

Sustainability Management

The significance of balancing the creation of a sustainable society with the expansion of corporate value is shared by all employees, who develop Company- and organization-wide activities based on priority issues

Masayuki Nakagawa

Director, Executive Officer,
in charge of Internal Control,
Management Strategy, and Public
Relations, DCM Holdings Co., Ltd.

Director, Managing Executive
Officer and Senior General
Manager, Management Strategy
Office, DCM Co., Ltd.



DCM Group sustainability management structure

To confirm the direction of our sustainability management, the DCM Group conducted numerous internal discussions and dialogues with stakeholders. This resulted in the identification of eight priority issue groups and 22 materiality issues, which were announced in December 2022. On this basis, we are contributing to the resolution of environmental problems and other social issues, as we strive to establish a management foundation facilitating both the creation of a sustainable society and the enhancement of corporate value.

We established the Sustainability Committee, chaired by the president, as an organization for promoting sustainability management. This committee meets semiannually to share the latest trends in sustainability, including climate change, and discuss the progress and direction of the Group, with

Main priority issue Group initiatives

In fiscal 2024, Sustainability Committee discussions focused on environmental issues. Within priority issue groups, we focused specifically on promoting a circular economy and decarbonization through products and stores, promoting the trial use of renewable energy (RE) to achieve our greenhouse gas (GHG) emissions reduction targets, and installing solar power generation equipment at new stores, including the DCM Kureha Eki Kita store (Toyama City, Toyama Prefecture) and the DCM Ogaki Tsurumi store (Ogaki City, Gifu Prefecture; see P35). We will experiment with both on-site and off-site power purchase agreement (PPA) methods to devise optimal solutions. In addition, with regard to the construction of a supply chain that considers the environment and society, improvements in order frequency through DX and logistics efficiency measures—including joint deliveries—have proven effective in reducing CO₂ emissions associated with vehicle transportation (see P31).

With regard to the deepening of relationships with customers with whom we create new value, we place great importance on fostering DIY, which is a defining feature of our business and one of the missions outlined in our long-term business concept. The DCM 21 Mizuho store (Mizuho City, Gifu Prefecture) has introduced a new store format aimed at expanding the market by integrating products and sales areas for both professional technicians and DIY enthusiasts (see P25). The DCM Nishioka store (Sapporo, Hokkaido) has established a new Home Craft Course in collaboration with a local high school. Through lectures and hands-on training aimed at obtaining remodeling-related qualifications, the program seeks to nurture high school students who aspire to become future technicians (see P36).

discussion reports and related proposals submitted to the Board of Directors. This structure enables us to fully incorporate the Group's spirit of sustainability and related issues into our long-term business concept and medium-term management plan.

In terms of actual issue resolution, we are engaged in efforts centered on the 36-Month Project, an internal, cross-sectional organization. The project comprises eight tasks led by general managers and several subcommittees within each task, with members from a wide range of departments utilizing their various perspectives and experiences. In this way, we are promoting sustainability management within specific departments and throughout the Company, with all departments sharing a common understanding.

Regarding support for strong community resilience against disasters, we are strengthening our development and sales of disaster preparedness products while promoting and concluding disaster prevention agreements with 179 municipalities and other entities at stores across Japan, in an effort to collaborate with local communities with the aim of protecting lives and livelihoods. In particular, the aforementioned DCM Kureha Eki Kita store has enhanced its disaster preparedness functions—including the utilization of solar power during power outages and the installation of manhole toilets—with the aim of establishing itself as a regional disaster prevention hub (see P35). Additionally, the New Preparedness Support Team in Matsuyama (Ehime Prefecture), launched in June 2022 as the first collaborative scheme in Japan involving industry, government, academia, and the public, was launched in the city of Sapporo in fiscal 2025 (see P37). Through these disaster prevention activities and DCM Forest Project tree-planting activities, employee-participation-based social contribution activities are increasing the motivation of each individual employee and giving rise to a virtuous cycle.

Furthermore, to enhance human capital, we launched a next-generation management personnel development program in fiscal 2024 and are working continuously to cultivate sustainable management personnel (see P39). Furthermore, to foster workplaces where diverse human capital can thrive and human rights are respected, we continue to enhance initiatives that promote the active participation of women and senior personnel.

We will continue to promote sustainability awareness both internally and externally from a variety of perspectives, contributing to the development of local communities while enhancing corporate value.

Overview of eight priority issue groups and 22 materiality issues

E	S	G	Core subjects of ISO 26000	No.	Materiality group <Why?>	No.	Materialities <What will we do?>	Main relevant SDGs
	S		Consumer issues	I	Achievement of a comfortable and sustainable community life and living	1	Building lifestyle variety stores loved by people and communities	  
						2	Evolution of lifestyle support and convenient services for all types of people	
						3	Introduction of new businesses in line with the needs of communities	
						4	Creation of hardware-specialized stores to support professionals and DIY	
E			Environment	II	Promotion of circular economy and decarbonization through products and stores	5	Development and sale of products that contribution to a fulfilling life, resource recycling and decarbonization	  
			Fair operating practices			6	Reduction in product packaging and containers	
			Environment			7	Promotion of collection and reduction of waste material, reuse, and recycling at stores	
						8	Promotion of energy conservation at stores and expansion of renewable energy use	
	S		Consumer issues	III	Deepening of relationships with customers with whom we create new value	9	Pursuit of product quality and improvements that reflect customer opinions	  
						10	Evolution of business and services through digital transformation	
						11	DIY education and information transmission at stores	
				IV	Support of strong community resilience against disasters	12	Establishment as community disaster prevention base	  
						13	Development and sale of disaster prevention supplies	
	S		Human rights	V	Creation of a workplace where a diverse array of human capital can be active and respecting human rights	14	Respect for human rights, promotion of diversity and women in the workplace	  
			Labor practices			15	Human capital development and creation of workplaces that are easy to work in	
						16	Allocation of human capital to high-added value tasks through digital transformation	
E		G	Fair operating practices	VI	Construction of supply chain that gives consideration to the environment and society	17	Promotion of CSR procurement	  
						18	Promotion of CO ₂ emission reduction and effective utilization of resources in logistics	
		G	Organizational governance	VII	Stronger corporate governance	19	Stronger corporate governance and responsible dialogue with stakeholders	  
	S					20	Compliance and prevention of corruption	
						21	Risk management	
E			Community involvement and development	VIII	Regional and community development	22	Contributions to environmental conservation and community formation through cooperation with communities	  