supply chain, we must increase the circle of engagement from our suppliers to their suppliers and beyond.

Therefore, Sekisui House sponsors gatherings such as the annual activity policy briefing session to create events where major suppliers come together. There, we expand common knowledge of the Sekisui House Group Human Rights Policy, sponsor lectures from outside instructors to help elucidate ESG issues, allow suppliers who have implemented progressive efforts to demonstrate their case studies, share practical knowledge, and increase worldwide awareness of ESG issues.

- February 2022**
Speech at the Annual Activity Policy Briefing Session (150 participating companies)
Theme: Business and Human Rights in the Supply Chain
- February 2023**
Case Studies at the Annual Activity Policy Briefing Session (157 participating companies)
Theme: Efforts Regarding Human Rights in the Supply Chain
- October 2023**
Speech at the Supply Chain ESG Promotion Tournament (279 participating companies)
Theme: Tips on Putting Guidelines into Practice for the Respect of Human Rights in Responsible Supply Chains, Etc.

4. Employment of foreign workers at construction sites Involved stakeholders: foreign workers at construction sites

Many construction sites employ construction technicians of all nationalities and genders, but we place particular emphasis on the work environment of foreign workers (including technical trainees) with different backgrounds in terms of culture, language and other aspects. The Sekisui House Group believes adjusting the working environment to suit these employees is important.

Systems and mindsets to support technical trainees

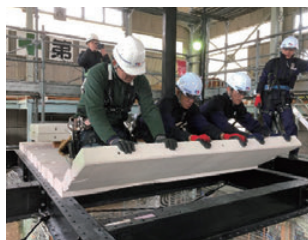
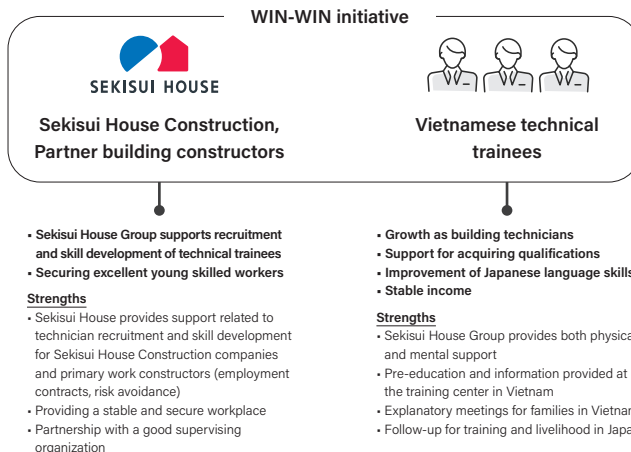
As many technical trainees working at the Sekisui House Group's construction sites come from Vietnam, the expansion of our support network for technical trainees is centered there.

Mentors, such as trainers, instructors and lifestyle coaches, support these workers in both their education and livelihood. They are employed at every worksite of Sekisui House Construction, Sekisui House Construction's partner companies and primary work constructors.

In addition, we are improving our support for trainees by cooperating with domestic management groups and proactively working together with Japanese language schools and sending organizations within the countries of origin.

The use of these support systems enhances our ability to communicate directly with foreign workers through direct conversations at periodic interviews as well as surveys available in Vietnamese and Japanese regarding daily life and work. Additionally, there can be hindrances to daily life in Japan and skill acquisition for those unable to speak Japanese, so we share personalized Japanese learning plans that we have created as well as updates on workers' learning progress with Japanese language schools and sending organizations in Vietnam. Furthermore, we are working to support Japanese language classes to improve workers' language ability after they arrive in Japan.

Moving forward, we plan to use surveys and interviews to continually create more opportunities for dialogue with technical trainees, prevent issues in the workplace and daily life before they occur, and improve the working environment further. We have also implemented a consulting service at Sekisui House Construction where technical trainees working at the Sekisui House Group's construction sites can seek guidance.



Support after domestic hiring

1. Support for Japanese language education (established Everyone's Japanese Classroom)
2. Established fixed consultations (upon entry, six months, one year, two years, three years)
3. Established surveys (one per year)

Summary of survey results

We conduct annual surveys in both Vietnamese and Japanese regarding the working environment of three main groups of workers at Group companies and their partner building constructors, and received responses from 272 people in 2023, a rate of more than 80%. For example, for the question "How many more years do you want to work in Japan?" 83% of responses indicated that they would like to continue working after their training period of three years is complete. Additionally, for the question "Are you satisfied with this company?" 85% of responses were affirmative. From this, we believe that the working environment is satisfactory overall. The survey also included questions such as "What tasks are difficult at work?" and "What difficulties do you face living in Japan?" with the aim of assessing issues related to day-to-day work experience, lifestyle, Japanese language and culture, and hopes for the future.

4. Follow-up on survey results

Content of follow-up results:

Examining organizational responses and countermeasures for matters of concern identified through analysis results

Confirming conditions with mentors and employers at each site

Implementing corrective measures when deemed necessary

First-year interview

From the left, a foreman, trainee and coworker from a construction company employing trainees and a licensed Sekisui House supervising technician



Future topics

Along with planned future revisions to the training system, it is expected that Japanese language education will become increasingly vital. Because the ability to communicate in Japanese is a necessary prerequisite to ensuring the safety of foreign workers at construction sites, we have always regarded proficiency in conversational Japanese as important. Until now, we have concentrated on sharing Japanese study plans and verifying study progress, but moving forward, we believe it will be necessary to deepen our partnerships with foreign Japanese language schools, sending organizations, management groups and employers.

Human rights issues associated with wood procurement Involved stakeholders: indigenous peoples and local residents near wood procurement sites, wood manufacturing workers

We recognize that the stable procurement of wood is of great importance to our continued operations. In recent years, high-risk supply chains such as those involving tropical timber have become the focus of an international movement that seeks to ensure that wood procurement reflects not only efforts to ensure the protection of the biodiversity of indigenous species, sustainability and the reduction of greenhouse gases but also NDPE¹ policies.

¹ No Deforestation, No Peat, No Exploitation

Establishment of the Wood Procurement Policy and revisions to the Guidelines

When we established our Wood Procurement Guidelines in 2007 and began implementing our sustainable FairWood (legally obtained, sustainable wood that supports local development) procurement, we were industry trailblazers. Since then, to make our support of NDPE policies clearer, we established the Wood Procurement Policy on October 1, 2023 and made necessary revisions to the Wood Procurement Guidelines.

Wood Procurement Policy: 3 Fundamental Policies

1. We strive to practice environmentally friendly, socially fair procurement of FairWood.
2. We will achieve wood product procurement with zero deforestation of natural forests by 2030.
3. We do not tolerate conflicts or human rights abuses anywhere in our supply chain.

Wood Procurement Guidelines: 10 Guidelines

1. Source wood products with guaranteed legality and a supply chain that can be traced back to the logging site for due diligence processes, etc.
2. Source wood products produced without damaging high conservation values (HCVs).

3. Do not source wood products from areas where the logging of natural forests causes biodiversity loss or deforestation.
4. Do not use endangered species for wood products.
5. Minimize CO₂ emissions when producing, processing, and transporting wood products.
6. Respect the free, prior, and informed consent (FPIC) of indigenous peoples and source wood products from supply chains that do not involve conflicts or human rights abuses.
7. Source wood products from areas of controlled logging, so as not to exceed the rate of forest regeneration.
8. Source wood products from domestic forests where well-planned forest management is in place to conserve ecosystems.
9. Source wood products from forests that are managed so as not to damage high carbon stock (HCS) forests or lead to forest conversion.
10. Source wood building materials that contribute to resource recycling and cascading use.

Engagement

We wished to build a broader understanding regarding the establishment of the Wood Procurement Policy and the revisions to the Wood Procurement Guidelines among shareholders. Thus, we held hybrid briefings at an assembly hall and online to facilitate collective growth in December 2023.

A total of 54 companies participated, with primary wood suppliers joined by secondary suppliers and others. A total of 140 participants attended, including the development leads for the Sekisui House Group's wood procurement.



Keynote lectures from the international environmental NGO FoE Japan and case studies from two suppliers were showcased, which allowed us to share the newest information on wood procurement.

Due diligence process

We implement an annual wood procurement risk survey of about 60 major wood building material suppliers.

We use this survey to gather and confirm information and, when necessary, make inquiries directly to the parties concerned if it is shown that risk is unavoidable when logging in both domestic and foreign sites. We regard it as important to share this follow-up process with suppliers to thoroughly enforce the Wood Procurement Policy and enable continuous improvement.

Enforcing worksite due diligence

We enforce retroactive due diligence for wood procurement from the frameworks of conventional legality, sustainability and biodiversity. For high-risk locations, such as those in tropical regions, we recognize the need to confirm both working conditions at manufacturing locations and the enforcement of FPIC.

Starting in 2020, due to travel restrictions and other issues caused by the COVID-19 pandemic, we became unable to enforce due diligence onsite. After restrictions on activity were alleviated, we were able to perform due diligence checks on the raw materials used for internal components in Vietnam in 2023.

By conducting inquiries at logging areas and manufacturing locations, checks on the enforcement of occupational health and safety and hearings with employees, we confirmed that no serious human rights violations had occurred.

Striving for a society in which people with and without disabilities can thrive together

The UN adopted the Convention on the Rights of Persons with Disabilities in 2006, which was also ratified by Japan. In 2013, Japan passed the Act for Eliminating Discrimination against Persons with Disabilities. This legislation, along with its subsequent revisions, has advanced domestic disability provisions.

However, persons with disabilities still suffer physical and mental disadvantages and face discrimination due to social, systemic and structural barriers, with many still experiencing difficulties in their daily lives.

As we consider changes to the body resulting from sickness, injury and aging, one of the important goals the Sekisui House Group has set is the pursuit of housing that everyone can easily use throughout their lives. This enables us to contribute to building a society where people with and without disabilities can all live together and thrive.

Participation in the Accessibility Consortium of Enterprises (ACE)

Sekisui House has participated in the Accessibility Consortium of Enterprises (ACE) since its establishment in 2013. ACE was established for the purpose of establishing an employment model for persons with disabilities that contributes to corporate growth and communicating to society the kind of human resources required by companies. We are developing a variety of activities, including awards for activity models, inter-company collaboration activities, career seminars to which school officials and students with disabilities are invited, and internships.

Joining The Valuable 500

In October 2020, we became a member of the Valuable 500, an international initiative promoting the active participation of people with disabilities.

The Valuable 500 was launched at the World Economic Forum Annual Meeting (Davos) held in 2019, based on the idea that inclusive business practices create inclusive societies. This activity aims to have business leaders initiate reforms that enable persons with disabilities to demonstrate their potential value in business, society and the economy.



Commitments of the Sekisui House Group

1. Customer happiness: Create homes and communities to provide lifelong housing.
2. Employee happiness: Provide opportunities and develop an environment for employees with diverse backgrounds to reach their full potential.
3. Social happiness: Support social inclusion and normalization for people with disabilities.

Education through training for all employees

Sekisui House and its major Group companies have established annual educational training regarding human rights for all employees, known as Human Relations Training. The theme of this training in 2016 was "Human Rights of Persons with Disabilities" and entailed the study of social models involving persons with disabilities and logical considerations for them. In 2023, we had the themes of "From Diversity and Inclusion to Diversity, Equity and Inclusion" and "A Society Where Persons with and without Disabilities Can Live Together," in which we learned how to put logical considerations into practice and had the chance to imagine a world where we could all live together.

Services for customers and reinspection of design standards for establishments

Since 2022, the Sekisui House Group has been raising the level of participation among employees with disabilities, creating work groups that employees with disabilities can join and establishing verification activities that include site inspections. These activities are directed toward equipment and design standards for facilities, including service content, as well as toward customer-facing establishments that assist customers who need special consideration, including seniors, persons with disabilities and parents raising children.

In July 2023, we published the *Sekisui House Universal Design Service Handbook* to set response guidelines for customer-facing establishments



and created design standards for these establishments and workplaces, such as display homes, called *the Universal Design Guide for Sekisui House Facilities*. To distribute these guides, we have established manager training as well as e-learning and online training for employees handling customer service, ensuring every establishment in the Detached Housing Business Department undergoes practical training on working with customers.

Together with employees with disabilities

Diversity meet-and-greet events

Since 2015, we have held diversity meet-and-greet events with employees with disabilities and their supervisors for the purpose of establishing a network that transcends their respective departments, as well as building relationships that allow mutual communication and consultation, and improving their respective work environments. Many employees with and without disabilities participate nationwide.

Implementation of Universal Talk (UDTalk)

Employees with hearing impairments were having difficulty obtaining information as a result of the sudden spread of people wearing masks and holding web conferences during the COVID-19 pandemic. In this project, we used the Zoom web conferencing system along with the UDTalk voice recognition application so that participants with hearing impairments could acquire accurate information. We also created a manual on universal talk explaining how to send communications and distributed it within the Company.

Establishment of the Promotion of Employment of Persons with Disabilities Office

In 2020, we established the organization known as the Promotion of Employment of Persons with Disabilities Office in order to work toward entrusting employees with disabilities with administrative work and promoting their further employment.

At the end of January 2024, the employment rate of persons with disabilities at Sekisui House at 28 domestic consolidated Group companies was 2.97%, above the legal requirement rate of 2.5%. Even so, we will continue to proactively implement hiring with the goal of having each headquarters at all Group companies reach the legal requirement.

LGBTQ+ material issues

Creating an LGBTQ+friendly corporate culture and sending a message to society

The Sekisui House Group strives to create a corporate culture that encourages all employees, with their many diverse characteristics, to accept one another no matter their differences so that everyone may reach their full potential, which paves the way to building a society in which everyone can feel secure and free to work in their own fashion. Since 2014, we have carried out annual Human Relations Training around themes related to LGBTQ+, and have continued to learn and hold discussions. In November 2019, a new system was established for registering opposite-sex common law marriages and same-sex partnerships in order to be eligible for benefits and protected by internal rules in the same way that spouses in opposite-sex marriages are. We also set up a consultation desk exclusively for LGBTQ+related matters. Seminars and events are

held routinely, the number of allies who understand and support these matters within the Company has increased, and there is a regular internal exchange of information and interaction in our ally community, Sekisui House Ally Circle (S-Ally Circle).

Note: An "ally" is a person that understands LGBTQ+ issues and does what they can to support LGBTQ+ individuals.



LGBTQ+related initiatives in our real estate business

The Sekisui House Real Estate Group aims to ensure LGBTQ+friendly service when soliciting tenants for rental housing.

Since August 1, 2022, we have taken the following actions to help eliminate the particular stresses LGBTQ+ individuals face when looking for and moving into homes and thereby send a message of our support.

1. We strive to enhance understanding of LGBTQ+ people and increase customer satisfaction by regularly conducting training for Sekisui House Real Estate Group employees and member stores.
2. We made diversity-minded changes to paper and electronic applications and rental agreements, such as the deletion of the gender column and the addition of "partner" to the relationship column.

In May 2022, we held training for Sekisui House Real Estate Group employees and member stores with the aim of ensuring LGBTQ+friendly customer service. Including the viewing of training videos, over 3,000 people participated.

In recognition of these efforts, we became the first major housing manufacturer to receive the Gold certification in the PRIDE Index for six consecutive years. The PRIDE Index is Japan's first index for evaluating corporate efforts concerning the LGBTQ+ community. It was formulated in 2016 by a private organization called work with Pride, with the objective of creating a workplace where sexual minorities such as LGBTQ+ people can work with pride.

Furthermore, for two years in a row starting in 2022, we acquired the Rainbow Certification, which was newly established in 2021 to accompany the existing PRIDE Index. The certification recognizes companies who make medium- to long-term commitments to build communities and workplaces where LGBTQ+ people can work openly.

"Ally Declaration" by President Nakai

I hereby declare that I am an LGBTQ+ ally.

In order to make the Sekisui House Group "the happiest company in the world," we are committed to creating a corporate group where each and every employee can make the most of their diversity.

Through effective communication, we create an innovative culture where everyone can be themselves and maximize their abilities, leading to further growth of both individuals and organizations. This is what "Diversity & Inclusion" at Sekisui House is all about.



代表取締役社長 仲井 嘉浩

Promotion framework for respecting human rights (Governance)

As stipulated in the Sekisui House Group Human Rights Policy, Sekisui House's Board of Directors oversees compliance for the Human Rights Policy and related initiatives. Under the Board of Directors, we have constructed the Group-wide promotion framework for respecting human rights through the cooperative efforts of various in-house bodies, including Management Meetings, the ESG Promotion Committee and the Risk Management Committee.

The ESG Promotion Committee handles the creation of frameworks. As the consultative body of the Board of Directors, the ESG Promotion Committee facilitates the exchange of opinions regarding issues and the progress of initiatives. In addition to directors of the Board and executive officers, the committee includes at least two external members with special expertise. Meetings are generally held once every three months. The ESG

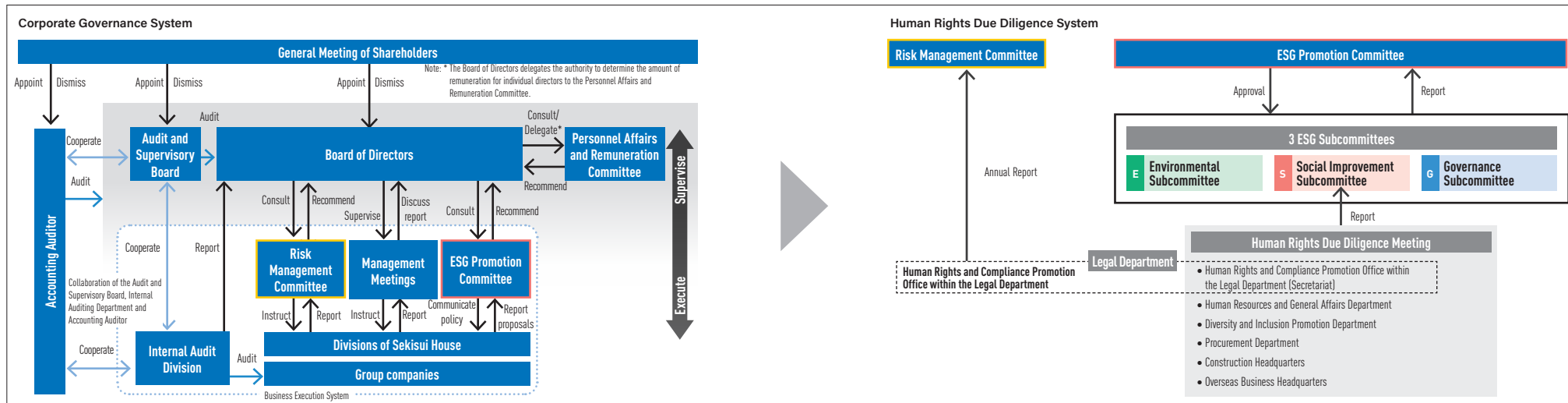
Promotion Committee is divided into three subcommittees: the Environmental Subcommittee, the Social Improvement Subcommittee, and the Governance Subcommittee. From these, the Social Improvement Subcommittee meets to determine which issues are urgent for the Group and its policies related to human rights. The Social Improvement Subcommittee also holds the Human Rights Due Diligence Meeting (secretariat: Human Rights and Compliance Promotion Office, Legal Department), which is attended by multiple related divisions, taking charge of the Group's approach to various human rights issues and sharing information collaboratively to ensure the promotion of human rights.

The Risk Management Committee, acting as a consultative body to the Board of Directors, aims to develop appropriate risk management systems and ensure their effective operation, while also receiving regular

reports regarding measures promoting human rights. Committee members, such as the directors of the Board and executive officers, debate and strategize around themes related to human rights. These nominally relate to Group employee labor and health, harassment and occupational accidents from the point of view of risk management. In addition, the Risk Management Committee creates a human rights risk map to monitor the entire Group, and manages risks in accordance with it.

As a rule, when a human rights-related problem occurs in a region where the Group does business or an issue is discovered in the process of carrying out human rights due diligence, the Legal Department's Human Rights and Compliance Promotion Office responds, working cooperatively with every related department, and reports the results to the Risk Management Committee.

Human Rights Due Diligence System within the Group Governance Structure (As of May 1, 2024)



Promotion framework

Human Rights and Compliance Promotion Framework

To strengthen our corporate culture, which strictly prevents the infringement of human rights, discrimination and harassment, we have organized the Human Rights and Compliance Promotion Committee, chaired by the President, with committees of the same name established in our departments, offices and Group companies.

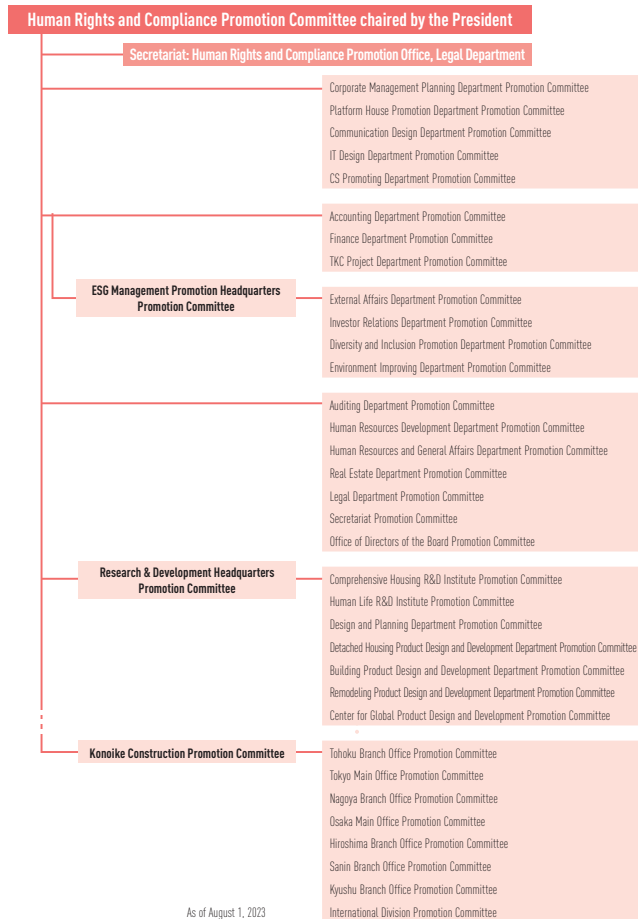
Every year, representatives of each promotion committee gather to hold a National Human Rights and Compliance Promotion Meeting. At the meeting, guidelines for human rights measures, Group-wide priority issues, training policies and training plans are shared.

Each promotion committee is responsible for promoting the initiatives decided at the National Human Rights and Compliance Promotion Meeting.

We have established the Human Rights and Compliance Promotion Office in the Sekisui House Legal Department as a dedicated department for overseeing human rights under the responsibility of the managing officer responsible for legal affairs. Under the Social Improvement Subcommittee, this office is also in charge of promoting human rights due diligence by running the consultation desk for harassment in the Group, implementing human rights awareness training, planning and operating human rights initiatives through the Human Rights and Compliance Promotion Committee, supporting implementation onsite, and handling human rights issues when they arise.

Note: This section refers to the Group's internal human rights promotion structure. In addition to human rights issues that we have long been working on, such as *Buraku* (marginalized communities) issues, we have established a structure to address the human rights of individual employees who are greatly impacted by relationships in the workplace, and to respond to a wide range of human rights issues as issues for the organization and workplace. In 2006, we established the Human Relations Office as a department responsible for the promotion of human rights. Its name was updated in August 2023 to the Human Rights and Compliance Promotion Office.

Organizational tree of the Sekisui House Human Rights and Compliance Promotion Committee



As of August 1, 2023

The Human Rights and Compliance Promotion Office's efforts to date

Since the establishment of the Human Rights Protection Promotion Committee in 1980, we have confronted discrimination and prejudice, especially concerning *Buraku* (marginalized communities) issues, and have continued to provide human rights training for employees. These efforts are now handled through the Human Rights and Compliance Promotion Framework. The Human Rights and Compliance Promotion Office within the Legal Department issues directions to business sites based on the decisions made by the National Human Rights and Compliance Promotion Committee Meeting, providing guidance, and monitoring progress across the Company.

Efforts to respect human rights

We are continuing and stepping up phases 1 and 2 while implementing phase 3.

- Phase 1 (1980- 1999)**
Learn about human rights by confronting discrimination and prejudice, with a focus on *Buraku* (marginalized communities) issues
 - Seminar given by outside lecturers
 - Mt. Koya training course
 - Onsite training
- Phase 2 (2000-2019)**
Prevent all work environment-degrading harassment
 - Compliance with laws prohibiting sexual and power harassment: abuse of authority, case studies
 - Sharing of consultation cases for recurrence prevention
- Phase 3 (2020-)**
Fulfilling our corporate responsibility to respect human rights from a global perspective
 - SDGs
 - ESG
 - Group Human Rights Policy
 - Implementation of human rights due diligence

Promotion framework

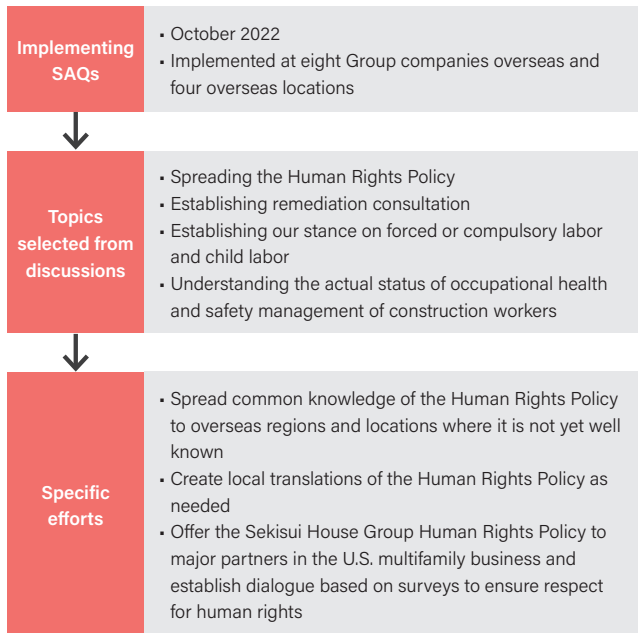
Ensuring respect for human rights in overseas activities

Companies are increasingly expected to ensure that their business activities, including those in their value chain, are free from infringements of human rights, such as child labor and forced or compulsory labor. The Sekisui House Group is also taking steps to address global human rights issues from the perspective of contributing to the realization of the SDGs.

To ensure respect for human rights in our overseas activities, we work to disseminate and raise awareness of the Sekisui House Group Human Rights Policy. In addition, since establishing the Sekisui House Global Helpline as a global consultation and reporting system for employees at our overseas subsidiaries in English-speaking regions, we have continually worked to expand and enhance it.

In FY2022, we continued these efforts while surveying and confirming their effectiveness. To understand any possible negative effects on the human rights of stakeholders in our main businesses of construction and development and facilitate the formulation of preventive and other countermeasures, we advanced dialogue with related divisions and Group companies and carried out self-assessment questionnaires (SAQs) of key overseas Group companies and business sites with support from an external specialist company. As part of our efforts to ensure respect for human rights in our overseas activities, we carry out SAQs when a situation is ambiguous or when the Group expands through mergers and acquisitions. In October 2022, we implemented these questionnaires at eight overseas Group companies and four overseas locations.

We will continue working to enhance dialogue with overseas subsidiaries and business sites using the SAQ results and analyses thereof, working to identify, prevent and mitigate human rights issues on an ongoing basis. When activities that cause or contribute to negative human rights impacts are detected through such surveys or via internal reporting, we make every effort to implement appropriate remedial measures.



Consultation system

Sexual and Power Harassment Hotline

The Human Rights and Compliance Promotion Office within the Legal Department has established the Sexual and Power Harassment Hotline to provide in-house consultation on all human rights issues, including various types of harassment.

We promptly respond to consultations and reports, conducting investigations and taking corrective and remedial measures as necessary. We strictly protect confidentiality and ensure that the users of these services will face no negative consequences due to their consultations and reports. Depending on the nature of the consultation, corrective actions, advice and other forms of support are offered.

Business site sexual and power harassment consultation personnel

We assign one male and one female employee each to serve as consultation personnel (770 people total, as of February 2024) across 100% of our business sites in Japan, including at Group companies. We hold training sessions every year for these consultation personnel to improve their skills in handling inquiries and strengthen cooperation with the Human Rights and Compliance Promotion Office. All employees are made aware that consultation personnel are stationed at all business sites through the Company intranet, human relations training manuals and posters.

Training Name	Target
Consultation personnel training course	Newly appointed personnel or personnel who have not attended past training courses
Consultation personnel skill improvement training	Personnel who have taken the training course and continue to hold the positions at the consultation counter

Inquiries related to human rights: public website

Since formulating the Sekisui House Group Human Rights Policy in April 2020, we have accepted inquiries related to human rights from both inside and outside the Group via our public website.

We have also established contact desks at external law offices.

Internal reporting system

In compliance with the Whistleblower Protection Act, employees notify or consult with the Human Rights and Compliance Promotion Office within the Legal Department regarding any conduct that violates laws or corporate ethics or any matters they are concerned may come to constitute a violation. This internal system is known as the Sekisui House Group Compliance Helpline and can be used by all Group employees, and we have also established contact desks at external law offices.

Furthermore, we have established the Sekisui House Global Helpline for employees in our overseas subsidiaries in English-speaking countries where contact desks at external law offices handle cases, including separate Chinese language contact desks for our Chinese subsidiaries.

Overview of the Sekisui House Group Internal Communication and Consultation System

Title	Point of contact	Method	Content of report
Sekisui House Group Compliance Helpline	Legal Department Human Rights and Compliance Promotion Office (internal) Law office (external)	Phone Letter Email	Cases that violate or could potentially violate laws, regulations, or corporate ethics in relation to businesses and business activities for Sekisui House Group employees and business partners that the Group has an ongoing relationship with.
Sexual and Power Harassment Hotline			Consultation pertaining to sexual and power harassment as well as harassment related to pregnancy, childbirth, parental leave, nursing care leave and other human rights issues for Sekisui House Group employees and business partners that the Group has an ongoing relationship with.
Sekisui House Global Helpline		Email (English language support is available)	Cases at overseas subsidiaries that violate or may violate laws and regulations and corporate ethics in relation to businesses and business activities.

Continuous human rights training for employees

The Group strives to prevent actions that violate human rights, including all types of harassment, conducting continuous training toward this purpose.

Training programs	Target
Management training	General Managers, Chief Managers, etc.
Training for Human Relations Promotion Officers	Promotion leaders (managers, etc.)
Human Relations Training for all employees	All employees
Introductory training	New employees
External training (<i>Buraku</i> Liberation and Race Summer Course etc.)	General Managers, Chief Managers, etc.

National Human Rights and Compliance Promotion Meeting

The National Human Rights and Compliance Promotion Meeting is attended by representatives of the Human Rights and Compliance Promotion Committees, including members from the Sales Administration Headquarters, factory and Group company Human Rights and Compliance Promotion Officers (the heads of general affairs departments), and representatives of the Head Office.

This meeting serves as an opportunity to reflect on the previous fiscal year's Human Relations Training and other initiatives and to review reports on the usage of the Sexual and Power Harassment Hotline and other reporting systems as well as trends in the matters on which users sought consultation. The meeting also includes the presentation and explanation of annual training themes and measures to be taken to prevent the recurrence of harassment incidents.

Depending on the training themes, the meeting may include lectures from outside experts.

Training for Human Relations Promotion Officers

Human Relations Training for Promotion Leaders is aimed at internally fostering leaders who promote business activities that are respectful of human rights. Taking a broader view of human rights issues, we include

human resource development and management issues in the themes of this training. At the same time, in terms of corporate risk management, the training also focuses on the acquisition of strategies and skills for eliminating risk and on enhancing knowledge and ethics.

Human Relations Training for All Employees

Training is provided every year to all employees¹ in the Group. To raise awareness of human rights issues and encourage employees to take ownership of such issues as they relate to their jobs, the training is focused on dialogue between employees.

Our Human Relations Training programs are held for employees every year, aiming to create a welcoming, comfortable workplace environment based on the following concepts.

- Improve knowledge and moral awareness about various issues (preventing sexual harassment and the abuse of authority, labor management, mental health, etc.) stipulated in our Corporate Ethics Guidelines.
- Think about ways to improve communication to create a free and open workplace culture by truly understanding ourselves and by accepting ourselves and others (acceptance of diversity).
- Through internal case studies, employees aim to relate human rights issues to themselves more closely, respect each other, and attain the insight required to always be aware of and practice the "love of humanity" that underlies our Corporate Philosophy.

Note: Training manuals are distributed to temporary, part-time, and fixed-term employees as well, and all employees are encouraged to attend training. Some Group companies hold their own, equivalent training instead.

FY2023 Training for promotion leaders (2 hours a year)

- Business and human rights: finding meaningful and dignified work
- Effective communication for improving the workplace environment

FY2023 Training for all employees (3 hours a year)

- A society where those with and without disabilities can live together
- Harassment and its connection to external stakeholders



2023 Human Relations Training Manual

Efforts to increase awareness through human rights slogans

Each year, we solicit human rights slogans from all Group employees and their families for Human Rights Week, which was from December 4th to 10th in 2023. We display the most outstanding submission and five excellent submissions at business locations nationwide.



External training

The *Buraku* Liberation and Human Rights Summer Course held every August is attended by chief managers, deputy technology managers, and managerial employees selected from our factories and Group companies nationwide. In FY2019, before participation was halted due to the COVID-19 pandemic, the cumulative number of attendees reached 1,260.

Sekisui House strives to improve its corporate value while coordinating with related organizations working on various human rights issues, such as *Buraku* (marginalized communities) issues. We continuously collect information through participation in seminars and workshops sponsored by related organizations and through subscription to publications that contribute to human rights promotion in order to raise awareness among employees and for utilization in in-house training.

Construction site safety training

Domestic educational training centers and training schools

Sekisui House Construction Holdings, a subsidiary of the Group, has established educational centers and training schools where crafters and partner building constructors from across the Group learn techniques and acquire skills. The objective of such training, including workshops, is to develop employees who can excel on the front lines of their fields by increasing their skills and understanding of technology.



External frame test course



Internal construction test course

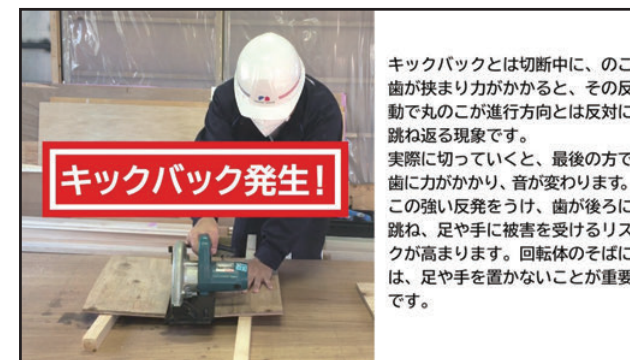
Efforts to prevent the recurrence of occupational accidents

The Company has created a work procedure manual for those undertaking dangerous tasks where the risk of causing a disaster or major accident is higher than normal, and we strive to ensure the safety of our construction workers through strict adherence to these procedures.

The work procedure manual has been translated into multiple languages in consideration of our foreign construction workers. Moreover, we are spreading awareness of disaster prevention through posters featuring messages in worker's native languages and quick-to-grasp visual cues like pictograms.



We consider safety plans targeting front-line construction workers to be of utmost importance in reducing occupational accidents. Accordingly, we have created videos that help people understand that they themselves could be in an accident at any time. Construction site-related personnel, including construction workers, can freely view these videos, which depict the three major types of accidents that make up 70% of incidents recorded by the Company: stepladder accidents, tripping and stumbling accidents, and cutting accidents. Such visual communications are an effective tool for training and disseminating awareness of resources even for those who cannot read Japanese or struggle with language in general.



Kickback!
"Kickback" is when, during cutting, the teeth of a saw get stuck while force is applied, causing the saw or wood to quickly recoil in the opposite direction.

When nearing the end of a cut, pressure builds up in the teeth of the saw and the noise changes. At this moment, there is a great risk that the saw may kick back and harm the user's hands or feet, so it is imperative to avoid placing them where the fast-rotating blade might hit them.

Cooperation with various stakeholders

1. Participation in the Declaration of Partnership Building

Sekisui House strives to bring about coexistence and co-prosperity by enhancing our corporate foundation through our Corporate Philosophy of love of humanity, which we share with our partner building constructors and suppliers.

In November 2022, we joined the Declaration of Partnership Building system set up by the Japanese Cabinet Office. Under this system, the representatives of companies that contract out work make a Declaration of Partnership Building in which they commit to coordinating and promoting coexistence and co-prosperity with business partners and value-creating contractors in the supply chain to build new partnerships.

As of March 2024, over 40,000 companies have made the declaration.

This declaration is posted on a dedicated portal site.

1. Coexistence and co-prosperity throughout the supply chain and new partnerships that transcend scale and business affiliation
2. Compliance with preferred business practices between contractors and subcontractors (a “promotion standard” based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises)

2. Partner building constructors handling pre-engineered housing

Sekisui House Association

One of the greatest strengths of the Group is the Sekisui House Association, which consists of Group companies involved in construction and partner building constructors. As of February 1, 2024, the association includes eight Sekisui House Construction Holdings, Ltd. (established as an intermediate holding company from Sekiwa Construction effective February 1, 2024) companies that are part of Sekisui House Construction and approximately 7,000 partner building constructors throughout Japan.

From its very start, Sekisui House has pursued “design-build” construction. As such, our partner building constructors are irreplaceable, going beyond the conventional contractual relationship of prime contractor and subcontractor. Accordingly, we hold them in high regard, fostering relationships of trust and mutual interest to work together over the long term in the spirit of a “community with a common destiny.”

A spirit of coexistence and co-prosperity drives our various initiatives, which encompass responses to customers and nearby residents, development of human resources, and improvement of working environments as well as construction quality. It is also the foundation of our culture and informs how we interact with foreign individuals, the number of whom has been increasing on construction sites in recent years.

Sekisui House Cooperation Association

The Sekisui House Cooperation Association is a voluntary group established in 1982 by Sekisui House and its partner building contractors. It aims to improve employment practices and expand benefits to partner building contractors. The Sekisui House Cooperation Association assists in the running of various systems, including our construction site safety assurance system and funded pension system.

Systems operated and managed by the Sekisui House Cooperation Association

- Sekisui House construction site safety assurance system:
 - A compensation system aimed at reducing the economic losses of partner building contractors in the event of accidents, etc., at our construction sites
 - Occupational accident condolence/consolation payment system
 - Third party damage compensation
 - Onsite theft compensation
 - Onsite theft consolation payment
 - Condolence payment for the death of an employer
 - Special condolence payment
- Hospitalization compensation
- Cancer insurance
- Income compensation
- Funded pension (contribution corporate pension system)

Cooperation with various stakeholders

3. Engagement with customers

Establishment of a system for product and service improvement

To supply customers with homes where they can live safely with peace of mind and enjoy good health and comfort over their entire lives, we take all feedback received via customer service centers and customer satisfaction surveys into serious consideration.

Customer service centers

Sekisui House's customer support framework operates roughly 100 customer service centers (based in 29 offices) nationwide. After buildings are delivered, these centers provide customer support, such as regular inspections and maintenance, in coordination with the rest of the Group, including Sekisui House Remodeling and the Sekisui House Real Estate companies.

To realize our global vision of making home the happiest place in the world, our customer service centers strive to work closely with customers to satisfy their needs by providing after-sales services and constantly improving products and services across the board.

Customer satisfaction surveys

We request customers who have built their homes with us to complete questionnaires and ask those residing in our Sha Maison rental housing to review their homes and related services. We periodically collect and analyze the results of these questionnaires and pass on the feedback to relevant departments within our business. In addition, we have a system in place that confirms whether improvements based on this feedback regarding issues such as data flaws are being made. We continuously work toward increasing customer satisfaction through the improvement and enhancement of our products and services.

4. Major external organizations that we collaborate with

Following our support and signing of the Ten Principles in the four fields of human rights, labor, environment and anti-corruption stated in the United Nations Global Compact in 2018, we joined two subcommittees, human rights due diligence (HRDD) and human rights education, of the Global Compact Network Japan (GCNJ), a local network based in Japan.

We also collaborate with related organizations that work on various human rights issues, including the Buraku (marginalized communities) issue, and continuously collect information to utilize for in-house education and training.

Organizations we collaborate with on human rights issues

- Global Compact Network Japan
- The Buraku Liberation and Human Rights Research Institute
- The Corporate Federation for Dowa and Human Rights Issue, Osaka
- Association for Fair Employment and Human Rights Education
- Osaka City Corporate Human Rights Promotion Council
- NPO Multi-Ethnic 'Human Rights' Education Center for Pro-existence
- Normalization Society
- Cuore C Cube Co., Ltd.
- NPO Nijiuro Diversity

Collaboration with Together, an NPO

Since 2000, the Group has been working with Together, a certified non-profit, and uses SELP¹ products as a way of supporting the independence and social participation of people with disabilities.

In 2023, we ordered 35,982 Sekisui House Group desktop calendars for 2024 worth a total value of ¥27.70 million. This initiative contributes to bringing more employment opportunities to people with disabilities who work at employment support facilities, mainly in Osaka prefecture.

¹ SELP products are made by people with disabilities at welfare centers as part of rehabilitation or vocational training to encourage their participation in society.

Development of an organization-wide environment

We focus on Group-wide initiatives to protect the human rights of all employees while also creating a supportive working environment.

Goals of Happiness Health Management

The Group prioritizes both physical and mental health as well as a sense of connection among employees. Thus, we promote Happiness Health Management to help employees achieve happy fulfilling work and personal lives.

In promoting Happiness Health Management, we are also moving forward with initiatives based on annual targets and plans set out by the ESG Promotion Committee, which works under the Board of Directors. The promotion of Group-wide policies and initiatives and the verification of their effectiveness is carried out by the Happiness Health Working Group, which includes the Human Resources and General Affairs Department and the Diversity and Inclusion Promotion Department. This group works with health insurance unions and external advisors to strengthen cooperation with each business site and to ensure that all employees are familiar with policies.

To achieve employee mental and physical happiness and health, we have set the following five goals:

1. Reducing the number of employees at risk of lifestyle-related diseases
2. Reducing the percentage of smokers
3. Boosting the happiness of employees and workplaces
4. Reducing presenteeism
5. Preventing mental disorders



Well-Being Survey

We became the first company in Japan to undertake the multilateral measurement of employee and workplace well-being and analyze correlations between the two. Since 2020, this survey has been annually conducted Group-wide, targeting about 27,000 employees. In this way, we strive to make the status of well-being visible to inform specific measures to help each employee pursue happiness on their own terms.

Improving work environments

Long working hours are a major issue related to employee health and, consequently, human rights. To reduce working hours nationwide, the Group has each division set targets for per-person monthly working hours and worksites advance measures to improve workstyles.

Specifically, we hold labor management seminars for worksite managers and share examples of effective efforts from worksites around the country. Through these and other efforts, we are working to change mindsets about workstyles and to improve labor efficiency.

To promote workplace health and safety, we perform worksite health and safety inspections using checklists in addition to holding seminars on occupational accident prevention as well as mental health seminars with outside instructors.

Mental health measures

We utilize the stress check system legally mandated since December 2015 to promote mental health at the individual level (self-care) and implement workplace environment improvements based on analyses of stress check results.

Our training for newly appointed leaders includes mental health topics. In addition, as part of our Human Relations Training, all participants implement annual self-checks, and we seek to promote understanding and awareness of mental health among all employees.

We have additionally partnered with external specialist organizations that handle various mental health concerns. We are working to create an environment where employees can easily consult with mental health specialists at any time and thus have created cards with relevant contact information for distribution among the workforce.

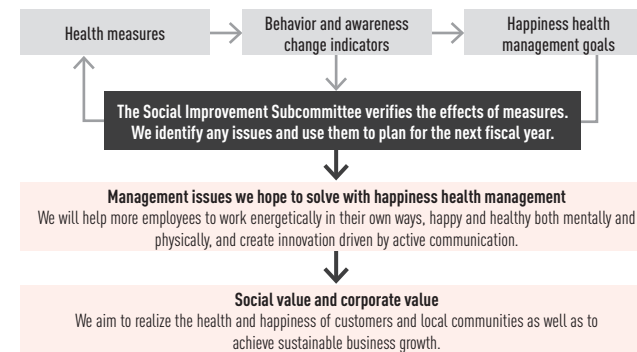
Childcare leave support system

To aid employees caring for children who require additional attention due to physical or mental health issues or due to absence from school for any reason, we are implementing new systems in addition to existing systems allowing those employees to take leave, opt for exemptions from overtime work, or have their working hours reduced. In doing so, we allow even employees who are no longer eligible for childcare leave or reduced working hours to continue caring for their children without worry.

Self-directed career development leave system

We have established a system to support employees studying at educational institutions in Japan or abroad that provides leaves of absence and financial assistance in the form of partial loans for tuition fees for those who meet certain criteria (no repayment required if all conditions are met). We support employees in acquiring new skills and honing old ones and encourage self-directed career development.

Strategy Map



Note: For details of the strategy map, please use the link below.

[☑ Sekisui House's Happiness Health Management \(Japanese only\)](#)

D&I

The Group is striving for a level of diversity and inclusion that cannot be achieved without creating a corporate culture that respects all human rights. Recognizing the value of diverse ways of thinking and values, we engage in various endeavors aimed at encouraging the individual workstyles and lifestyles of every employee.



Grand Prix in the
IKUMEN AWARD 2020

Our commitment to human resource sustainability

In 2006, the Group announced its Commitment to Human Resource Sustainability. The three pillars of our diversity promotion policy are promoting the participation of women; utilizing diverse personnel; and promoting diverse workstyles. We are working to create an environment and structure in which both employees and the Company can achieve sustainable growth.

Promoting the participation of women

Action plan for the promotion of active participation by women

In February 2021, we set new targets for Sekisui House's Action Plan for the Promotion of Active Participation by Women based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

Implementation of training for female managerial candidates and creation of role models

Sekisui House Women's College, which opened in 2014, is held annually to train management candidates. Twenty women are selected from the Sekisui House Group nationwide as promising management candidates.

We systematically and effectively develop suitable candidates using a two-year curriculum. This program trains capable female employees

and serves as a pipeline to properly promote them to managerial positions.



Promoting participation by women in sales positions

A variety of values and viewpoints is sought-after in housebuilding, and the active participation of women in all the Group's areas of business is important. Because of this, the Group has proactively worked since 2005 to hire female sales representatives. In our hiring process, we focus on an individual's ability, looking beyond gender and striving to eliminate discriminatory hiring.

Promoting the participation of women in technical positions

Under the Female Onsite Supervision Support Program, we operate a system to train female onsite supervisors through cooperation between nationwide sales administration headquarters and the head office by facilitating the interaction of female onsite supervisors across areas and improving the working environment.

Utilizing diverse personnel

Encouraging the employment of senior citizens and promoting their advancement

Sekisui House used to have mandatory retirement age set at 60 years old and a system for re-employing retired workers up to the age of 65. In April 2015, the retirement age was raised to 65 so all individual employees of the Group can work more enthusiastically, capably and energetically for a longer period. In addition, in April 2020 we introduced a post-retirement re-employment system for employees aged 65 through 70 to support their active participation.

Striving for a society in which people with and without disabilities can thrive together, page 16

LGBTQ+ material issues, page 17

Promoting diverse workstyles

We have introduced systems that can be used regardless of gender to support the balance of work and child rearing or nursing care.

Nursing care support program

Employees can take paid leave for five days a year (10 days for two or more care recipients) on an hourly basis (legally, in half-day increments) to care for their children when they are sick or to provide nursing care for other family members.

Systems that support balancing work with cancer or infertility treatment

We support employees undergoing cancer or infertility treatment in balancing treatment and work by enabling the utilization of systems to shorten prescribed working hours and days, change working hours and make other accommodations. We provide consultations to employees undergoing treatment for illnesses other than cancer to flexibly offer support.

Sliding work schedule system

From April 2018, to encourage work-life balance and efficiency while maintaining standard working hours, we have been promoting flexible workstyles in addition to allowing individuals to move their start time forward or backward in 15-minute intervals between 7:00 a.m. and 11:00 a.m.

Telecommuting (work-from-home) system

Work-from-Home System

Starting in February 2017, we have implemented our Work-from-Home System to allow employees with restrictions on their working hours due to matters such as child rearing to actively contribute more effectively. The temporary implementation of a Company-wide remote work initiative due to the COVID-19 pandemic made working from home and even mobile work a possibility for all employees. Employees are now able to choose their work locations accordingly.

Resident-friendly R&D

Lifelong housing: Universal design

In the 1980s, we developed a concept of lifelong housing in line with our pursuit of housebuilding techniques to keep people safe as they changed physically over time while also creating durable and flexible products that they could use through their entire lives. The Group's fundamental philosophy of love of humanity is the manifestation of this concept.

Established in 1990, the *Nattoku Kobo* Studio (Home Amenities Experience Studio), located within the Comprehensive Housing R&D Institute,¹ conducts various ergonomic experiments based on lifelong housing. We have developed housing systems and components based on universal design derived from the results of these experiments.

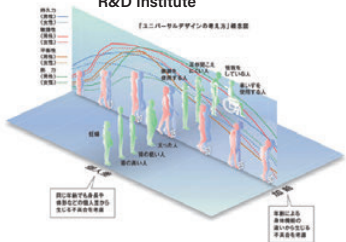
In 2010, we announced Sekisui House Universal Design (SH-UD), which was developed to ensure not only safety, peace of mind, and ease of use, but also comfort derived from the pleasant tactile sensation and ease of operation. We are continuously working on offering living spaces that are comfortable for everyone and that people want to live in for a long time. The focus of SH-UD goes beyond detached houses to include condominiums, rental housing, group homes and various other projects the Group develops.



Receiving the title of Caring Company



Comprehensive Housing R&D Institute



Research to create happiness for residents

In 2020, we announced our global vision of making home the happiest place in the world. In 2018, we established the Human Life R&D Institute with the goal of increasing such intangibles as levels of happiness and overall well-being. We conduct surveys and research on how best to improve housing and general lifestyles by looking at connectedness, enjoyment and individuality as they relate to people and their way of living.

As an example, *Kodomo Idokoro* aims to create homes that nurture children's vitality with a focus on child rearing and childcare. It is a smart universal design proposal that helps children grow and flourish with a focus on safety, peace of mind and independence.



Kodomo idokoro



This design philosophy aims to provide as many people as possible with a happy home and lifestyle, respecting a wide variation of personalities and lifestyles.

We also apply this philosophy to diversity in our human resources, which means creating an environment where people with diverse backgrounds can work together.

(Year)	
1975	Built a "Wheelchair House" for elderly people and people with disabilities in Kumamoto Prefecture
1981	Participated in the construction of Japan's first model house for people with disabilities (built in Yokohama)
1989	Defined "lifelong housing" as the ideal for our housing construction
1990	Established the Comprehensive Housing R&D Institute, and within this institute, opened the industry's first experiential learning facility <i>Nattoku Kobo</i> (currently closed for renovation)
1999	Awarded the title of "Caring Company" by a UN-affiliated organization in recognition of the concept and initiative of "lifelong housing"
2002	Established SH-UD (Sekisui House Universal Design) standards
2007	Release of Kids Design (Reimagined as <i>Kodomo Idokoro</i> in 2012)
2010	Unveiled smart universal design
2018	Established the Human Life R&D Institute

¹ The Comprehensive Housing R&D Institute was established at Keihanna Science City (Kizugawa City, Kyoto Prefecture). This city has numerous experimental facilities, including a structural testing site where seismic resistance tests on full-sized model houses can be conducted. Here, we verify and evaluate aspects of housing such as earthquake resistance, stormproofing, thermal insulation, soundproofing and air quality. At the same time, we are actively working on the research and development of new construction methods, universal design and environmental technologies.

The Human rights of children / paternity leave

Children's human rights and the Sekisui House Group

The Sekisui House Group Human Rights Policy expressly and strictly prohibits any form of child labor. We support the Children's Rights and Business Principles published by UNICEF in 2012. In addition to working to prevent and eliminate child labor, we implement initiatives to ensure respect for children's rights based on an awareness that corporate activities may impact children in diverse ways.

Sekisui House regards children as important stakeholders and direct users of housing. Since the 1970s, we have been engaged in housing research from the perspective of universal design, and we strive to create products that enable healthy living for all users, from children to seniors.

Developing products that enable healthy living for children

Kodomo idokoro is a lifestyle proposal product developed in line with the principles of smart universal design to provide a variety of living spaces that help children grow and flourish. With a focus on safety, peace of mind and independence, *Kodomo idokoro* aims to create homes that nurture children's vitality. *Kodomo idokoro* is focused not just on the child rearing-oriented perspectives of parents, but also on the perspectives of children themselves with the aim of promoting their emotional, intellectual, physical and social development at each stage of growth.

Sekisui House Matching Program: Children's Fund

Since 2006, the Sekisui House Group has operated the Sekisui House Matching Program, a corporate program where we match employee donations. We created the Children's Fund and the Eco-Fund to match the employee donations in support of NPOs, with the goal of creating a society and environment where children can continue to live happily.

Helping children develop housing literacy

Since 2008, Sekisui House has been using knowledge and expertise gained from building homes and cities to have our employees lead onsite classes and hands-on learning at Company facilities to give children a chance to have fun while learning about housing. This program coordinates with national and local municipal governments and educational organizations to use familiar themes such as housing and nature where children can think spontaneously throughout the experience.

Encouraging all eligible male employees to take childcare leave

In line with Sekisui House's strong commitment to the happiness of our employees and their families, we started promoting our paternity leave program in earnest in 2018. As a leading "Kids-First" company that supports parents engaged in childcare, Sekisui House strives to accelerate its promotion of diversity. In line with this, we encourage all male employees to fully utilize their childcare leave of one month or more offered under the Special Childcare Leave Program.

Under this program, the first full month of leave is paid and can be divided a maximum of four times to accommodate household circumstances. We have additionally created our own Family Meeting Sheet, which enables families to fully communicate information on all aspects of childcare leave, child rearing and household responsibilities. This sheet is not limited to employees of the Group and can be accessed by anybody on our website.

We are promoting awareness of the importance of husbands staying close to their wives during the eight weeks after childbirth, which is a period of great physical and mental strain for mothers and a time when the risk of developing postpartum depression is high. We expanded the

system in April 2021 to make it easier for husbands to stay close to their wives, enabling them to more flexibly take leave and increasing their options, such as for taking leave in one-day increments.

Expanding paternity leave society-wide with IKUKYU.PJT

The Group has designated September 19 as a childcare leave awareness day to create a day recognizing male childcare leave within society.

Since 2019, we have held the Paternity Leave Forum every year and published the White Paper on Paternity Leave as we continue disseminating such information externally. In 2023, we expanded our project to encourage the taking of paternity leave alongside 119 supportive companies and organizations. The promotion of paternity leave throughout all of society is expected to help solve social issues, including the advancement of women in the workplace and counteracting the low birth rate. We also aim to ensure that men taking childcare leave becomes the standard in Japan, as it is in other parts of the world.



Excerpt from ESG data (social)

Key Themes	Indicator	Boundary of Calculation	FY2023		FY2024	FY2025	Information regarding the indicators
			Targets	Results	Targets	Targets	
Customer Initiatives	Detached house customer satisfaction rate (Customer survey)	◇1	95% or higher	96.0%	95% or higher	95% or higher	This indicator shows the percentage of customer survey responses that selected one of the top three options for satisfaction. Respondents who Answered Customer Satisfaction Surveys with "Very Satisfied," "Satisfied" or "Fairly Satisfied"
Occupational Health and Safety/ Supply Chain	Frequency rate of accidents in the construction division that result in lost worktime	◇1	2.39	2.87	2.25	2.12	This indicator shows the frequency of construction site accidents resulting in lost work time per million total working hours among contractors of Sekisui House (including sole proprietors and employers)
	Occupational illness frequency rate in the construction division	◇1	0.30	0.53	0.30	0.30	This indicator shows the frequency of occupational illness originating from construction sites per million total working hours among contractors of Sekisui House (including sole proprietors and employers).
	CSR procurement human rights and labor supply chain scores	◇1	85.8pt	88.3pt	85.9pt	86.0pt	This indicator is the score determined via CSR evaluations of all suppliers (out of a maximum of 100 points) regarding human rights, labor management and supply chain status.
Coexistence with local Communities	Percentage of employees joining employee-company joint donation programs (Sekisui House Matching Program employee participation rate)	*1	—	31%	—	—	This indicator shows the percentage of employees joining employee-company joint donation programs (Sekisui House Matching Program employee participation rate, only results are disclosed)
Diverse workstyles and job satisfaction/ Human resource development and self-directed career	Take-up rate for eligible male employee childcare leave	*2	100%	100%	100%	100%	This indicator shows the portion of male employees with children less than three years old who take at least one month of childcare leave.
	Monthly average working hours per person	*3	175 hours	169.58 hours	175 hours	175 hours	This indicator shows the average monthly work hours per Group employee. Note: Includes managers, excludes employees on leave.
	Annual paid leave take-up rate	*3	60%	80.3%	70%	70%	This indicator shows the rate of annual paid leave usage among Group employees. Note: Includes managers
	Investment in human resource development	◇5	¥1,435 million	¥1,526 million	¥1,478 million	¥1,522 million	This indicator shows educational and training expenses for Group employees.
Promoting diversity	Number of female directors of the Board	◇1	3 persons or more	3 persons	3 persons or more	3 persons or more	This indicator shows the number of female directors on the Company's Board of Directors.
	Number of female managers	◇3 (FY2023) ◇4 (FY2024, FY2025)	300 persons	342 persons (4.34%)	350 persons ⁴	380 persons or more ⁴	This indicator shows the number of female employees in managerial positions at the Group.
	Ratio of full-time female employees	◇2	29.2%	29.4% (6,965 persons)	29.5%	29.8%	This indicator shows the percentage of full-time Group employees who are women.
	Ratio of female new graduates hired	◇3	40%	38.3% (351 persons)	40%	40%	This indicator shows the percentage of new graduates hired by the Group as full-time employees who are women.
	Employment rate of persons with disabilities Upper row: Sekisui House (non-consolidated basis) Bottom row: The 28 domestic consolidated companies subject to statutory requirements to hire persons with disabilities (including the Company)	—	2.97% 2.86%	3.00% 2.97%	2.97% 2.86%	2.97% 2.86%	This indicator shows the percentage of Company employees who have disabilities.

*1 Companies named in ◇2 below, Sekisui House Financial Services Co., Ltd., Sekisui House Asset Management, Ltd.

*2 ◇2 for FY2023 and ◇4 for FY2024 moving forward, excluding Konoike Construction and its consolidated domestic subsidiaries

*3 The boundary of this data includes Sekisui House, Ltd., Sekisui House Real Estate Group and Sekisui House Remodeling, Ltd.

*4 Upwardly revised targets.

◇1 Sekisui House, Ltd.

◇2 Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., Sekisui House noie Limited in addition to ◇1 above

◇3 Konoike Construction Co., Ltd. and Consolidated Domestic Subsidiaries in addition to ◇2 above

◇4 Sekisui House and Domestic Group Companies

◇5 Sekisui House Group (Sekisui House, Ltd. and Consolidated Subsidiaries)

UN Guiding Principles Reporting Framework (Comparison table)

PART A: GOVERNANCE OF RESPECT FOR HUMAN RIGHTS			Corresponding page
POLICY COMMITMENT	A1.1	How has the public commitment been developed?	p. 5-6
	A1.2	Whose human rights does the public commitment address?	p. 1, 5, 7
	A1.3	How is the public commitment disseminated?	p. 9-17, 22
EMBEDDING RESPECT FOR HUMAN RIGHTS	A2.1	How is day-to-day responsibility for human rights performance organized within the company, and why?	p. 18-20
	A2.2	What kinds of human rights issues are discussed by senior management and by the Board, and why?	p. 18
	A2.3	How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	p. 9-14, 22
	A2.4	How does the company make clear in its business relationships the importance it places on respect for human rights?	p. 1, 5-7, 13, 24-25
	A2.5	What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	p. 9, 13-14
PART B: DEFINING THE FOCUS OF REPORTING			
Statement of salient issues	B1	State the salient human rights issues associated with the company's activities and business relationships during the reporting period.	p. 8
Determination of salient issues	B2	Describe how the salient human rights issues were determined, including any input from stakeholders.	p. 8
Choice of focal geographies	B3	If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	p. 8
Additional severe impacts	B4	Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	p. 8, 15-17
PART C: MANAGEMENT OF SALIENT HUMAN RIGHTS ISSUES			
SPECIFIC POLICIES	C1.1	How does the company make clear the relevance and significance of such policies to those who need to implement them?	p. 9-10, 13-15, 22
	C2.1	How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	p. 8-14
STAKEHOLDER ENGAGEMENT	C2.2	During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	p. 9, 10, 13, 14
	C2.3	During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	p. 9, 10, 13, 14
ASSESSING IMPACTS	C3.1	During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	p. 9, 10, 13, 14
	C3.2	During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	p. 6, 9-14
INTEGRATING FINDINGS AND TAKING ACTION	C4.1	How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	p. 18-19
	C4.2	When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?	p. 18
	C4.3	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	p. 9, 11-12, 13, 22, 23
TRACKING PERFORMANCE	C5.1	What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	p. 21
	C6.1	Through what means can the company receive complaints or concerns related to each salient issue?	p. 6, 21
REMEDIATION	C6.2	How does the company know if people feel able and empowered to raise complaints or concerns?	p. 21
	C6.3	How does the company process complaints and assess the effectiveness of outcomes?	p. 6, 21
	C6.4	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	p. 9-14
	C6.5	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	p. 9-14, 21