




Results and self-assessment of the Environmental Action Plan (Endless Green Program 2026)

-  : Target for fiscal 2022 achieved
 : Target for fiscal 2022 not achieved (achieved 90% or more)
 : Target for fiscal 2022 not achieved (achieved less than 90%)

Mitigating and Adapting to Climate Change

Challenge ZERO	Management indicator (KPI)	2021 results	2022 targets	2022 results		2023 targets	2026 targets	Pages
(1) Challenge ZERO for CO ₂ in community development	GHG emissions reduction rate derived from use of product (total) in comparison to FY2015	29.4% reduction	35% reduction	39.3% reduction		45% reduction	54% reduction	033, 142
	ZEH rate	53%	80%	86%		90%	90%	034, 143
	ZEH-M rate for rental housing	3%	10%	14.2%		20%	50%	034, 143
	ZEH-M rate for condominiums	35%	15%	67.5%		70%	100%	034, 143
	ZEB rate	38%	40%	65.7%		70%	80%	035, 143
	ZEH-renovation equivalent	1,478	1,750	1,472		3,200*3	3,500	035, 144
	Sales of electricity generated by the company-owned renewable-energy power stations	121GWh	150GWh	366GWh		635GWh	702GWh	144
(2) Challenge ZERO for CO ₂ in business activities	GHG emissions reduction rate derived from business operations (total) in comparison to FY2015	20.8% reduction	25% reduction	33.5% reduction		50% reduction	55% reduction	033, 148
	Promotion of Electric—Introduction rate of clean energy cars (Company vehicles)	0.3%	1%	1.5%	2.8%	7%	30%	035, 153
	Promotion of Electric—Introduction rate of clean energy cars (Privately owned vehicles)	—	—	—	1.0%	2%	10%	038, 153
	Energy efficiency (EP100) in comparison to FY2015	Up 1.47 times	Up 1.54 times	Up 1.50 times		Up 1.61 times	Up 1.90 times	037, 149
(3) Challenge ZERO for CO ₂ in the supply chain	Renewable energy utilization rate (RE100)	18.2%	30%	41.5%		100% of purchased electricity converted into renewable energy	100%	037, 150
	Setting rate of principal suppliers' SBT standard GHG reduction targets	34%	40%	65.9%		60%*4	90%	033, 154
	The number of contracts for renewable energy and energy-efficiency solutions (The number of cases of support)	—	5	9		15	50	040, 154

Self-assessment (reasons for not achieving targets, future actions)

*1: Although the overall number of energy-saving renovations increased in fiscal 2022, the total amount of annual primary energy reductions decreased due to a decrease in the amount of primary energy reduction per project, resulting in a total of 1,472 buildings (Note) renovated to ZEH (equivalent to ZEH Oriented) specifications, failing to achieve the target of 1,750 buildings. From fiscal 2023, Daiwa House Chintai Reform and Daiwa Living will be added to the target organizations to promote retrofitting to high-efficiency water heaters and LED lighting fixtures.

Note: The number of buildings equivalent to ZEH-renovated ones is an index that represents "the annual effect of energy-efficiency retrofits, in terms of reduction in primary energy consumption as a result of various insulation and energy-saving retrofits for each building, by converting the reduction into that achieved by the assumed number of existing model houses renovated into the ZEH specifications."

*2: In fiscal 2022, due to the recovery from the COVID-19 pandemic, energy consumption at resorts, sport facilities, hotels, and nursing care facilities increased, resulting in an energy efficiency of 1.50 times, slightly short of the target of 1.54 times. In the future, we will promote the conversion of newly constructed facilities to ZEB, as well as promote energy-saving activities such as energy-saving investments and operational improvements.

*3, 4: The scope of coverage and calculation criteria have been revised (For details, see p. 144 and p. 154).

Harmony with the natural environment (Preservation of biodiversity)

Challenge ZERO	Management indicator (KPI)	2021 results	2022 targets	2022 results		2023 targets	2026 targets	Pages
(4) Challenge ZERO Deforestation	Ratio of C-ranked timber in procurement	2.7%	3%	3.1%		3%	0%	046, 158
	Setting rate of zero deforestation policy (primary suppliers)	—	30%	6.1%		30%	90%	047, 048, 158
	Setting rate of zero deforestation policy (secondary suppliers and beyond)	—	5%	—		5%	50%	047, 048, 158
(5) Challenge ZERO Harm to Biodiversity	Eco-friendly surface area of green spaces (cumulative) in comparison to FY2021	—	+ 200,000m ²	+ 257,000m²		+ 400,000m ²	+ 1,000,000m ²	046, 159
	Rate of formulation and implementation of protection and management plans of significant sites within premises of the company's facilities	—	Assessing priority levels	Primary screening completed Assessment of priority levels in progress		Development of management and maintenance plans	100%	051, 160
	Promotion of the Daiwa Plastics Smart Project—Rate of replacement of plastic goods for distribution (offices, etc.)	Daiwa House Industry: 81% All Group: 92%	100%	Daiwa House Industry: 82.9% All Group: 74.4%		100%	100%	046, 160

Self-assessment (reasons for not achieving targets, future actions)

*5: In fiscal 2022, the C-rank timber ratio was 3.1%, failing to reach the target of 3% due to the impact of the global wood shock and the failure to implement the spread of the procurement policy for suppliers in the medium- and high-rise rental housing sector, as we began surveying the policy in fiscal 2022. Going forward, we will seek improvements from the suppliers of C-rank timber and promote efforts to improve the content of timber procurement for the entire Group.

*6: In fiscal 2022, as the rate of the zero deforestation policy (primary suppliers) ended at 6.1% and we failed to achieve our target of 30% as we were unable to fully disseminate the need to establish the zero deforestation policy to our suppliers. In the future, we will encourage timber suppliers that have not yet established a policy to do so and establish a membership system to share the policy. In addition, for those suppliers that have already established the policy, we will expand the policy to secondary suppliers and further.

*7: In fiscal 2022, although we switched disposable plastic products to paper for new purchases, the use of some disposable plastic products from our inventory resulted in 83% in the rate of replacement with plastic-free materials (offices, etc.) on our own and 74% for all principal Group companies excluding ours. As a result, we were unable to achieve our target of 100%. We will continue to promote the proper use of plastic products by thoroughly disseminating the guidelines and promote the proper use of plastic products.

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■ Closed-loop resource sourcing and conservation of aquatic environments (Greater durability and waste reduction)

Challenge ZERO	Management indicator (KPI)	2021 results	2022 targets	2022 results	2023 targets	2026 targets	Pages	
(6) Challenge ZERO Waste and Reuse	Number of assets subject to effective use	3,989	4,000	4,276	🟢	4,200	053, 161	
	Number of buildings subject to durability extension	3,246	4,500	8,984	🟢	9,000	053, 161	
	Recycling rate of waste plastics material (production)	10.9%	10%	16.8%	🟢	19%	054, 161	
	Promotion of the Daiwa Plastics Smart Project Reduction rate of amenities that are plastic-containing products specified in law (hotels) in comparison to FY2021	—	10% reduction	2.9% Increase	🔴*8	20% reduction	50% reduction	051, 162
	Promotion of the Daiwa Plastics Smart Project Recycling rate of amenities that are plastic-containing products specified in law (hotels)	—	3%	0%	🔴*8	5%	50%	051, 162
	Achievement of zero waste emissions targets by principal suppliers	34.5%	50%	34.6%	🔴*9	50%	90%	053, 162
—	Construction waste emissions: Production (per unit of sales)	57.5kg/million yen	60kg/million yen	53.8kg/million yen	🟢	60kg/million yen	164	
	Construction waste emissions: New construction (per m ²)	20.0kg/m ²	20kg/m ²	19.0kg/m ²	🟢	19kg/m ²	164	
	Construction waste recycling rate	97.7%	97%	97.9%	🟢	97%	163	
(7) Challenge ZERO Water-Associated Risks	Water-saving device adoption rate (housing and hotels)	89.8%	93%	96.8%	🟢	97%	165	
	Water consumption reduction rate (per unit of sales) in comparison to FY2012	46.8% reduction	36% reduction	42.7% reduction	🟢	37% reduction	053, 165	
	Implementation rate of water risk surveys by principal suppliers	—	60%	85.5%	🟢	90%	058, 167	

Self-assessment (reasons for not achieving targets, future actions)

*8: In fiscal 2022, we implemented measures to introduce amenity bars in the hotels operated by our Group, but the effect of the reduction was not sufficient. Furthermore, due to the switch to biomass-based amenity products with larger product weight in some hotels, the specified amenity plastic product reduction rate (hotels), which is weight-based, increased by 2.9%, thus failing to achieve the target of 10% reduction. In addition, although we searched for a place to recycle specified plastic products (amenity products) after use, the material recycling rate for specific amenity plastic products (hotels) was 0%, thus we were unable to achieve the target of 3% because there were few precedents in the industry and each company failed to implement material recycling. Note that only in cases where material recycling is implemented after use, the biomass blended amount shall be accounted for as a reduction. In the future, we will promote outsourcing to material recyclers to improve the reduction rate and the material recycling rate.

*9: In fiscal 2022, as we were unable to fully disseminate the need to set zero waste emission targets to suppliers, among our principal suppliers, those that set zero waste emission targets accounted for 34.6%, thus we were unable to achieve our target of 50%. In the future, we will organize waste issues by industrial sector, clarify the target level required of suppliers, and conduct working sessions specifically for zero waste emissions in order to disseminate the target level.

■ Prevention of chemical pollution

Challenge ZERO	Management indicator (KPI)	2021 results	2022 targets	2022 results	2023 targets	2026 targets	Pages
—	Compliance with voluntary standards for indoor air quality	96.2%	100%	97.1%	🔴*10	100%	060
	Release and transfer reduction rate of PRTR (per unit of sales) in comparison to FY2012	69.3% reduction	63% reduction	70.4% reduction	🟢	65% reduction	060, 168
	VOC emission reduction rate (per unit of sales) in comparison to FY2013	38.5% reduction	31% reduction	35.9% reduction	🟢	32% reduction	060, 168

Self-assessment (reasons for not achieving targets, future actions)

*10: In fiscal 2022, the voluntary indoor air quality standard compliance rate was 97.1%, failing to achieve the target of 100%, due to the fact that the voluntary indoor air quality standard values were exceeded in some properties of apartment complexes built using the conventional construction method. We will continue to promote the use of low-formaldehyde emitting building materials and strengthen our efforts in the future, including thorough ventilation during construction.

■ Environmental management

Challenge ZERO	Management indicator (KPI)	2021 results	2022 targets	2022 results	2023 targets	2026 targets	Pages
—	Sales of environmental contribution businesses	—	1,200.0 billion yen	1,276.2 billion yen	🟢	1,300.0 billion yen	022, 138
	Number of those who acquired the Eco Test	19,033	21,000	26,135	🟢	28,000	026, 139
	Green purchasing ratio	95.6%	95%	97.5%	🟢	95%	140
	Implementation status of measures for adopting to climate change	—	—	Implementing	—	—	Completing implementation