

[Sustainability]

Efforts for Sustainability



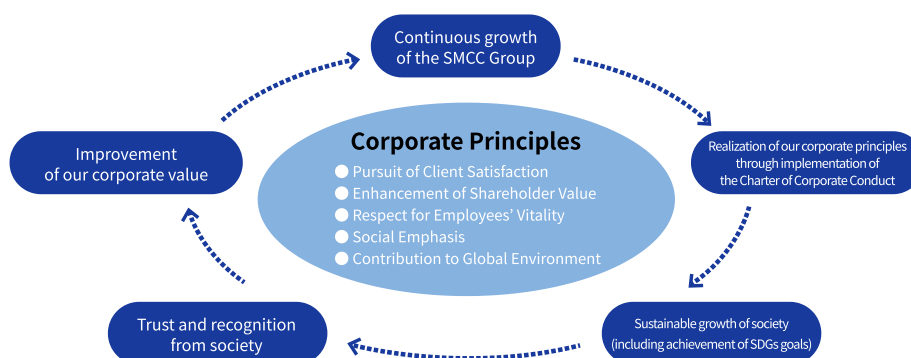
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Continuous Growth Cycle

We believe that achieving the five items set forth in the Corporate Principles is corporate social responsibility (CSR), an essential condition to the Company's continuous growth. Based on this belief, we have established our Charter of Corporate Conduct as a guideline for the actions taken by the Company and its executives and employees to achieve the Corporate Principles. We conduct our business activities while striving for co-existence and co-prosperity with society.

We revise the Company's Management Plan under the management situation and the social needs at the target point. The current Medium-term Management Plan 2019–2021 sets forth “promoting measures to achieve the SDGs,” and we enforce this within the Company. Therefore, we revised the Charter of Corporate Conduct to include responding to the SDGs, bringing it into conformity with the Corporate Governance Code. We are also striving to instill our corporate culture. We distributed a credo card including the Corporate Principles, Vision 2030, and Charter of Corporate Conduct to all executives and employees. They carry this card with them at all times.

Continuous Growth Cycle



Contribution to Achieving the SDGs

All executives and employees should understand the significance of SDGs and act on a belief that SDG issues will certainly affect them. We believe this will lead to constructing a sustainable society and increasing the Group's corporate value. In fiscal 2020, seeking to achieve our Vision 2030, we specified [materiality \(material issues\)](#) while considering the characteristics of our business and the areas in which we operate. In conducting these operations, we referred to all international guidelines regarding the causes of various impacts on the Group's business operations. We also established our Key Performance Indicators (KPIs). In fiscal 2021, in addition to responding to climate change risks, we will continue to identify human rights risks in the entire value chain, which is a material issue along with the environment. We will also promote initiatives to respect human rights, including establishing a system to prevent human rights violations.

Efforts for Human Rights

The Guiding Principles on Business and Human Rights developed by the United Nation require business enterprises to formulate a human rights policy, perform due diligence, and set up a helpdesk in order to fulfill their responsibility to respect human rights. In response, in fiscal 2021, the Company has set up a working group consisting of members from key departments that are particularly closely related to human rights, including personnel, general affairs, purchasing and global, and embarked on these initiatives, with the help of external experts. As such, we will continue to identify human rights risks in the entire value chain and promote initiatives to respect human rights, including establishing a system to prevent human rights violations. At the same time, we will work to deepen the understanding of human rights among all officers and employees by providing human rights education programs tailored to different job categories or ranks, such as officers, managers, and persons in charge.

Environmental Policy “Green Challenge 2030”

We are conducting environmental activities based on our Environmental Policy “Green Challenge 2030” to achieve a sustainable society. Calls for companies to release non-financial information, particularly responses to climate change, continue to grow. Strategic efforts related to climate change and resources have become unavoidable for companies. In fiscal 2020, we replied to the survey on disclosure programs for information related to climate change risks that CDP, an international NGO, is conducting. Also, we uncovered issues based on the evaluation of our replies and specified a degree of priority. In addition to applying them to our materiality, we will also reflect them in our environmental policies from the next fiscal year onward.

Safeguarding Our Environment for Future Generations

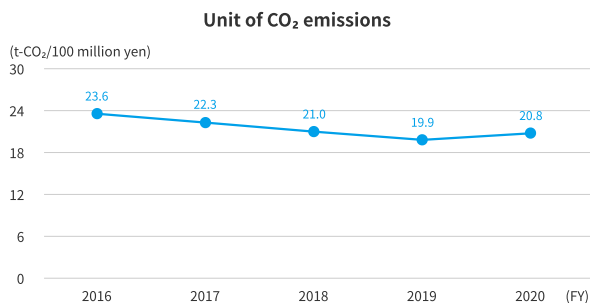
We will contribute to the realization of a sustainable society by creating a living space that combines improvement of quality of life and reduction of environmental impacts.

<p>1. Contribution to a decarbonized society</p>	<p>2. Contribution to a recycling-oriented society</p>	<p>3. Contribution to a society in harmony with nature</p>	<p>4. Management of environmental risks</p>	<p>5. Environmental communication/Promotion of ESD*</p>
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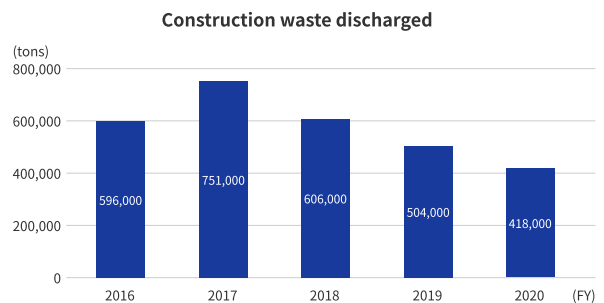
* ESD: Education for Sustainable Development

KIPs of Green Challenge 2030

- Reduction in CO₂ emissions in the construction stage: 50% reduction in units of CO₂ emissions from 1990n levels
- Recycling of construction waste: 100% (excluding waste containing asbestos and specially controlled waste)
- Avoid or minimize impact on biodiversity
- Avoid or minimize environmental incidents
- Promotion of renewable energy business: Generation capacity of 650 MW or higher



We have steadily reduced CO₂ emissions to achieve the 2030 target of 16.5 t-CO₂/100 million yen under the Environmental Policy Green Challenge 2030.



Major types of construction waste discharged in fiscal 2020 were concrete rubble from demolition work (138,000 tons) and construction sludge, such as drilling mud and waste mud water (161,000 tons).

Promoting Activities to Contribute to Society

Participating in Volunteer Activities

We have set forth “Social Emphasis” in the Corporate Principles, and call for the active participation of the Company’s employees in social contribution activities in the Charter of Corporate Conduct. In fiscal 2020, many of our employees volunteered to clean up local streets and beaches as part of our environmental activities despite the COVID-19 situation.

We are anticipating several positive effects through such volunteer activities that will increase corporate value. The first is training human resources, including building a network in and outside the Company, personal growth through community participation, gaining practical work capacities and communicative abilities, and improving leadership. Second is awareness of business models that resolve social issues, while third is instilling a sense of belonging within the Company and increasing the desire to contribute. Lastly, we believe they will improve the company’s image. We also support our employees to be aware of environmental issues, recognize what they can do to solve them, and act as a leader in raising awareness of the issues by participating in environmental activities. We are seeking to make it easier for our employees to participate in volunteer activities. We support expenses for participating in the activity and established a Volunteer Day-Off System for employees with few paid leave days.

A local creature teacher becoming an environmental counselor

Mr. Ito, in the Environment & Energy Technology Department, Technical & Engineering Service Division, has been registered as an Environmental Counselor by the Ministry of the Environment in March 2021. The Ministry of the Environment established the Environmental Counselor system. Users can view the activities of registered counselors and seek advice from them. Mr. Ito has been working as a local creature teacher at the Tsukuda Children Hall in Chuo Ward, Tokyo, since 2017. In addition to interaction with special-needs schools, he has been actively engaged in environmental activities inside and outside the Company to foster future environmental leaders.



Message from Mr. Ito

To realize a sustainable society and promote the SDGs, we need to conduct correct educational activities to solve global environmental issues and nurture future environmental leaders to pass on the baton. As an environmental counselor, I would like to take action with you to respond to the various transformations that may occur in the future.