

# Mid-Term Sustainability Targets Phase 2 (2025-2027) (Excerpt)

## Material Issue 1 To enhance the value of forests and wood through sustainable forest management



Nurturing forests to enhance and harness the value of wood and other forest resources.

| Specific steps based on issues and strategies / Indicators for Evaluation

Utilization of Sustainable Forest Resources		FY2025 target	FY2026 target	FY2027 target	Managing department
Domestic and overseas certified forest area (ha)		346,152	420,152	451,152	Environment and Resources Division
Maintenance Rate of Forest Certification Area (Domestic and Overseas) (%)	Maintaining of SGEC certified area	100	100	100	
	Securing ratio of conservation forests in company-owned forest	30 or more	30 or more	30 or more	
Seedlings supplied Domestic forest (unit: 10 Thousand)		168	185	207	
Volume of Domestic Timber Handled (1,000 m³)		2,798	3,205	3,553	Timber and Building Materials Division
Reforestation Projects (ha)		600	800	1,000	

### Responding to Nature-Related Issues

Implementation and Improvement of Ecosystem Monitoring Monitoring of Flora and Fauna in HCVF*¹ Areas (Domestic Company-Owned Forests and Overseas Afforestation Areas)		Implementation, Reporting, and Disclosure	Improvement and Enhancement	Setting Numerical Targets	Environment and Resources Division
Quantitative Evaluation of Ecosystem Services (Water Balance Assessment in Domestic and Overseas Areas)		Planning and Implementation	Implementation	Implementation	
Nature / Flora	Number of Native Trees Planted in Delivered Residential Lots (Units) (North America)	4,200	4,300	4,700	Global Construction and Real Estate Division
	umber of Trees Planted through Forest Foundations (Units) (North America)	98,000	113,000	138,000	
Nature / Water	Implementation Rate of Xeriscaping*² in Subdivisions (%)	100	100	100	
	Number of Environmental Certifications Obtained (Asia) (Cases)	1	1	2	
Number of Harmonic Plants Sold (Units)					Housing Division
* Target Trees: Tall Trees, Medium Trees, Shrubs		1,400,000	1,500,000	1,600,000	

\*¹ Abbreviation for High Conservation Value Forests. High conservation value forests

\*² A garden landscaping method that conserves water while maintaining the landscape through appropriate water use

## Material Issue 2 To realize carbon neutrality by leveraging forests and wood resources



Contributing to the decarbonization of society by reducing our own GHG emissions, by offering timber and wood products that sequester carbon, and by providing low-carbon/carbon-free products and services.

| Specific steps based on issues and strategies / Indicators for Evaluation

Promotion of Decarbonization (Scope 1, 2)		FY2025 target	FY2026 target	FY2027 target	Managing department
【Scope 1 & 2】 Total Greenhouse Gas Emissions Change Rate Compared to FY2021 (t-CO₂, %)		170,484	165,488	162,415	All Sumitomo Forestry Group Companies
Sumirin Denki subscription rate (%)	For FIT Graduated Owners	−30.4	−32.4	−33.7	Housing Division
	For New Homeowners	54.0	57.0	60.0	
Renewable energy consumption rate [Efforts to achieve RE100] (%)		20.0	25.0	30.0	All Sumitomo Forestry Group Companies
[Scope 1] (FLAG*¹)	Total CO₂ Sequestration in Company-Owned Forests (thousand t-CO₂)	45.1	55.4	66.3	Environment and Resources Division
	Domestic Forests: Update of Growth Models for Calculating CO₂ Sequestration in Company-Owned Forests	Method Review	Recognition	Renewal	
	CO₂ Sequestration by Production Forests of Overseas Afforestation Companies (thousand t-CO₂) *Excluding BIOS	10,133	10,133	10,133	

### Promotion of Decarbonization (Scope 3)

[Scope 3] Category 1 (FLAG)	Survey and Data Collection of Purchased Wood Products (Housing Materials)	Method Confirmation	Method Confirmation	Data Collection	Global Construction and Real Estate Division
		Emission Data Organization	Volume Handling Awareness	Consideration of Numerical Improvement Measures / Review	Timber and Building Materials Division
[Scope 3] Category 1	CO₂ Emissions Associated with Purchased Products and Services	•Data organization to establish calculation methods for Category 1 emissions •Identification of products and services with high Category 1 emissions •Examination of reduction methods for Category 1 emissions			All Sumitomo Forestry Group Companies
[Scope 3] Category 11	CO₂ Emission Reduction Rate per Floor Area of Sold Houses Compared to fiscal 2021	−5.4	−7.5	−9.6	Housing Division
		−13.0	−14.0	−16.0	Global Construction and Real Estate Division
ZEH Ratio (%)	Percentage of Orders for ZEH Type Houses Out of New Custom-Built Detached Housings (Number of Units)	83.0 (6,880)	84.0 (7,056)	85.0 (7,140)	Housing Division
	Percentage of Orders for ZEH Type Houses Out of Subdivided Housing (%) (Including Nearly ZEH and ZEH Oriented Houses)	50.0	60.0	70.0	
Contribution to CO₂ (Scope 3) Reduction Due to Increased ZEH Rate in New Detached Custom-Built Houses (thousand t-CO₂e)		1,440.0	1,408.0	1,376.0	
Environmentally Friendly Remodeling Order Rate (%)	Owners	64.0	64.5	65.0	
	Customers	77.0	78.0	79.0	
Amount of Electricity Supplied by Renewable Energy Business (MWh)		826,469	843,001	840,072	Environment and Resources Division
Number of Environmentally Certified Houses Obtained (Total in the U.S.) (houses)		3,800	4,100	4,600	Global Construction and Real Estate Division

\*¹ FLAG — Forests, Land, and Agriculture

\* PT. BINA OVIVIPARI SEMESTA (BIOS)

Material Issue 3

To realize a circular bioeconomy by leveraging forests and wood resources



Realizing a circular society by making the most of wood, a renewable and natural resource from the forest ecosystem.

| Specific steps based on issues and strategies / Indicators for Evaluation

Reduction and Recycling of Industrial Waste		FY2025 target	FY2026 target	FY2027 target	Managing department
Final disposal amount (t) consolidated		21,213	21,735	21,018	Sustainability Department
Percentage change from fiscal 2023		-7%	-9%	-12%	
Discharge Amount of Newly Built Industrial Waste (Detached Houses Only) (kg/m²)		19.2	19.0	18.8	Housing Division
Recycling Rate of Industrial Waste from New Housing Construction (%)		96.3	96.6	96.8	
Recycling rate at housing demolition sites(%)		100	100	100	
Recycling rate at the work sites of the renovation business unit(%)		85.5	85.5	85.5	
Recycling rate at the work sites of the power generation business unit (%)		97.0	97.5	97.5	Environment and Resources Division
Recycling rate at overseas manufacturing plants (%)		99.0	99.0	99.0	Timber and Building Materials Division
Recycling rate at domestic manufacturing plants (%)		99.6	99.6	99.6	

| Reduction of Water Consumption

Water consumption (m³)		2,971,001	2,972,632	2,989,957	All Sumitomo Forestry Group Companies
Unit Water Consumption (m³)	Water Withdrawal per Net Sales (m³ per ¥1 million)	1.22	1.09	0.98	
Nature / Water	Percentage of Delivered Homes Certified as Zero Energy Ready Homes (%) (North America)	100	100	100	Global Construction and Real Estate Division
	Percentage of Water-Related Fixtures Certified under WaterSense (%) (North America)	100	100	100	
Adoption Rate of Water-Saving Toilets in New Houses* (Specified Products Only) (%)	Detached Houses	100	100	100	Housing Division
	Subdivided Housing	100	100	100	

| Management of the Supply Chain

Percentage of Sustainable Timber Used in Custom-Built Detached Houses (Primary Building Material) (%)		100	100	100	Housing Division
Rate of Sustainability Procurement Surveys Conducted	Percentage of Companies that Grasp Their Greenhouse Gas (GHG) Emissions (%)	38.0	39.0	40.0	Timber and Building Materials Division
	Percentage of Companies with Greenhouse Gas (GHG) Emission Reduction Plans (%)	27.0	28.0	30.0	
	[New Detached Houses] Percentage of Suppliers that Grasp Their GHG Emissions	Improvement as compared to previous year	Improvement as compared to previous year	Improvement as compared to previous year	Housing Division
	[New Detached Houses] Percentage of Suppliers with GHG Emission Reduction Plans	Improvement as compared to previous year	Improvement as compared to previous year	Improvement as compared to previous year	

\* JIS Classification Type II or lower (water usage 6.5 liters or less)

Material Issue 4

To provide comfortable and secure spaces for society at large



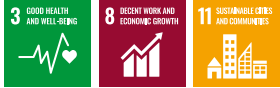
Providing safe, comfortable, and secure spaces to society at large.

| Specific steps based on issues and strategies / Indicators for Evaluation

Improving Customer Satisfaction		FY2025 target	FY2026 target	FY2027 target	Managing department
Questionnaire at the time of moving in (Non-consolidated NPS value)(pt)		56.0	57.0	58.0	Housing Division
Response to Declining Birthrate and Aging Population					
Number of Rooms Available at Nursing Care Facilities (rooms)		1,882	1,882	1,943	Lifestyle Service Division
Occupancy Rate at Nursing Care Facilities (%)	Sumirin Fill Care	89.9	94.0	94.0	
	Sumirin Care Life	87.0	89.0	90.0	

Material Issue 5

To improve the livelihood of the local communities where we operate



Creating jobs through our businesses and contributing to the development of local communities.

| Specific steps based on issues and strategies / Indicators for Evaluation

Communication with Local Communities		FY2025 target	FY2026 target	FY2027 target	Managing department
Collaborative Communication Frameworks between Companies and Local Communities in Managed Green Spaces (Number of Environmental Consultants)		25	30	35	Housing Division
Implementation of Environmental Education Programs (Indonesia) (Number of Schools)		22	22	22	Environment and Resources Division
Number of Participants in External Environmental Education Programs Provided (Japan) (Persons)		4,220	4,200	4,250	Sustainability Department
Number of Participants in Social Contribution Activities (Japan) (Persons)		1,850	1,900	1,950	
Human Rights					
Review of Human Rights Risk Map and Reassessment Based on the Results		-	-	Reassessment	Sustainability Department
Building Effective Remedial Grievance Mechanisms		Revalidation	Establishment	Implementation	

Material Issue 6

To create a vibrant environment for all workers



Creating a work environment where everyone throughout the supply chain is safe, healthy and motivated.

| Specific steps based on issues and strategies / Indicators for Evaluation

Work-Life Balance (Workstyle Reform)		FY2025 target	FY2026 target	FY2027 target	Managing department
Absenteeism*1 Score	Non-Consolidated	2.75	2.7	2.65	Personnel Department
Presenteeism*2 Score	Non-Consolidated	82.4	83.6	84.9	
Employee satisfaction level (%)	Non-Consolidated	80.0	81.0	82.0	
	Consolidated in Japan	64.6	66.3	68.5	
Paid Leave Usage Ratio (%)	Non-Consolidated	69.5	70.0	70.0	Personnel Department
	Consolidated in Japan	70.9	72.6	77.1	
Overtime hours reduction rate (%) compared to fiscal 2017	Non-Consolidated	-14.5	-15.0	-15.0	
	Consolidated in Japan	-19.3	-21.1	-22.9	
Retention rate of new graduates (3rd year after joining the company)*3(%)	Non-Consolidated	85.0	85.0	85.0	Personnel Department
	Consolidated in Japan	79.9	82.8	85.4	
Culture that does not allow harassment*4(%)	Non-Consolidated	75.0	76.0	77.0	
	Consolidated in Japan	74.6	76.9	78.4	
Ensuring psychological safety*4(%)	Non-Consolidated	63.0	64.0	65.0	Personnel Department
	Consolidated in Japan	56.2	58.2	60.0	
Male childcare leave acquisition rate (%)	Non-Consolidated	100	100	100	
	Consolidated in Japan	55.7	61.7	68.2	

| Diversity

Ratio of female employees to all employees (%)	Non-Consolidated	25.1	26.0	26.8	Personnel Department
	Consolidated in Japan	36.0	37.0	37.1	
Female officer ratio (%)	Non-Consolidated	16.3	18.8	21.4	
	Consolidated in Japan	7.8	8.6	9.4	
Ratio of female senior managers*5 (%)	Non-Consolidated	11.5	11.8	12.0	Personnel Department
	Consolidated in Japan	16.9	18.4	20.2	
Ratio of female general managers*5 (%)	Non-Consolidated	11.5	11.8	12.0	
	Consolidated in Japan	16.9	18.4	20.2	
Ratio of females to new hires*6 (%)	Non-Consolidated	35.0	35.0	35.0	Personnel Department
	Consolidated in Japan	37.6	40.0	40.7	
Gender Pay Gap (%)	Non-Consolidated	48.8	49.7	50.7	
	Consolidated in Japan	48.8	49.7	50.7	
Ratio of disabled employees (%)	Non-Consolidated	2.45	2.50	2.55	Personnel Department
	Group certification	2.65	2.70	2.75	
	Consolidated in Japan	2.47	2.61	2.71	
	Consolidated in Japan	2.47	2.61	2.71	

\*1 The state in which a person finds it difficult to work because a physical or mental disorder causes them to be late to work, leave work early, be absent from work and/or take unpaid leave

\*2 The state in which a person goes to work while suffering from some disease or symptom, and their ability to perform work or productivity is impaired

\*3 Calculated as a percentage of the number of new graduate employees who joined the company between April and the following March and who will be with the company on April 1, three years later

\*4 Percentage of employees who answered either "absolutely" or "yes, if I have to choose" in employee satisfaction surveys

\*5 Among managers, supervisors are defined as senior managers and the rest as general managers

\*6 Calculated by adding the number of new graduate employees hired between May and the following March of the previous year to the number of new graduates hired in April

I Human Resources Development

		FY2025 target	FY2026 target	FY2027 target	Managing department
Training cost per employee (unit: 1,000 yen)	Non-Consolidated	140.0	150.0	160.0	Personnel Department
	Consolidated in Japan	59.0	59.0	59.0	
Training time per employee (hours)	Non-Consolidated	21.0	22.0	23.0	Personnel Department
	Consolidated in Japan	26.0	26.0	26.0	
Eco Certification Acquisition Rate (Non-consolidated) (%)	Non-Consolidated	73.0	76.0	80.0	Sustainability Department

I Occupational Health and Safety

(1) Number of serious occupational injuries (four or more days of lost worktime) (incidents) * (2) Number of occupational injuries (one or more days and less than four days of lost worktime) (incidents)		(1)	(2)	0	0	Housing Division
	Domestic New Construction and Remodeling Sites (Contract)	(2)	20	18	16	
	Total		20	18	16	
	Overseas housing site (contract)	(1)	0	0	0	Global Construction and Real Estate Division
		(2)	0	0	0	
		Total	0	0	0	
	Domestic group manufacturing companies (employees) Overseas group manufacturing companies(employees / contractors)	(1)	0	0	0	Timber and Building Materials Division
		(2)	5	5	5	
		Total	5	5	5	
	Domestic and Overseas Afforestation Sites (Contract)	(1)	0	0	0	Environment and Resources Division
		(2)	0	0	0	
		Total	0	0	0	
	Elderly care site	(1)	0	0	0	Lifestyle Service Division
		(2)	0	0	0	
		Total	0	0	0	

\* Occupational accident equivalent to a serious occupational injury in Japan's occupational injury classification (four or more days of absence)

Material Issue 7 To create new markets with forests and wood

Creating new markets that enrich the economy through the resourceful use of forests and wood.

I Specific steps based on issues and strategies / Indicators for Evaluation

I Creation of New Markets

	FY2025 target	FY2026 target	FY2027 target	Managing department
Volume of Domestic Timber Used through the Operation of Wood Industrial Complexes (1,000 m³)	0	70	102	Timber and Building Materials Division
Cumulative Number of EPDs Acquired by Suppliers (cases)	55	95	145	
Percentage of Green Spaces Generating Environmental and Social Value through NbS* (%)	35.0	37.0	40.0	Housing Division

\* Abbreviation for Nature-based Solutions (NbS). Nature-Based Solutions to Social Issues



Material Issue 8 To transform markets through DX and innovation

Enhancing economic efficiency and added value through business transformation brought about by DX and innovation.

I Specific steps based on issues and strategies / Indicators for Evaluation

I DX related

DX related		FY2025 target	FY2026 target	FY2027 target	Managing department
Number of RPA Citizen Developers (persons)		260	380	500	IT Solutions Department
Digital Transformation of Business Management	Development of the Forestry Management System	Functionality Expansion	Functionality Expansion	Standardization	Environment and Resources Division
	Implementation of the Inventory and Forestry Management System	Start of Development	Implementation	Standardization	
Number of Facilities That Have Introduced Sensor Equipment in Elderly Care Business	Sumirin Fill Care	17	17	17	Lifestyle Service Division
	Sumirin Care Life	4	4	4	
Number of Contract IDs through the “JUCORE Estimation” Service*		1,070	2,714	3,674	Timber and Building Materials Division
Improved Efficiency and Accuracy in Sustainability Information Collection		Grasp of Non-Financial Information and Consideration of System Integration	Pilot Test Execution and System Integration	Start of System Operation	Sustainability Department

\* Initiatives for Building a Platform to Restructure the Wood and Building Materials Industry / Quotation Support System

Material Issue 9 To establish a robust business structure

Contributing to a stable economy by continuously providing value with a structure that is resilient to contingent circumstances.

I Specific steps based on issues and strategies / Indicators for Evaluation

I Governance / Compliance / Non-Financial Information Disclosur

Governance / Compliance / Non-Financial Information Disclosur	FY2025 target	FY2026 target	FY2027 target	Managing department
Number of BCM Training Sessions Conducted (times)	2	2	2	General Administration Department
Voluntary Inspections and Awareness-Raising Activities Including Training for the Legal Compliance System	Voluntary Compliance Checks Based on Business-Specific Laws	Voluntary Compliance Checks Based on Business-Specific Laws	Voluntary Compliance Checks Based on Business-Specific Laws	
Number of Environmental Compliance Checks (Domestic Group Companies) (times)	1	1	1	
Disclosure in Securities Reports Based on SSBJ* Standards	Identification of Scope of Applicability	Consideration of Data Collection and Reporting Methods	Preparation for Disclosure	Sustainability Department

\* SSBJ: Sustainability Standards Board of Japan

