



# SUSTAINABILITY REPORT 2023

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**HAZAMA ANDO  
CORPORATION**

# Hazama Ando's Sustainability Strategies

At Hazama Ando, we are striving to become a corporate group that meets the expectations of society and creates greater social value. To achieve this, we have established key strategic themes (material issues) from the perspective of the environment, society, and governance (ESG).

## Priority Core SDGs and Key Performance Indicators (updated July 2023)

Material Issues Relevant SDGs	Key CSR Themes	Core SDGs	Key Performance Indicators	Metrics	Deadline	Fiscal 2022
<p><b>Helping to solve social issues and create value for society</b></p> 	<ul style="list-style-type: none"> <li>Achieving the satisfaction of society and customers and earning their trust</li> <li>Working in harmony with the communities we serve</li> <li>Safe, comfortable working environments</li> </ul>	3	Serious work-related accidents	0 cases	Every year	0 cases
			Frequency rate	0.40 or less	2023	0.64
		4	Rate of human rights education and training attendance	100%	2025	—
		5	Number of female managers (equivalent to manager class)	60 persons	2025	29 persons
		8	Eight or more closures in four weeks*1	Every year		
			Civil engineering	100%		99.0%
			Building construction	100%		88.6%
			Employee engagement score	At least 80%	2025	72%
		9	Productivity improvement*2	Over 10% (compared to fiscal 2020)	2025	4.5%
			Patent applications	75/year	2025	42
11	Regional development projects	3 or more (over 3 years)	2025	—		
<p><b>Protecting and being attuned to the natural environment</b></p> 	<ul style="list-style-type: none"> <li>Creating environmental abundance</li> </ul>	13	CO <sub>2</sub> emission reduction rate (Scope 1 and 2)	At least 34% (compared to fiscal 2017)	2025	24.7%
			CO <sub>2</sub> emission reduction rate (Scope 3)	At least 21% (compared to fiscal 2017)	2025	33.5%
		7	Number of ZEB projects	5	2024	8
			Proportion of renewable energy used for electricity	80%	2030	16%
			Serious environmental incidents	0 cases	Every year	0 cases
		12	Recycling of construction site waste			
			Civil Engineering: Reduction of overall mixed waste volume	0.8 ton/construction cost (100 millions of yen)	2024	0.6t
	Building Construction: Reduction of mixed waste intensity at new construction projects	6.5 kg/total floor space (m <sup>2</sup> )	2024	3.09kg		
<p><b>Promoting sustainable management and taking full responsibility for corporate actions</b></p> 	<ul style="list-style-type: none"> <li>Conducting fair and honest corporate activities</li> <li>Engaging in dialogue with stakeholders</li> </ul>	5	Ratio of female board directors	30% or more	Every year	25.0%
			Ratio of external board directors	50% (a majority)	Every year	33.3%
		8	Information security course attendance	100%	Every year	100%
			Compliance training attendance	100%	Every year	100%

\*1 Excluding sites where eight or more closures are unfeasible (ensure annual closures of at least six closures in four weeks, develop a framework to ensure workers have eight days off in four weeks).

\*2 Calculated based on the productivity index of the Japan Federation of Construction Contractors. Based on construction amount per engineer and skilled worker per 8-hour day (completed construction amount/manpower)

## Engagement that Addresses Risks and Opportunities

To make steady headway in addressing the material themes the Group has identified, we are working to grasp fully the expectations, concerns, and demands of stakeholders and build a mechanism to reflect these in our activities, while always being attentive to the risks and opportunities involved. Since the start of 2020, the COVID-19 pandemic significantly impacted our ability take action related to each key theme. Considering this context, we are implementing a PDCA cycle sensitive to changes in business and living styles in a "new normal" or "post-COVID" environment.

### Megatrends Affecting Hazama Ando (Social and Environmental Risks and Opportunities)

We live in an era where various values exist and diversity is required.

#### Risks

- Slowing economic growth, intensifying competitive environments
- Rising geopolitical risks
- Surge in material and fuel prices
- Declining birthrate and aging population, shortage in the labor force
- Progress of climate change
- Spread of infectious diseases



- Sustainability-related
- Decarbonization and biodiversity
- Technological innovation-based productivity improvement needs
- Human capital management
- COVID-19-based new normal



#### Opportunities

- National land resilience
- Increased startup support and other business co-creation momentum
- Society 5.0 realization
- New capitalism
- Global momentum behind human rights protection



Demands for more robust sustainable management

## Stakeholder Engagement

Amid ongoing changes in social values, to fulfill the Group's responsibilities as a member of society and continue to realize building operations that are of value to customers and society, Hazama Ando believes that the process of dialogue and collaboration with various stakeholders is essential. Based on this, we are taking advantage of various

opportunities and pursuing initiatives to reflect the concerns of society in our corporate activities. Key content of such dialogue is shared appropriately with management through various committees and other venues, and is reflected in our ongoing response to material issues.

Stakeholder	Approach, Policy	Major Channels for Dialogue	Major Themes, Areas of Interest
Customers	Attentive to the needs of customers and the demands and expectations of society, we will pursue secure, safe, high-quality "good building operations" based on our solid technological prowess. Through these operations, we will strive to bring about customer satisfaction, earn greater trust from society, and address social issues.	Customer inquiry desk, satisfaction surveys, business activities	High-quality building operations, construction that addresses social issues
Shareholders and Investors	By means of timely and appropriate disclosure and two-way dialogue, we will seek the evaluation of shareholders and investors as appropriate. Their opinions and requests will also inform our corporate activities, as we strive to enhance corporate value by contributing to the advancement of society.	Meetings with investors and shareholders, general meeting of shareholders, results announcements and briefings, investor and shareholder information website (timely disclosure, etc.), site tours	Timely and appropriate disclosure, disseminating information in terms of both risks and opportunities
Business Partners, Collaborating Companies	By engaging in fair business practices and building a supply chain that is sensitive to human rights, occupational health and safety, and the environment, we will collaborate in helping to bring about a sustainable society and create social value, aiming to grow along with our partners.	Hazama Ando Cooperative Association, business activities, exhibitions, events	Occupational health and safety, appropriate construction management, fair business practices
Employees	To enable diverse employees to work securely, safely, and in a rewarding way as they reach their full potential, we will cultivate working environments and various support systems and endeavor to treat employees fairly and support career development.	Employee satisfaction surveys, regular interviews, labor-management consultations, employee helpline	Occupational health and safety, consideration for diversity, career development, fair treatment
Local Communities	Through our business activities and social contribution activities in various regions, we will contribute to the advancement of local communities and the cultivation of future generations, fulfill our duties as a corporate citizen, and seek to coexist with the communities we serve.	Social and cultural contribution activities, site tours, hands-on workshops	Support for local communities, including harmonious relationships and cultivation of future generations

## Our CSR Policy

Pursuing rigorous CSR management and helping to bring about a sustainable society are the essential mission of a company. Guided by this conviction, Hazama Ando has established a CSR Policy and is implementing various activities to realize the policy's aims. Going forward, to further reinforce our efforts involving the SDGs and ESG and carry forward the themes set forth in the Group's materiality, we will continue to instill in every employee the policy that forms the backbone of our CSR activities. We will also work together across the Group to meet the ever-increasing expectations of society for a truly sustainable corporate strategy.

### CSR Policy

Through the practice of secure, safe, high-quality "good building operations" that draw on sound technology and passionate commitment, Hazama Ando will contribute to the advancement of society and our customers and seek to bring about an abundant, bright future.



## Materiality

## 1

## Helping to solve social issues and create value for society

### Overview of Fiscal 2022 Results

To address the material issue of helping to solve social issues and create value for society, the Group is implementing PDCA activities based on three key CSR themes and key performance indicators.

Under the key theme of achieving the satisfaction of society and customers and earning their trust, we continued efforts to develop and apply new technologies and construction methods in the fiscal year ended March 2023, while also targeting ongoing improvements in customer satisfaction by means of productivity, comfort, resilience, and quality control through the digital transformation of construction. The results of our measures, which tie in directly to enhanced customer value, have also been recognized with various awards.

Under the key CSR theme of working in harmony with the communities we serve, we continue to undertake corporate citizenship activities and contribute to regional revitalization. In particular, various in-person activities gradually resumed during the year due to the phasing out of COVID-19 restrictions on economic activities and movements.

With regard to the key theme of creating safe, comfortable working environments\*, in addition to ongoing improvements to the safety framework following a large fire accident in 2018, we continued with actions to respect diversity and promote health management. Furthermore, to address the goal laid out in the new Medium-Term Management Plan 2025 of increasing the value of human capital, we will aggressively expand our investments in this area.

\* For the sake of consistency with the Medium-Term Management Plan 2025, we transferred elements other than Pillars Supporting Our Initiatives 3: Respect for Human Rights from Materiality 3: Promoting sustainable management and taking full responsibility for corporate actions.

**Activity Highlights 1**

**Cultivating IT and Digital Transformation Personnel**

In 2022, we formulated a Digital Transformation Vision 2030, which consists of three pillars that are guiding our initiatives: (1) New ways of working, (2) Expanding capabilities, and (3) Creating new value. IT and digital transformation personnel who can harness digital technology to solve business issues are indispensable in achieving this vision.

Japan's Ministry of Economy, Trade and Industry and the Information-technology Promotion Agency (IPA) also announced in December 2022 that establishing a competitive advantage requires companies to gauge the ever-changing issues facing society and their customers and pursue digital transformation. Recognizing the shortage of personnel with a background and expertise in digital transformation, the agen-

cies compiled the Digital Skills Standard (DSS) ver. 1.0 to support the cultivation of such personnel.

In this context, in April 2023, we categorized the IT and digital transformation personnel needed for digital transformation into three areas: (1) operating divisions (2), head office and branch office technical and management divisions, and (3) head office digital transformation and information systems divisions. We also classified the skills and educational programs required for each personnel development category under an IT and Digital Transformation Personnel Development Plan. Starting in the fiscal year ending March 2024, we will work to hone the skills of our employees guided by the following approach.

**1 Ideal IT and Digital Transformation Personnel**

- Personnel who understand the importance and context of digital transformation
- Personnel who grasp the awareness, attitude, and actions needed to create new value
- Personnel who can understand and act on our digital transformation vision and strategy
- Personnel with basic knowledge of the relationship of IT and digital transformation to corporate activities and management strategy

- Personnel with basic knowledge of data utilization and its infrastructure
- Personnel capable of logical thinking
- Personnel who can identify issues in operations and systems and propose improvements
- Personnel who recognize the importance of information security and can implement security measures

**2 Skills Required for Each Personnel Development Category**

**1 Operating divisions**

- Skills to master the systems and tools used in operations

**2 Head office and branch office technical and management divisions**

- Skills to instruct and support the use of systems and tools used in operations
- Skills to communicate system development business requirements to systems departments and development vendors

- Skills to grasp the mechanisms of data utilization infrastructure and build a cycle of data analysis, evaluation, and improvement actions in collaboration with the head office digital transformation and information systems divisions.

**3 Head office digital transformation and information systems divisions**

- Skills to take initiative in promoting digital transformation across the Group
- Skills to operate, improve, and innovate existing systems and infrastructure

**3 Educational Programs**

Personnel development categories and educational content  
**Operating divisions (basic knowledge common across the Group)**

- 1 Understanding our digital transformation vision and the three steps of the digital transformation strategy
- 2 Basic knowledge and logical thinking regarding IT, digital transformation, and data utilization
- 3 Approaches to using systems and tools used in daily operations
- 4 Encouraging acquisition of IT passport qualification

**Head office and branch office technical and management divisions**

- 1 Definition of business requirements definition and basic knowledge of acceptance testing in system development
- 2 Basic knowledge of data utilization and its infrastructure

**Head office digital transformation and information systems divisions**

- 1 Knowledge necessary to take initiative in promoting digital transformation
- 2 Knowledge necessary to operate, improve, and innovate existing systems and infrastructure

**4 Monitoring and Ongoing Education under a Centralized Education Management System**

We are using a centralized education management system for IT and digital transformation personnel development. The system allows us to monitor training status for each employee

and track attendance records, enabling us to offer training tailored to the ability of each individual and continually hone the capabilities of employees.

**Activity Highlights 2 Digitalization of Operations**

Our digital transformation efforts involve steps to create workflows for approval documents and various application forms, as well as digitizing internal documents and invoices from business partners.

**1. Digitization of internal documents**

Starting in the fiscal year ended March 2023, we have been moving ahead with the digitization of internal approval and application documents, seeking to (1) lessen the burden of storage and printing, (2) enhance information retrieval, (3) operate in a more environmentally aware manner by reducing the volume of paper used, and (4) enable new ways of working not bound by location.

Currently, staff can digitally enter, submit, approve, store, and search more than 500 types of approval and application documents. We will continue to work on the digitalization of operations in pursuit of greater efficiency.

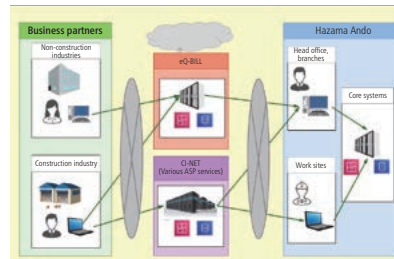
**2. Electronic billing**

Since September 2021, we have been using CI-NET\*-compatible ASP services and an eQ-BILL electronic billing system that we provide,

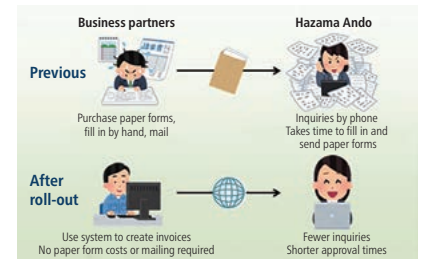
encouraging our business partners to switch from sending paper to electronic invoices. By switching to electronic billing, both Hazama Ando and our business partners can enjoy the benefits of both lower costs associated with buying the invoices we specify and with mailing or otherwise sending invoices, and streamlined billing operations.

\*A dedicated data exchange network for the construction industry.

Overview of electronic billing system



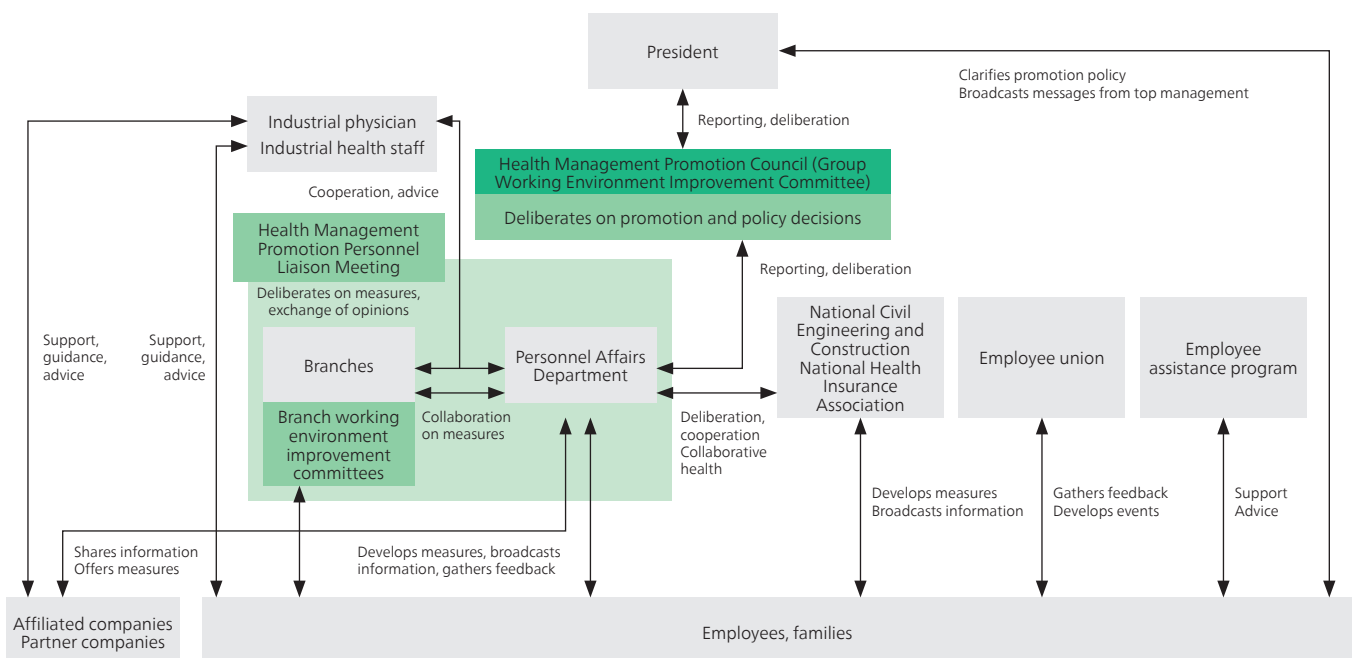
Advantages of electronic billing system



**Activity Highlights 3 Health Management Initiatives**

Believing that a workforce made up of physically and mentally fit employees capable of working energetically will lead to the sustainable growth of the Group and enhanced corporate value, we have put in place a framework for promoting health management in the Group and are implementing various measures in line with our health management strategy map. These include extending a health insurance society-sponsored walking event across the Group; setting in-house smoking rules, holding events to support quitting smoking, and setting up outpatient clinics for employees wanting to quit smoking; promoting health literacy education using original videos; disseminating health information through an e-mail magazine;

encouraging active implementation of ICT-based specific health guidance; and training for managers on using stress check organizational analysis. As a result of these efforts, Hazama Ando was recognized as a 2023 Certified Health & Productivity Management Outstanding Organization (White 500) under a program jointly sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. We will continue to pursue initiatives so that employees can continue to work in good health with a sense of fulfillment and well-being.



# Achieving the satisfaction of society and customers and earning their trust

Relevant SDGs



By providing society with high-quality buildings backed by superior technology, Hazama Ando is striving to boost customer satisfaction and earn society's trust.

## Policies and Approach

### Approach

Civil engineering and building construction provide Hazama Ando's points of contact with society. Thus, the first step toward contributing to the development of society is our commitment to achieve "good building operations" that are responsive to the needs of customers, offering high quality at a fair cost. We will earn and retain the trust of society at large by continuing to support the daily lives of people and the activities of businesses through highly reliable buildings and structures.

### Quality Policy

Promote construction activities using reliable technology, contributing to society and seeking customer satisfaction.

- 1 Understand customer demands and legal requirements, and see situations from the customer's perspective.
- 2 Pursue activities that add greater value at each stage of sales, design, construction, and follow-up support.
- 3 Develop and implement new technologies to address the further expectations of customers and society.
- 4 Continuously improve quality management systems and pursue high quality.

### Intellectual Property Strategy

Recognizing the utilization and development of intellectual property (IP) that contributes to business to be a key management issue, the Hazama Ando Group has established the following strategy for promoting the active utilization and development of IP in our businesses.

- 1 Raise awareness of the importance of invention among all employees, and work together to generate a wealth of IP.
- 2 Define strategic areas and actively implement IP activities that contribute to business.
- 3 Build and actively utilize an IP network that ensures competitive superiority.
- 4 Monitor infringement of owned IP and prevent leakage.

### Pillars Supporting Our Initiatives and Promotion Framework

#### 1. Quality Control and Improvement Efforts

Based on our quality management systems, the Group is engaged in production activities to boost customer satisfaction at each stage of sales, design, construction, and follow-up support.

Under the leadership of the representative director, we are promoting efforts to maintain and improve quality. We are also making continuous improvements through management reviews and internal audits, and ensuring that these are implemented at each branch and construction site.

#### 2. Forward-Looking Development of Technology and Construction Methods

We have a two-fold approach to research and technological development: The civil engineering and construction technology management divisions of the Construction Division both develop construction technology directly tied in with construction sites as well as an array of labor-saving and

automation technologies that contribute to greater productivity; while the Technical Research Institute undertakes R&D into basic and leading-edge technologies. The various technology management divisions are primarily in charge of developing technology that supports construction in specific projects; they implement and guide the use of technology on site. The Technical Research Institute is concerned with longer-term issues, advancing R&D into new technological areas ranging from basic to cutting-edge technologies.

Furthermore, within the Corporate Strategy Division, we have established the Innovation Department, which supports strategies related to new businesses and collaborative efforts that contribute to the diversification of the Group's earnings base and promotes measures to achieve these strategies, and the DX Strategy Department, which formulates and carries forward Group-wide digital transformation and IT policies and strategies that contribute to greater management and operating efficiency and productivity.



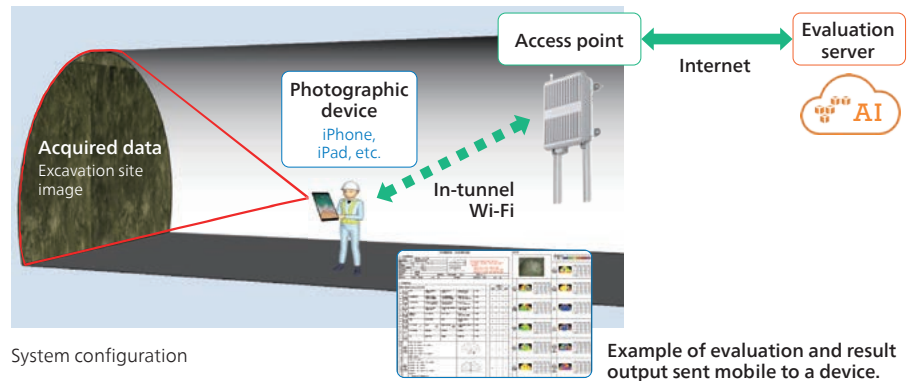
## Pillars Supporting Our Initiatives 1: Quality Control and Improvement Efforts

### AI-Based Image Evaluation System Automatically Evaluates 11 Categories of Tunnel Excavation

In a move to significantly increase productivity in tunnel construction, we are developing an integrated mountain tunneling management system (i-NATM®). A new step forward in this effort involved the development of technology using AI-based, sensing, and other methods to evaluate geological information on tunnel excavation sites. The AI-based image evaluation system we developed evaluates a total of 11 categories related to tunnel excavation using site images captured with mobile devices. On-site trials confirmed the system's ability to evaluate geological information with an accuracy on a par with or surpassing our existing technology. Moreover, there were issues with the existing system, including the ability to only evaluate three excavation-related categories, the fact that evaluation results could only be checked on a computer, and the fact that it required a vehicle equipped with a special camera and measuring equipment. By resolving these issues, the new

system makes possible more efficient operations.

Going forward, we will roll out the new system in tunnel construction projects wherever feasible. We will also improve the AI evaluation model for each rock type using excavation images taken at sites where it is implemented, with the aim of achieving more accurate evaluations that will support our ongoing efforts to boost productivity in tunnel construction.



### Various Awards (in order received)

Numerous technologies and projects developed by the Group have been recognized with awards.

Granting organization	Award	Technology, projects recognized
Kansai Electric Power Co., Inc.	Fiscal 2021 Safety Award, Renewable Energy Category, President Award	Main civil engineering work on Maruyama power station spillway reinforcement work
Ministry of Health, Labor and Welfare	Minister's Award for Achievement in Safety and Health Incentive Award (Safety Assurance)	Osaka Branch Kainan work site (Kainan power plant demolition work and related disposal transactions)
Japan Railway Construction, Transport and Technology Agency (JRTT)	Fiscal 2021 Construction Safety Award, Civil Engineering Category	Sotetsu-Tokyu Link Line: Shin-Tsunashima Station, etc. Hokkaido Shinkansen: Oshima Tunnel (Uenoyu), etc., Shishi Tunnel (Tenjin), etc. Hokuriku Shinkansen: Asamizu-Kawa bridge, etc.
East Nippon Expressway Co., Ltd. Tohoku Branch	Fiscal 2022 Excellence in Construction Awards, Branch Manager Award	Tohoku Expressway Takina River Bridge deck replacement work
Chubu Electric Power Co., Ltd.	President's Choice Award	Nagoya Branch Okuizumi power station, installation work to prevent spillage during trips Akaishizawa power station, Hijirisawa embankment avalanche protection facility improvement and other work
Ministry of Land, Infrastructure, Transport and Tourism Kanto Region Development Bureau	Fiscal 2021 Excellence in Construction, New Technology Promotion Engineer Award	Efforts to automatically evaluate geological information at excavation sites using an information acquisition system (development of excavation geological information acquisition system for tunnel construction)
Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	Fiscal 2022 Excellence in Construction Award	Superior Construction Award: New construction of residence for new House of Councilors Member Shimizutani Excellence in Construction Engineer Award: Hiroki Tao, Site Agent and Supervising Engineer
Ministry of Land, Infrastructure, Transport and Tourism Hokuriku Region Development Bureau	Fiscal 2022 Excellent Company in ICT Use in Construction	HAZAMA ANDO CORPORATION
Japan Federation of Construction Contractors (Nikkenren)	Nikkenren Award 2022	3rd Civil Engineering Award: Takao River diversion tunnel project 63rd BCS Award: Kumamoto Castle reconstruction observation path
Japan Dam Foundation	42nd Dam Construction Merit Award (Construction-Related)	Masahiko Uemura, Tateno Dam Work Deputy Director, Kyushu Branch
Ishimoto Architectural & Engineering Firm, Inc.	45th Technology Incentive Award, Excellence Award	Toyo University International Exchange Residence AI-House HUB-4
Japan Institute of Design Promotion	Good Design Award 2022	Toyo University International Exchange Residence AI-House HUB-4
Japan Institute of Design Promotion	Good Design Award 2022	Shindengen Electric Manufacturing Asaka Office
Japan Society of Civil Engineers (JSCE)	Fiscal 2022 JSCE National Convention 77th Annual Scientific Lectures Excellent Lecture Award	Daisuke Nakanishi, Osaka Branch Mizumi River tunnel work site
Japan Tunnelling Association	90th (Mountain) Construction Case Presentation Award of Excellence	Construction of an extended spillway tunnel with squeezing ground and efforts to improve productivity: Mizumi River intake tunnel Phase 2 construction—(Daisuke Nakanishi, Osaka Branch Mizumi River tunnel work site)
East Nippon Expressway Co., Ltd. Kanto Branch	Fiscal 2020 East Nippon Expressway Kanto Branch Letter of Appreciation	Tohoku Motors Gokuse No. 1 Bridge (locking pier) seismic reinforcement work
Ministry of Health, Labor and Welfare Chiba Labor Bureau	Fiscal 2022 Chiba Labor Bureau Director's Award for Superior Health and Safety	Nakayama Racecourse stand overhaul (Phase 2) construction
Japan Construction Machinery and Construction Association	Fiscal 2022 Japan Construction Machinery Excellence Award	ICT-based construction using remote technology in mountain tunnels (joint award with Furukawa Rock Drill Co., Ltd. and Mac Co., Ltd.)
Japan Society of Civil Engineers	32nd Tunnel Engineering Research Conference Excellent Lecture Award	Productivity gains by linking advanced blasting technology and fully automatic drilling jumbo (Ryota Tendo, Engineering Department No. 3, Civil Engineering Technology Management Division)
Japan Society of Civil Engineers	2022 Civil Engineering Design Prize	Kumamoto Castle reconstruction observation path
Advanced Cogeneration and Energy Utilization Center	2022 Cogeneration Awards, Consumer Category, Excellence Award	Wide-area CO <sub>2</sub> reduction project using distributed power sources and integrated energy management with an eye toward a hydrogen-based society: Case study of implementation at Hazama Ando Technical Research Institute (Tsukuba, Ibaraki Prefecture)
Consortium for Building Research and Development	Fiscal 2022 (20th) Architecture and Housing Technology Idea Competition Excellence Award	Establishment of guidelines for technology development and distribution for the reuse of precast concrete materials toward eco-friendly construction (Miho Oshima, ATD (Advanced Technology Development) Office)
Japan Society of Civil Engineers	Continuing International Contribution Award	Kazuyoshi Takashima, Director of Mageshima Temporary Plant No. 3, Kyushu Branch Civil Engineering Department

## Pillars Supporting Our Initiatives 2: Aggressive Development of Technologies and Construction Methods

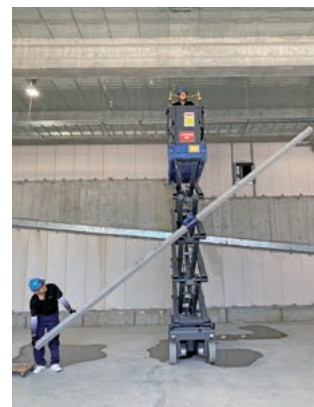
### Joint Development of Equipment for Erecting Long, Heavy Materials Used in Warehouse Partition Walls

In collaboration with Kanamoto Co., Ltd., we have jointly developed equipment for erecting long, heavy building materials (square pipes) used in partition walls in logistics warehouses and other structures during construction work.

As the number of skilled workers decreases and the population ages in Japan, one challenge is not only to boost productivity but also to reduce dangerous and arduous work. Meanwhile, growth in the e-commerce market is driving robust demand for the construction of new logistics warehouses. In building such warehouses, square steel pipes are sometimes used as the base material for walls, having lengths ranging from 6 to 8 meters and weighing anywhere from 60 to over 100 kilograms each. The work involved in lifting the pipes and moving them to where they are to be erected is inefficient and also dangerous.

The new equipment enables greater productivity by short-

ening the time required for the task and reducing the number of workers needed (two workers can perform a task that previously required three or four workers). It also improves safety by reducing dangerous work. Going forward, we will identify issues with actual erection work through on-site trials, making ongoing enhancements to the equipment and jigs and aiming to further boost work efficiency and safety.



Erecting square pipes.

### Aiming to Achieve BIM Level 2

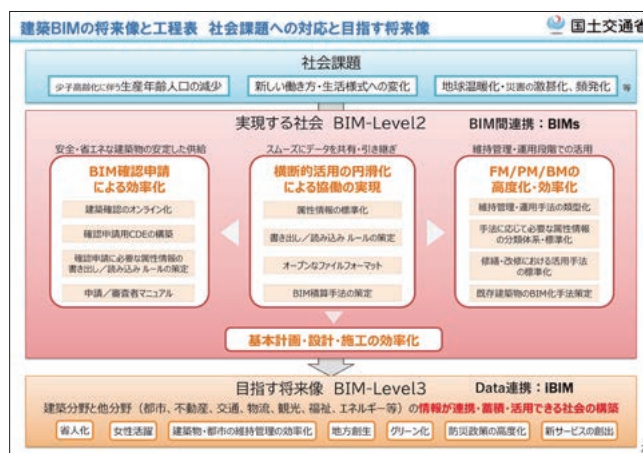
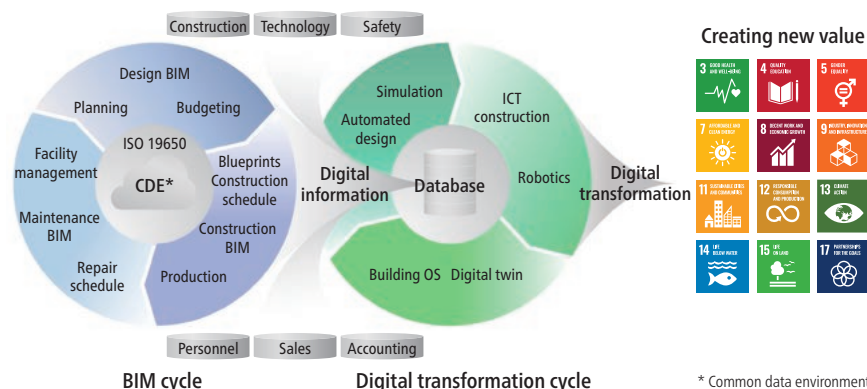
In the fiscal year ended March 2023, the Ministry of Land, Infrastructure, Transport and Tourism's BIM Promotion Roundtable laid down a new direction for addressing social issues in its revised roadmap for the future vision of building information modeling (BIM). In light of government guidelines, we are working toward the more sophisticated use of BIM, including meeting BIM confirmation requests by achieving BIM Level 2 maturity\*; using BIM at the maintenance, management, and operation stages; and further linking, gathering, and utilizing information from the building construction and other fields.

Specifically, we are working toward a complete switch-over from a 2D drawing-based workflow to a BIM-based workflow, which is a prerequisite for achieving BIM Level 2 in the design, construction, and maintenance and management phases. We are steadily building up outcomes from these efforts.

The next step will involve moving ahead with the following initiatives, as we aim to achieve BIM Level 2 in 2025.

- (1) We will establish an effective information linkage flow centered on the BIM model in processes ranging from design and construction to maintenance and management, and work toward more efficient BIM operations.
- (2) We will realize seamless collaboration not only internally but also with customers, partner companies, and manufacturers, seeking to create an environment where all stakeholders can jointly design, construct, and maintain buildings.
- (3) To develop a variety of tools for enhancing work efficiency and quality, as well as to realize processes that further eliminate waste, we will work to improve the productivity of the entire building production process, including through ongoing efforts in our BIM-LEAN project, which is modeled on a system for boosting productivity in the manufacturing sector.

After achieving BIM Level 2 through these efforts, we will set our sights on achieving BIM Level 3 as we build more innovative and sustainable construction processes. We will work



Source: Ministry of Land, Infrastructure, Transport and Tourism "Vision for the Future and Roadmap to BIM (Revised Version)" (March 2023, Japanese only)

together across the Group, harnessing the motivation and creativity of our staff as we strive to refine our technologies and gain knowledge, aiming to become a leading BIM company in the construction industry.

\* BIM Level 2  
BIM Levels were defined in the BIM maturity model published by Mervyn Richards and Mark Bew in 2008. The model breaks down the level at which BIM develops into four stages. BIM Level 2 is said to be the stage where project stakeholders collaborate to build a model based on mutual agreement.

### Verifying Local 5G to Improve Efficiency, Safety of Work Inside Tunnels

In collaboration with MIRAIT ONE Corporation, a leading communications construction company, we are pursuing an initiative aimed at achieving labor savings and ensuring safety in tunnel construction. The project involved trials to verify local 5G quality and accelerated video processing using a newly developed low-latency camera. We conducted the trials in the Shishi Tunnel (Tenjin) along the Hokkaido Shinkansen and at other sites now under construction for work undertaken for the Hokkaido Shinkansen Construction Bureau of the Japan Railway Construction, Transport and Technology Agency. The trials confirmed the feasibility of both systems.

Faced with labor shortages amid a shrinking workforce brought about by a falling birthrate and aging population in Japan, the construction industry is pursuing ways of saving labor and automating construction work. Tunnel work also requires proceeding with fully unmanned construction using digital data to boost efficiency and ensure safety. Achieving this demands faster communication speeds and faster image pro-

cessing in enclosed spaces.

With these trials, our two companies are pursuing the digital transformation of tunnel construction by harnessing the latest ICT to bring about an efficient and highly safe solutions to labor shortages. Meanwhile, the technology we are working to develop can be applied to construction in other enclosed spaces.



Trial at a tunnel work site.

### Development and Use of Carbon Pool Concrete

The Carbon Pool Concrete Consortium is a project, led by Hazama Ando, to develop a carbon neutral concrete that can help bring about a carbon neutral society. Based on the results of various indoor trials, in August 2022, we began manufacturing paving concrete using granulated aggregate that contains a large proportion of calcium carbonate, which sequesters CO<sub>2</sub>, and used it in a trial, paving a section of the parking lot at a vocational school in Tokyo. We will use the trial results regarding the properties and workability of the concrete to inform future development, as we seek to enhance the quality of this material.

In August 2023, as a member of the Carbon Pool Concrete Consortium, we became a sponsor of the Future Society Showcase Project Exhibition—Future Life EXPO: Future City—which will be held at the Expo 2025 Osaka, Kansai, Japan.

Our goal is to make Carbon Pool concrete a cornerstone of a carbon neutral society and to convert concrete, a core material used in construction, into a net carbon-negative material. To this end, we joined a consortium led by the New Energy and Industrial Technology Development Organization (NEDO), a

national research and development institution in Japan, and are participating in one of its Green Innovation Fund projects, developing technology for producing concrete and cement using CO<sub>2</sub>. We continue to work toward the social implementation of this material by 2030.

[Carbon Pool Concrete Consortium website \(Japanese only\): https://www.carbon-pool.com/](https://www.carbon-pool.com/)



Construction trial using Carbon Pool concrete.

### Development of Body Balance Safety Shoes That Reduce Fatigue

In collaboration with Kibera Co., Ltd., a Japanese made-to-order shoe brand, we have developed Body Balance Safety Shoes that aim to help prevent falls and reduce fatigue for staff and workers working at construction sites. Kibera holds a patent on insoles that correct posture. The Body Balance Safety Shoes using these insoles have been well received by roughly 70% of our employees, who report that they are less tiring and easier to work in. Having already gained wide acceptance as our standard in-house safety shoes, we plan to extend the use of these shoes to all of our partner companies working at construction sites.



Body Balance Safety Shoes come in three colors.

# Working in harmony with the communities we serve

Relevant SDGs



As a corporate citizen, the Group places high value on our relationships with the various communities we serve through our operations and work proactively to maintain and foster harmony in the community.

## Policies and Approach

### Approach

Building operation sites are supportable only with daily cooperation between the Group and local residents. We will continue to contribute to the various communities that make up the regional societies in which we work, fulfilling our duties as a corporate citizen. We view as an equally important corporate responsibility our actions, as a Group entrusted with education and culture, to contribute to the younger generation as they prepare to shape the future. We are promoting activities in multiple directions to this end. Further, we will undertake development projects to address various issues facing regional communities in Japan, including declining birthrates, aging populations, and contraction in the regional economy, seeking to offer new solutions that enhance the appeal of regions, including fostering carbon neutrality and job creation.

### Pillars Supporting Our Initiatives

- 1. Activities that contribute to society
- 2. Activities that contribute to culture
- 3. Regional development projects

## Pillars Supporting Our Initiatives 1: Activities That Contribute to Society

### Site Tours and Other Activities

We hold tours at our various sites for local residents and elementary, junior high, and high school students, to provide a venue for interaction with the community and to gain greater understanding of our business. We also carry out a range of CSR activities at these sites.

### Supporting the Art of Possibility Project: Posting Works by Artists with Disabilities at Construction Sites

As part of our ESG management, we support the Art of Possibility Project\* jointly undertaken by Toppan Printing Co., Ltd., NPO Support Center DREAM, and the Borderless Art Organization foundation. Our role is to post art on the temporary walls enclosing our construction work sites. Seen by countless passers-by, the walls serve as a platform giving broad public exposure to the artwork. As of June 2023, we had exhibited artwork at 33 sites nationwide—a steady increase from the previous year. We are also working to better familiarize people with the Art of Possibility Project by adopting selected artwork for use in our business card designs and in novelties.

The amount of financial support for artists with disabilities, including copyright fees, has roughly tripled compared to the fiscal year ended March 2021, making a significant contribution to the artists' ability to participate in social activities and gain economic independence. We will continue this initiative supporting the more widespread recognition of artists with disabilities.

\* An initiative that places value on artwork created by artists with disabilities ("art of possibility"), and aims both to address the social issue of supporting the independence of persons with disabilities and to pursue economic activities.



Artwork painted on a construction site wall.



Novelty incorporating an artist's artwork

**■ Tohoku Branch: Site Tour of New Hazama Ando Tohoku Branch Building Construction**

We held a tour of the construction site of the new Ando Hazama Tohoku Branch Building (tentative name) for students from the Department of Civil Engineering and Architecture at Tohoku University's School of Engineering. The branch is currently being rebuilt in Sendai in Miyagi Prefecture. Approximately 50 students took part. The tour, part of the school's architectural construction course, included time for both lectures and a site tour.

In addition to teaching about the construction process, lectures included overviews of Hazama Ando and of the project as well as a discussion of the acquisition of Net-ZEB (100% or more energy reduction compared to conventional buildings) and ZEH-M Oriented certification (20% or more energy reduction) certifications. We then showcased the Carbon Pool concrete technology the company is currently developing. During the on-site tour, students got a look at the site where foundation work is currently underway, including pressure-resistant plates made of low-carbon concrete and underground beam reinforcement. Students actively asked questions as staff demonstrated pressure welding of reinforcing bars and ultrasonic detection of flaws.

Our company aims to help the students who will be responsible for the construction industry in the future to gain a better understanding of the industry while also work to enhance the industry's image and offer young people further options for the future.



Site tour.

**■ Kyushu Branch: Site Tour of Sasebo Expressway Tenjinyama Tunnel Construction for Parents and Children**

We held a site tour for elementary school students and their parents at the Sasebo Expressway Tenjinyama Tunnel section of the Nishi-Kyushu Expressway, a project for West Nippon Expressway Co., Ltd. in Sasebo in Nagasaki Prefecture. Open to the public, the tour was organized by the Western Branch of the Japan Society of Civil Engineers. About 30 parents and children took part.

In addition to providing explanations about tunnels and construction methods, the lecture offered participants a deeper understanding of the purpose and progress of the Tenjinyama Tunnel construction. During the site tour, employees led visitors through the tunnel now being built, giving them a feel for the atmosphere of the site. The children were also riveted by massive construction machinery that they would normally not be able to see.

The tour was a memorable part of the summer break for the elementary school students and their families, and offered children the opportunity to gain an interest in the construction industry.



Site tour.

**Technical Research Institute PR activities**

The Technical Research Institute, which opened in 1992 in Tsukuba, Ibaraki Prefecture, has been carrying out R&D for more than a quarter of a century. Since its opening, the Institute has served as a venue for publicizing the activities not only of Hazama Ando but also of the construction industry as a whole, as we have invited a host of visitors to discuss how the infrastructure of people's lives is created.

Although visits have been suspended since 2020 over COVID-19 concerns, in a typical year, we hold a tour of the Institute during Science and Technology Week that is open to the general public, sponsored by the Ministry of Education, Culture, Sports, Science and Technology. There is also a science and technology promotion program for elementary and middle school students, called "Tsukuba Little Professors." We are currently considering resuming tours for the general public, taking into account measures to ensure the safety of construction work at the Institute and to prevent infection.

Meanwhile, at the request of the Japan International Cooperation Agency (JICA), we held a tour for trainees coming from organizations involved in the seismic resilience of buildings and infrastructure in the Dominican Republic. They were keenly interested in particular in the seismic technology we incorporate into construction.

To foster awareness of our technology going forward, we will continue to actively interact with people in Japan and overseas.



Technical trainees visiting from the Dominican Republic.

## Pillars Supporting Our Initiatives 2: Activities that Contribute to Culture

### Preserving, Repairing, and Restoring Cultural Properties and Historic Buildings

For many years, the Group has engaged in preserving, repairing, and restoring cultural properties and historic buildings. We have been involved in many such projects in recent years, as well as in the seismic retrofitting of buildings constructed since the Meiji era that are considered modern heritage sites. One project completed in the previous fiscal year was seismic retrofitting and repair work on the former Moji Mitsui Club, an important cultural property, undertaken for the city of Kitakyushu in Fukuoka Prefecture.

In the field of castle wall construction, we have received high marks for the technology we use in the seismic retrofitting castle towers that are cultural properties, in the restoration of wooden structures using traditional construction techniques, and in preservation and repair work on traditional stone walls.

We are also actively developing technologies that fuse advanced and traditional techniques. We will continue to capitalize on the technologies we have accumulated—such as the 3D modeling of Ozu Castle and approaches to identifying and examining the deterioration of traditional building materials—as we contribute to society by undertaking conservation, repair, and restoration projects for cultural properties, historical buildings, and civil engineering structures.



Former Moji Mitsui Club.

### Supporting Dedication of Outdoor Firelight Noh Performances at Meiji Jingu Shrine

Hazama Ando co-sponsors the dedication of outdoor firelight Noh performances held at Meiji Jingu Shrine in Tokyo every autumn. 2022 marked the 41st time the performance has been held since the first such performance was attended by Prince Hironomiya (the current Emperor) in 1982.

The Group's involvement in the Noh performances began in 1980, when we received an order for the construction of the National Noh Theater in Tokyo's Shibuya Ward. The outdoor performance by firelight was started in the hope of helping to pass on traditional Japanese performing arts and spark interest in the study of Noh theater. Every year, desiring a wide range of people to enjoy Noh by firelight, we invite about 2,000 people to attend without charge, including people from the general public chosen by lottery. The performances have been well received, not only by spectators but also by the Noh and Kyogen (short comic play) performers themselves.

The 41st dedicated firelight Noh performance was held at Meiji Jingu Shrine in October 2022. Because our top priority was on preventing COVID-19 infection and on the health and safety of visitors, however, the dedicated performance was carried out this year without spectators.



The 41st dedicated firelight Noh performance held at Meiji Jingu Shrine, entitled "Kamo" (Photograph: Fuminori Mikami)

## Pillars Supporting Our Initiatives 3: Regional Development Projects

### Regional Comprehensive Partnership Agreement with Buzen City and erex Co., Ltd.

In April 2022, we entered into a regional comprehensive partnership agreement with the city of Buzen in Fukuoka Prefecture and electric power company erex Co., Ltd. for the purpose of helping to bring about sustainable urban development.

The agreement aims to promote carbon neutrality in the region by capitalizing on the renewable energy-related technologies and expertise possessed by Hazama Ando and erex, as well as contribute to regional revitalization through sustainable urban development and spur economic circulation drawing on local resources in Buzen. The three parties will work together closely, engaging in frequent dialogue as well spell out specific details of the partnership.

#### Scope of cooperation in the agreement

Matters related to:

1. The realization of a carbon neutral society
2. Environmental conservation and disaster prevention measures
3. Regional economic development, including promoting industry
4. Promoting tourism
5. Promoting internationalization and international exchanges
6. Improving health, medical care, and welfare, and promoting education and culture
7. Other facets of regional revitalization and improvements to citizen services



Signing ceremony.

(center: Mayor of Buzen Motohide Goto, left: Kyushu Branch Manager (at the time) Hisakazu Goshō, right: erex Director Yasushi Saito)

# Creating safe, comfortable working environments

Relevant SDGs



Our top priority is on ensuring the health and safety of our employees. In addition to complying with all relevant laws and regulations, we strive to cultivate working environments that ensure the safety and health of our employees as well as maintain their comfort.

## Policies and Approach

### Health and Safety Policy and Promotion Measures

The Group's health and safety policy of "putting safety above all" values every human life. Based on this policy, we are taking ongoing actions to ensure that all of our people, including employees and workers on site, understand the significance of this policy and work together to build an accident-free Hazama Ando.

#### Health and Safety Policy

Putting safety above all

#### Health and Safety Slogan

Point-out and call-out safety confirmation  
Follow the rules and work safely  
"Check"

#### Health and Safety Promotion Measures in Fiscal 2022

- 1 Better safety management through an occupational health and safety management system
- 2 Rigorous safety education
- 3 Prevention of public disasters
- 4 Addressing frequently occurring accidents
- 5 Thorough health management
- 6 Greater cooperation with the Hazama Ando Cooperative Association
- 7 Measures in the event of disaster

### Guidelines for Personnel Development

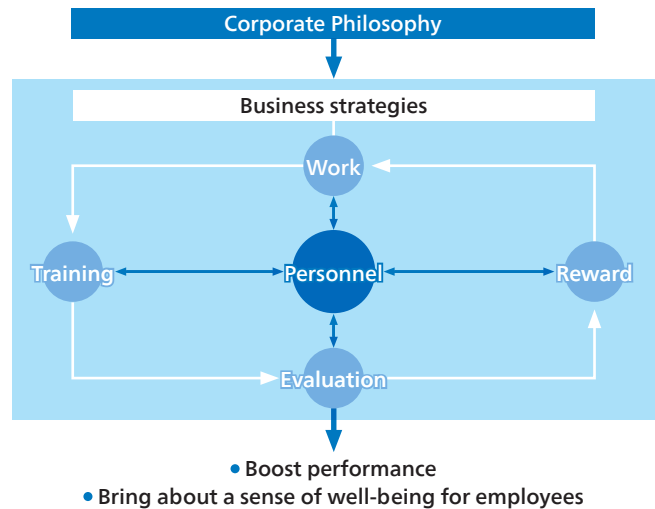
Foster an organizational culture where diverse personnel can actively demonstrate their full potential and take on challenges for the benefit of society.

Provide opportunities and support for employees to approach the ideal they envision for themselves

Continuously, systematically cultivate personnel from a long-term perspective

### Approach to Personnel

Grounded in the Corporate Philosophy, the guiding concept behind our HR systems is a personnel-centered cycle extending from work to training, evaluation, and reward. Through this cycle, we aim to foster employee fulfillment and motivation, boost performance, and bring about a sense of well-being for employees.



### Our Expectations for Personnel

**Mutual Development:** Value the people you work with and grow together with them.

**Challenge:** Meet adversity with ambition and accomplish your goals.

**Creativity:** Think for yourself and create new value.

### Pillars Supporting Our Initiatives and Promotion Framework

#### 1. Occupational health and safety

The Group has built a framework to ensure that our health and safety policies are carried out. Under the supervision of the Safety, Quality and Environment Division and the Construction Division, we have formulated 10 Safety Steps to Avoid Repetitive Accidents as well as Hazama Ando Safety Rules, for all employees to observe. In line with these guidelines, we are working to make health and safety a part of the daily routine at all branches and work sites, as well as pursuing educational activities and other measures to further instill a safety culture.

#### 2. Utilization and training of personnel

Under the Personnel Development Policy we revised in April 2023, we are aiming to instill the values of mutual development, challenge, and creativity throughout the Group so that Hazama Ando and its employees can grow together. While the Career Development Department and the departments in charge of education in each division take the lead in developing an array of educational programs for employees, we view personnel development as an issue involving all employees and are working to foster a culture of where people can grow.



## Pillars Supporting Our Initiatives 1: Occupational Health and Safety

### Efforts to Eliminate Repetitive Accidents

In the construction industry, many work-related accidents are repetitive in nature. The Group has compiled case studies of past accidents and established 10 Safety Steps to Avoid Repetitive Accidents, which we update every year. We are implementing these measures in construction projects both in Japan and overseas.

At our construction sites, we have installed digital signage and large displays at daily morning safety assemblies, worker rest areas, and conference rooms.

We are stepping up efforts to create videos and slides to make a range of safety content more visually appealing, includ-

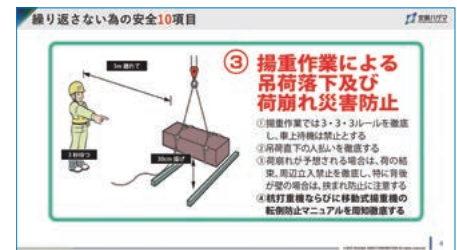
#### 10 Safety Steps to Avoid Repetitive Accidents

1. Prevention of accidents due to falls
2. Prevention of accidents involving floor and wall openings
3. Prevention of accidents due to dropping of suspended loads or toppling during lifting
4. Prevention of accidents caused by contact with heavy machinery
5. Prevention of accidents due to fire use
6. Prevention of accidents through appropriate worker assignments based on sound health management
7. Prevention of accidents due to handling of high-pressure, high-output equipment or general equipment
8. Prevention of third-party or public disasters
9. Prevention of accidents due to slope collapse or shaft wall collapse
10. Prevention of accidents involving scaffolding platforms

ing the President's safety message during National Safety Week, Hazama Ando safety rules, the 10 Safety Steps to Avoid Repetitive Accidents, and measures to prevent heatstroke and traffic accidents.



Sign at morning safety assembly.



Video signage (ten categories).

### Measures to Prevent Recurrence of Fire Accidents

Following a large fire accident which resulted in numerous casualties at a construction site in Tama, western Tokyo, in July 2018, we renewed our commitment to the principle of the Group's health and safety policy, "putting safety above all"—in other words, our conviction that safety that protects human life and health must take precedence over processes, costs, or any other consideration.

To thoroughly instill this commitment afresh throughout the Group, we have directed all officers and employees to ensure that recurrence prevention measures are implemented. Specific measures to prevent recurrence at each work site include changing to construction methods that eliminate the risk of fire and do not use open flames and in principle prohibiting the use of open flames near combustible materials in principle.

Moreover, to ensure that no officer or employee ever forgets the fire accident that occurred and to inculcate a strong resolve to never cause another accident or fire, as well as to pass on the vivid memory of the accident, we have produced training videos and continue to ensure that all officers and employees watch them.

We will take measures to prevent recurrence and thoroughly implement safety rules. We will also pursue ongoing improvements, steadily implementing a PDCA (Plan, Do, Check, Act) cycle for occupational health and safety management, and working with partner companies to further raise occupational health and safety standards, taking action to eliminate all accidents, not only fires.

## Pillars Supporting Our Initiatives 2: Utilization and Development of Personnel

### Hazama Ando's Personnel Development: Employees and the Group Growing Together

In addition to core on-the-job training in the workplace, we also offer a broad menu of off-the-job training programs to cultivate personnel.

In April 2023, we revised our Personnel Development Policy, restructured the education system, and reviewed our lineup of training programs. In the fiscal year ended March 2023, we introduced a new regional management training program, giving employees who are active in regional positions an

opportunity to reflect on their own experiences and reconsider ways in which they can contribute to the organization.

Also during the year, we worked to round out our educational programs, including expanding the training menu for executives in line with our succession plan, training for new general managers, and launching a program to cultivate next-generation leaders. For some programs, we have introduced voluntary enrollment in an effort to foster a culture in which

employees take ownership of their own learning.

We have also for many years conducted training for new employees at the Technical Research Institute under the guidance of experienced in-house instructors. In this training, new employees themselves perform nearly all construction tasks,

such as raising scaffolding, ordering materials and equipment, and placing concrete.

We will continue to review the educational framework, pursuing personnel development that helps the Company and employees grow together.

### Major Personnel Development Measures Planned for Fiscal 2023 (Group Training by Job Position)

Program	Participants	Objectives
Training for all new employees	New employees	Learning the basics of working in business
Leadership training	(Third year)	Fostering leadership awareness and learning subordinate guidance skills
Basic management training	Newly promoted staff (group leader class)	Understand the systematic theory of business execution and human capital development based on the principles of management.
Intermediate management training	Newly promoted staff (manager class)	Learning skills, approaches to simultaneously pursuing business execution and personnel development that encourages managers to put management principles into practice in the workplace.
Advanced management training	Newly promoted person (division manager class)	Understanding the importance of cultivating successors, taking an interest in supporting the development of their capabilities, and acquiring interviewing skills.
New manager training	Newly appointed officers (division managers)	Learning the process of clarifying aspirations as a manager, charting the direction of an organization, and leading and developing a team.
Regional management training	Newly promoted staff (regional positions)	Thinking about how to contribute to the organization and capitalize on one's abilities.

\* In addition to the above, we carry out executive training based on the succession plan, specialized training by job type, training by area such as safety and compliance, and assigned training for next-generation leaders.

### Taking Advantage of Diverse Personnel

We are creating working environments where diverse personnel can draw on their individuality and enjoy their work regardless of nationality, gender, age, disability, or other difference.

In addition to realizing fair and open hiring practices, we have established a promotion system to reward employees who demonstrate stronger performance on the job.

For the foreign nationals we employ in Japan, we support their Japanese language learning and encourage networking with other foreign employees to help them demonstrate their full potential.

We also support a balance between work and home life. We have introduced our own work-life balance support system and put out handbooks on childcare support systems and long-term care to gain greater understanding of Group initiatives. In the fiscal year ended March 2023, we revised the childcare leave system in line with changes in the law in Japan. The childcare handbook includes interviews with male employees who have taken childcare leave, and we revised the content to encourage more men to take such leave. We will continue to work to foster an environment in which both men and women can work and raise a family without anxiety.

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Male employees taking childcare leave (percentage)	9 (13.8%)	8 (13.6%)	17 (18.3%)	17 (26.6%)
Female employees taking childcare leave (percentage)	32 (100%)	13 (100%)	15 (100%)	15 (100%)
Returnees after childcare leave	19	9	16	16
Users of reduced working hour system	36	33	26	43
Job return applications	3	0	0	0
Employees rehired after retirement (percentage)	60 (84.5%)	58 (90.6%)	52 (83.8%)	57 (82.6%)
Foreign employees	51	54	50	47
Employees with disabilities (including special disabilities)	45 (23)	45 (22)	50 (22)	52 (22)
Average length of employment: male	19.4	18.9	18.8	18.8
Average length of employment: female	10.9	11.1	11.5	11.7
Percentage of full-time female employees (to all employees)	12.7%	12.9%	13.3%	14.2%
Percentage of women among new graduate hires (full-time)	22.0%	9.6%	18.7%	20.5%
Number of female managers (equivalent to manager class)	22	22	23	29

## Initiatives to Promote Diversity

Hazama Ando promotes diversity and inclusion, including the active participation of women. We have incorporated diversity management training into our training by job position and implement such training on an ongoing basis. In addition to content related to the empowerment of women, training covers topics such as how men can take childcare leave and how to interact with younger employees. Our aim is for managers to discover that employee expectations are becoming increasingly diverse and to understand the need for managing a diverse workforce.

In the fiscal year ended March 2023, we held training for executives on the theme of approaches to human capital management that invite the willing and active participation of Gen Z employees. The training referenced the values and traits of Gen Z people, allowing participants to think anew about societal shifts and deepen their understanding of the changing norms of organizational management.

For female employees, we also conduct group training aimed at supporting career development. During the year, we invited a woman who is active in the business world in Japan to come in and hold a career support seminar. In the seminar, which was attended by over 130 people, this female business leader shared her own experience of building a career by flexibly overcoming barriers of gender and nationality. She encour-

aged employees to become aware of their own unconscious bias, which is shaped by past experience, information, and values, and emphasized the importance of being yourself and taking on challenges, encouraging women to chart their own career paths to align with their own priorities.

Recognizing their immense potential to flourish amid globalization, we continue to employ foreign personnel, seeking to realize workplaces where every individual can leverage their abilities regardless of nationality.



Talk by Yuko Tashiro, Director and Chairman of the Board of Accordia Golf Co., Ltd.



Materiality

2

## Protecting and being attuned to the natural environment

### Overview of Fiscal 2022 Results

In addressing the material issue of protecting and being attuned to the natural environment, we have sought to construct a business framework that can help realize the key CSR theme of creating environmental abundance, centered around the approaches of reducing environmental impact and risks and taking steps to achieve biodiversity. In the fiscal year ended March 2023, we also set key performance indicators linked to the medium-term management plan and identified Goals 7, 12, and 13 as the core SDGs linked with this material issue. We further accelerated management aimed at optimizing our environmental impact, including through the promotion of carbon neutral businesses, the construction of a business framework that contributes to a circular society and low environment impact, and the enhancement of disclosure.

The year was also marked by our formulation of more detailed environmental objectives and targets for the three-year period ending March 2025 to establish a PDCA framework for each issue with reference to the supply chain. For the fiscal year ended March 2023, the first year of the updated plan, we made steady headway in each of our target areas, including earning high ratings in the CDP's 2022 supplier engagement rating.

To continue creating environmental value, we will press forward with initiatives that are of keen interest to stakeholders, starting with the transition to carbon neutrality in our businesses, as well as the Hazama Ando Next-Generation Energy Project, the shift to net zero-energy building (ZEB) standards for construction projects, and ongoing promotion of a circular business model.

**Activity Highlights 1** **CO<sub>2</sub> Reductions in Third Year of Trial of Hazama Ando Next-Generation Energy Project**

The Group launched a trial of the Hazama Ando Next-Generation Energy Project in April 2020 as part of our efforts to address energy-related issues in Japan.

The trial entails three types of experiments at multiple energy demand sites in remote locations, including at the Technical Research Institute. (1) We installed a power generation plant that combines a fuel cell capable of using CO<sub>2</sub>-free hydro-

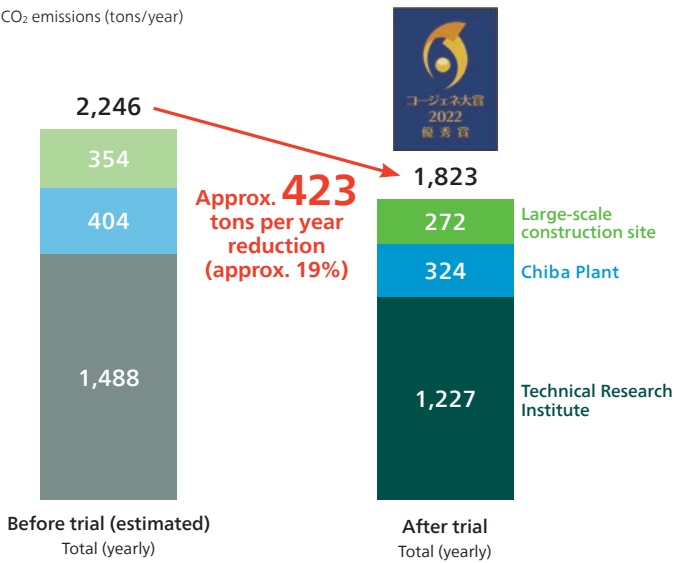
gen\* as fuel with a gas engine generator-based cogeneration system. Heat generated is supplied to accommodation facilities on the same site. (2) In the main building of the Technical Research Institute, we reduced electricity demand by drawing on existing energy-saving technologies, and are distributing the amount of power saved across a wide area. (3) The low-CO<sub>2</sub> electric power generated by the above-mentioned plant is distributed to multiple wide-area demand sites using a self-consignment system. In this way, we are comprehensively managing electricity and heat used at the three facilities and establishing demand forecasts for different building applications—a laboratory, a plant, and a construction site. We are also accurately adjusting power supplied by the cogeneration plant. Underway for three years now, the trial has reduced total CO<sub>2</sub> emissions at the three facilities by roughly 19% per year (roughly 12% over the three-year period). Recognizing its fresh, leading-edge approach, novel technology, and energy-saving performance, the Advanced Cogeneration and Energy Utilization Center recognized this project with its Excellence Award in the Consumer Category at the 2022 Cogeneration Awards.

By continuing to verify and improve outcomes, we are aiming to establish even more optimal low-CO<sub>2</sub> energy management. This project better positions the Group to help bring about a carbon-free, sustainable society.

\* CO<sub>2</sub>-free hydrogen:  
 - Hydrogen with low greenhouse gas emissions during manufacturing  
 - Hydrogen produced in a way that significantly reduces CO<sub>2</sub> emissions  
 - Hydrogen considered to have higher environmental performance, with a focus on CO<sub>2</sub> emissions at the manufacturing stage

**CO<sub>2</sub> emissions at three facilities**

CO<sub>2</sub> emissions (tons/year)



**Activity Highlights 2** **Biodiversity Greening Initiatives at the Technical Research Institute**

The Technical Research Institute, located in the city of Tsukuba in Ibaraki Prefecture, has set aside a green space that is home to 35 species of plants, including the white oak (*Quercus myrsinifolia*) and Japanese privet (*Ligustrum japonicum*), species that are native to Tsukuba. The green space serves as a trial field for the creation of lush natural landscapes.

Specifically, we are using our greening design support tool, Ikimono Plus, to select a variety of native plants and investigate their growth, and also carry out monitoring surveys of the birds that fly around the site to ascertain connections between the native flora and fauna active in the green space. Additionally, to reduce the amount of chemical pesticides used and lessen the impact on the ecosystem, we are making use of hot-water weed control and nurturing plant species that exhibit allelopathic effects, i.e., plants that suppress the growth of other plants.

Furthermore, to help our employees gain a deeper understanding of the importance of conserving biodiversity, we publish an in-house newsletter called *Ikimono Tsushin* (Living Things News), showcasing examples

of initiatives related to plants and animals. We also carry out environmental education and offer other in-house learning opportunities.

Going forward, along with initiatives of the Institute, we will continue to provide customers with technical development and support for the planning, design, construction, and management of green spaces so that their business sites remain lush green environments thriving with living creatures.

**Creating Lush Natural Landscapes**

**Selection of native plant species using Ikimono Plus**

- Japanese beautyberry (*Callicarpa japonica*)
- East Asian eurya (*Eurya japonica*)
- Japanese privet (*Ligustrum japonicum*)

**Green space management that does not rely on chemical pesticides**

- Application of hot-water weed control
- Nurturing plant species with allelopathic effects

**Publication of *Ikimono Tsushin***

**Broadening**

**Protecting**

**Bird monitoring survey**

- Dusky thrush
- Male bunting
- Pheasant
- White wagtail
- Lark
- Black wagtail

Monitoring results are reflected in green space renovation plans (i.e., priority selection of tree species preferred by birds, etc.)

# Creating environmental abundance

Relevant SDGs



To pass on an abundant global environment to the next generation, the Group will actively work to bring about a carbon-free, circular society. We will also take actions to protect, restore, and create biodiversity to help realize a society that can coexist with nature.

## Policies and Approach

### Approach

We revised the Group's Environmental Policy in April 2018 to further accelerate environmentally oriented management aimed at bringing about a low-carbon, circular society that can coexist with nature. We are taking steps to help promote further carbon neutrality and bring about a sustainable society by obtaining Science Based Targets (SBT) re-certification, which involves revising our global temperature rise target to the 1.5°C level. Other moves involve participation in the RE100 (Renewable Energy 100%) initiative, as well as disclosing climate change-related information based on the TCFD recommendations.

### Environmental Policy

To protect the abundant green earth and bring about a sustainable society, we will contribute to protecting the environment and reducing environmental impact across the Group.

- 1 Work to reduce greenhouse gas emissions to help bring about a low-carbon society
- 2 Reduce construction by-products to help bring about a circular society
- 3 Take actions to protect, restore, and create biodiversity to help bring about a society that coexists with nature
- 4 Continuously improve environmental management systems and achieve greater results from environmental conservation

### Key Environmental Initiatives

We have established key medium- and long-term environmental initiatives to give concrete shape to the Environmental Policy.

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1 Initiatives related to global warming           <ul style="list-style-type: none"> <li>● Reduce greenhouse gas emissions and promote energy saving</li> </ul> </li> <li>2 Initiatives related to biodiversity conservation and sustainable use           <ul style="list-style-type: none"> <li>● Consider risks to biological resources and ecosystems and minimize impact</li> </ul> </li> <li>3 Initiatives to ensure material recycling and build a circular society           <ul style="list-style-type: none"> <li>● Mission to achieve net zero construction waste</li> <li>● Extend the life cycle of buildings, build an environmentally conscious society</li> </ul> </li> </ol> | <ol style="list-style-type: none"> <li>4 Initiatives related to water conservation           <ul style="list-style-type: none"> <li>● Work toward conserving a sound water environment attentive to the conservation of regional characteristics and biodiversity</li> </ul> </li> <li>5 Initiatives related to air quality conservation           <ul style="list-style-type: none"> <li>● Reinforce efforts to combat air pollution and deal with asbestos, etc.</li> <li>● Reinforce efforts to address living environment issues such as noise and vibrations</li> </ul> </li> <li>6 Initiatives to establish comprehensive chemical substance measures           <ul style="list-style-type: none"> <li>● Increase understanding of environmental risks caused by chemical substances and reduce risks</li> </ul> </li> </ol> |
|--|--|

### Three-Year Environmental Objectives and Targets (Fiscal 2022–Fiscal 2024)

The Group established new three-year environmental objectives and targets in the fiscal year ended March 2023. In addition to initiatives to bring about a low-carbon, circular society that can coexist with nature as indicated in the Environment Policy, we formulated key medium- and long-term environmental targets to give concrete shape to the policy. To reduce greenhouse gas emissions, in addition to setting a new target for total CO<sub>2</sub> emissions, we are stepping up efforts to shift to net zero-energy building (ZEB) standards as an environmentally friendly target for design. In terms of bringing about a society that can co-exist with nature, we set targets for biodiversity conservation actions. To bring about a circular society, we set a target for the reduction of mixed waste intensity. In terms of environmental risk management, we are targeting increased environmental site visits.

In addition to these targets to implement the Environmental Policy, we are promoting environmentally oriented management across the Group. We hold events during Environment Month and engage in other activities to raise environmental awareness, and set goals for actions that contribute to the environment and society.

Three-Year Environmental Objectives and Targets (Fiscal 2022–Fiscal 2024)

1. Actions to prevent global warming						
Area	Objective, target	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
<b>1.1 Reduce greenhouse gas emissions</b>						
Shared	Procure electric power from renewable energy*1	(%)	15	25	40	
Shared	Reduction of total CO <sub>2</sub> emissions (SBT reduction target) (Reduction rate versus FY2017 [Scope 1 and 2])	(%)	12.7	15.3	17.8	
Civil Engineering	CO <sub>2</sub> emissions per completed construction at the construction stage	(tons of CO <sub>2</sub> /100 million yen)	45.0	43.0	41.0	
Building Construction	CO <sub>2</sub> emissions per completed construction at the construction stage	(tons of CO <sub>2</sub> /100 million yen)	9.7	9.4	9.1	
Civil Engineering and Building Construction	Supply energy through a next-generation CO <sub>2</sub> cogeneration plant	(tons of CO <sub>2</sub> )	150	160	170	
Offices	Reduce CO <sub>2</sub> emissions at head office, branches, and sales offices	Emissions (tons of CO <sub>2</sub> )	3,033	2,722	2,425	
	Total reduction compared to fiscal 2017 (SBT reduction basis)	Reduction rate (%)	22.5	30.4	38.0	
<b>1.2 Promote environmentally friendly design and technology</b>						
Building Construction	Enhance overall environmental performance by applying simplified CASBEE rating (Comprehensive Assessment System for Built Environment Efficiency)	(%)	Proportion: 100 A rank or higher: 60	— —	— —	
Building Construction	Implement environmental proposals based on life cycle assessment results for design-build projects of 2,000 square meters or more*2	(%)	—	100%	100%	
Building Construction	Shift to net zero-energy building (ZEB) standards	(projects)	Verified: 4 (cumulative) Proposed: 5	Verified: 5 (cumulative) Proposed: 5	Verified: 6 (cumulative) Proposed: 5	
Civil Engineering	Environmental technologies developed	(projects)	1	1	1	
	Environmental technology design and construction projects adopted		2	2	2	
Construction Technology	Environmental technologies developed	(projects)	1	1	1	
	Environmental technology design and construction projects adopted		2	2	2	
2. Actions to conserve biodiversity (helping to bring about a society that can coexist with nature)						
Area	Objective, target	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
<b>2.1 Steadily pursue biodiversity-friendly initiatives related to construction projects</b>						
Shared	Instill understanding of biodiversity conservation, take definitive actions at spotlighted work sites, make new proposals, conduct internal and external PR	(cases)	30	30	30	
Technology	Technologies related to biodiversity: a: examinations, b: development, c: trials, d: application to projects	(cases)	a: 2, b: 1, c: 1, d: 1	a: 2, b: 1, c: 1, d: 1	a: 2, b: 1, c: 1, d: 1	
3. Actions to build a circular society						
Area	Objective, target	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
<b>3.1 Recycle construction waste</b>						
Civil Engineering	Reduce total mixed waste per completed construction by containing waste generation on site and strengthening sorting processes	(tons/100 million yen)	0.95	0.85	0.8	
Building Construction	Reduce mixed waste intensity per total floor area at new construction projects	(kilograms/square meter)	6.8	6.7	6.5	
4. Actions to manage environmental risk (protecting water and air environments, comprehensive chemical substance measures)						
Area	Objective, target	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
<b>4.1 Actions to prevent environmental accidents</b>						
Civil Engineering and Building Construction	Augment environmental site visits * Visits to the civil engineering and building construction departments of branch offices	(%)	Civil Engineering: 75 Building Construction: 75	Civil Engineering: 90 Building Construction: 90	Civil Engineering: 100 Building Construction: 100	
5. Actions to promote environmental awareness and disclosure of environmental activities						
Area	Objective, target	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024	
<b>5.1 Promoting environmental awareness and disclosure</b>						
Shared	Promote Environment Month activities * Participation rate for all eligible sites Indicates participation in events held during June Environment Month	(%)	100	100	100	
Shared	Promote environmental initiatives through environmental and eco-site visits	(activities)	30 or more	30 or more	30 or more	
Shared	Promote more robust actions that contribute to the environment and society Take actions to contribute to the environment and society	(actions)	Civil Engineering: 3 per work site Building Construction: 3 per work site Offices: 80 per year	Civil Engineering: 3 per work site Building Construction: 3 per work site Offices: 80 per year	Civil Engineering: 3 per work site Building Construction: 3 per work site Offices: 80 per year	

Shared: Indicates entire Group (Civil Engineering, Building Construction, technology R&D, and offices)

\*1 Targets for electric power from renewable energy do not include amounts procured by non-fossil fuel certificates.

\*2 Life cycle assessment with revised targets for fiscal 2023 and fiscal 2024: Life cycle assessment (data on CO<sub>2</sub> emissions) based on a life cycle assessment support system developed in-house.

Pillars Supporting Our Initiatives

- 1. Reducing environmental impact and risks
- 2. Taking steps to achieve biodiversity

**Pillars Supporting Our Initiatives 1: Reducing Environmental Impact and Risks**

**Shifting to ZEB, ZEH Standards and Building a Green Track Record**

One aspect of seeking to help bring about a sustainable society is our shift to net zero-energy building (ZEB) and net zero energy house (ZEH) standards\*1. We have been steadily gaining technological prowess and establishing a track record in these areas.

We received ten ZEB and ZEH orders in the fiscal year ended March 2023, a marked increase over previous years. In addition to our track record in newly built offices, we are also gaining experience in other types of buildings and renovations, developing and more broadly implementing the requisite technologies. Moreover, due to efforts at our Tohoku branch office, we were registered as a ZEB leading owner and are working to gain greater awareness of ZEB and ZEH construction.

In addition to obtaining ZEB or ZEH certification to ensure high environmental performance at the design stage, we are also conducting commissioning\*2 trials for some of our ZEB and ZEH design-build projects, aiming to ensure comfort and

energy savings at the stage of operation after completion. Many ZEB and ZEH buildings incorporate advanced energy-saving systems, but actual energy-saving performance varies significantly depending on how they are operated. By bridging the gap between initial design assumptions and operation and ascertaining optimal operating methods, we can ensure energy savings throughout the life cycle of the building. We plan to build on these initiatives going forward.

\*1 <https://www.ad-hzm.co.jp/solution/zeb> (Japanese only)

\*2 <http://www.bsca.or.jp/outline/commissioning02.html> (Japanese only)

**ZEB, ZEH Planning Track Record**

FY2022 ZEB, ZEH Orders		
Less than 300 m <sup>2</sup>	Less than 2,000 m <sup>2</sup>	More than 2,000 m <sup>2</sup>
0	2	8

**Applying “Ash-Crete” to Tsunami Breakwater at Fukushima Daiichi Nuclear Power Station**

Hazama Ando has developed “ash-crete,” a technique for making effective use of large quantities of coal ash, which typically includes unevenly sized particles and has unstable quality. We have effectively used more than 1.7 million tons of coal ash to date using the “ash-crete” technique.

We are currently applying “ash-crete” as part of the decommissioning work for the ground floor of Tokyo Electric Power’s Fukushima Daiichi Nuclear Power Station, in the materials manufacturing work for the ground floor Japan trench tsunami breakwater. The project involves a terre armée reinforced earth wall

technique for erecting the breakwater. For the embankment inside the terre armée structure, rather than ordinary soil we are using “ash-crete” manufactured at a temporary dedicated plant located near the breakwater, and sourcing coal ash from the nearby Hirono Thermal Power Station of JERA. In this way, we solved the difficulty of procuring large quantities of materials and other process-related issues. The construction period spans the fiscal year ended March 2022 to the fiscal year ending March 2024. By effectively using coal ash in a long-term and consistent manner, we are helping to reduce environmental impact.



“Ash-crete” construction.



Part of the completed breakwater.



## Pillars Supporting Our Initiatives 2: Taking Steps to Achieve Biodiversity

### Biodiversity Initiatives for Goal 15 of the SDGs: Active Use of Ikimono Plus and Ikimono Info

Ikimono Plus (*ikimono* means “living thing” in Japanese) is a building greening design tool used to support the planning of green projects that take biodiversity into consideration. The tool helps to enhance the functionality of CASBEE (Comprehensive Assessment System for Built Environment Efficiency) evaluations. Having jointly developed the tool in the fiscal year ended March 2014, we are using it in our design-build projects as well as working to broaden its in-house implementation, including hosting seminars for newcomers to various design departments.

Ikimono Info is an in-house biodiversity database that got up and running in the fiscal year ended March 2016. It contains examples of internal and external initiatives at construction sites and related external information. We use the database when making technical proposals to customers or exploring construction methods that allow the preservation of rare organisms at construction sites.



Ikimono Plus

Ikimono Info

# Environmental Factsheet

Hazama Ando continues to collect and verify a range of quantitative data on environmental activities, which informs our consideration of environmental goals from a longer-term perspective. Key data from activities in the fiscal year ended March 2023 are shown below.

## 1 Environmental Management System

Hazama Ando acquired ISO 9001 and ISO 14001 certification on April 1, 2013. We are continuously working to improve our quality and environmental management systems (QMS and EMS).

In line with the September 2015 revision of the ISO standards, we reviewed and completely overhauled our quality and environmental management systems in the fiscal year ended March 2017, and the systems started operation in April.

### Results of QMS and EMS Internal Audit

Audit period	Number of divisions audited				Total
	Head office management divisions	Branch office management divisions	Civil engineering work sites	Building construction work sites	
September–November 2022	12	41	16	22	91

Notes: The audit sampling rate was 21.5% (12 of 78 head office departments [15.4%], 41 of 102 branch offices [40.2%], 16 of 100 civil engineering work sites [16.0%], and 22 of 144 building construction work sites [15.3%])  
A combined QMS and EMS audit was performed.

### Results of External Review

In the fiscal year ended March 2023, we underwent a re-certification audit by the Japan Testing Center for Construction Materials, a review and registration organization. This was the ninth QMS review and eighth EMS review for the Group.

Date of review	Sites reviewed	Review results	
		ISO 9001	ISO 14001
Surveillance November 16–28, 2022	Head office, Technical Research Institute, Building Management Division, Sapporo Branch, Tohoku Branch, Kanto Branch	Major nonconformities: 0 Minor nonconformities: 0 Observations: 0	Major nonconformities: 0 Minor nonconformities: 0 Observations: 0

### Results of Management Review

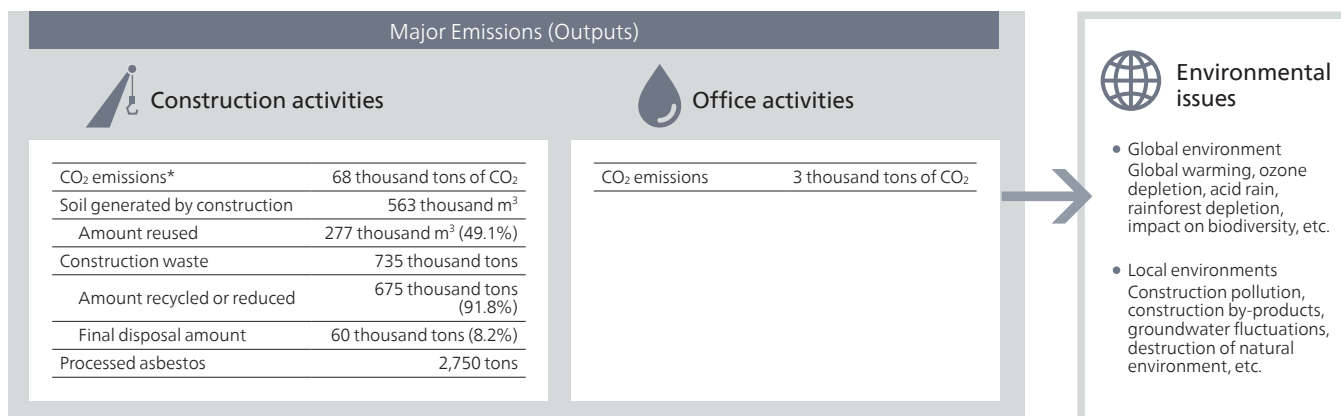
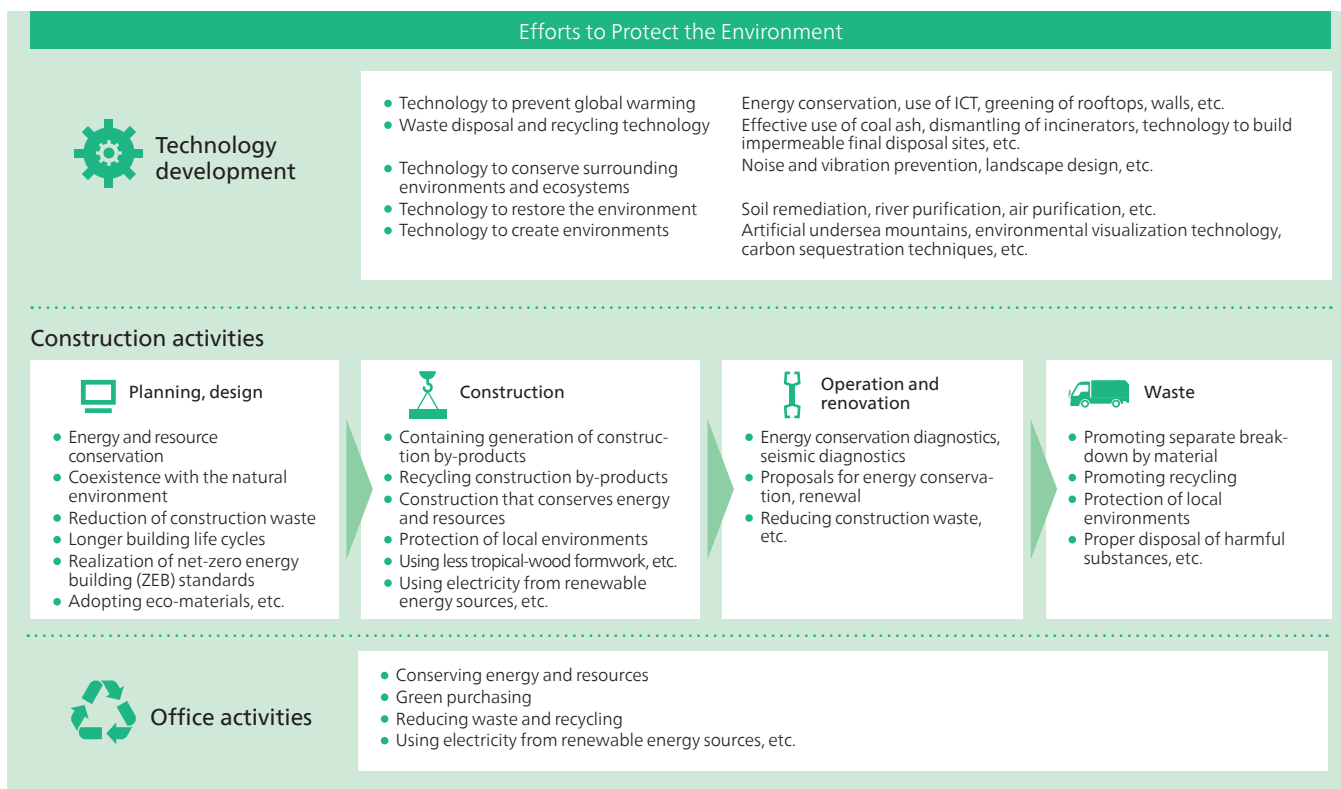
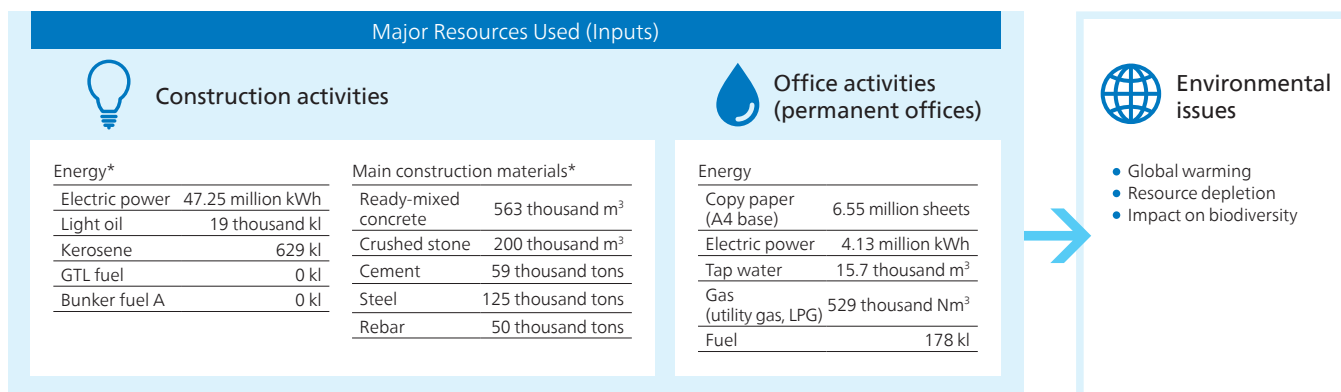
Top management of the Group carried out a management review in October 2022 and March 2023. The President in March 2023 issued directives from the management review applicable to the fiscal year ending March 2024.

### Compliance with Environmental Laws and Regulations

By means of interim and fiscal year-end reports, environmental site visits, and internal QMS and EMS audits, we confirmed that the Group is compliant with environmental laws and regulations. (In the fiscal year ended March 2023, there were no reports of serious violations of laws or regulations that materially affect the environment.)

## 2 Environmental Management System

The following outlines the environmental impact of Hazama Ando's business activities in the fiscal year ended March 2022 in terms of the use of resources and emissions, as well as our efforts to protect the environment.



\* Estimated value calculated by sampling

### 3 Greenhouse Gas Emissions and Use of Electric Power from Renewable Energy Sources in Fiscal 2022 (Group total for the period from April 2022 to March 2023)

The table below shows the Group’s greenhouse gas emissions and the ratio of electric power from renewable energy sources in the fiscal year ended March 2023. We will continue to pursue measures to meet our targets in helping address global warming issues. We also obtained third-party assurance regarding greenhouse gas emissions (Scope 1, 2, and 3) and energy consumption for the year.

**Greenhouse gas emission reduction targets**

Greenhouse gas emission reduction rate

Scope 1 + 2	Fiscal 2030	<b>55%</b> reduction (compared to fiscal 2017)
Scope 3	Fiscal 2030	<b>33%</b> reduction* <sup>1</sup> (compared to fiscal 2017)

**RE100 Targets**

Ratio of electric power from renewable energy sources

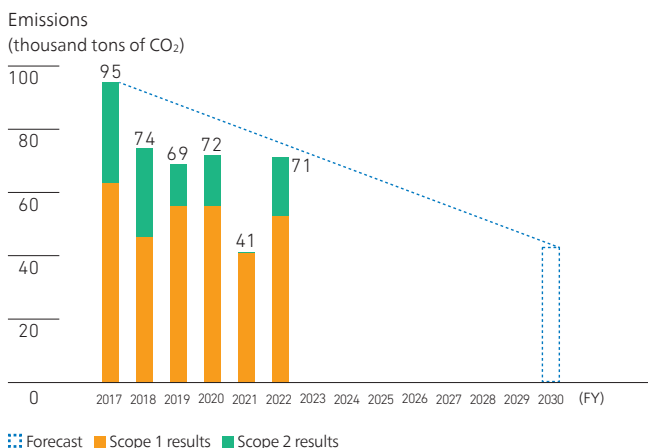
Fiscal 2030	<b>80%</b>
Fiscal 2050	<b>100%</b>

Category		Unit	Fiscal 2017 (base year)	Fiscal 2021 (previous year)	Fiscal 2022
GHG	Scope 1	Thousand tons of CO <sub>2</sub>	63	40.8	52.8
	Scope 2	Thousand tons of CO <sub>2</sub>	32	0.3	18.4
	Scope 1 + 2	Thousand tons of CO <sub>2</sub>	95	41.1	71.2
	Scope 3* <sup>1</sup>	Thousand tons of CO <sub>2</sub>	2,940	1,859.3	1,954.3
	(1) Purchased goods and services	Thousand tons of CO <sub>2</sub>	810	908	746
	(1)-1: Main materials such as ready-mixed concrete, office supplies	Thousand tons of CO <sub>2</sub>	541	688	509
	(1)-2: Purchased civil engineering and construction services	Thousand tons of CO <sub>2</sub>	270	221	237
	(2) Capital goods	Thousand tons of CO <sub>2</sub>	14	7	16
	(3) Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Thousand tons of CO <sub>2</sub>	6	9	11
	(4) Upstream transportation and distribution	Thousand tons of CO <sub>2</sub>	34	25	24
	(5) Waste generated in operations	Thousand tons of CO <sub>2</sub>	50	10	11
	(6) Business travel	Thousand tons of CO <sub>2</sub>	1	0	0
	(7) Employee commuting	Thousand tons of CO <sub>2</sub>	1	1	1
	(11) Use of sold products	Thousand tons of CO <sub>2</sub>	1,932	895	1,070
(12) End-of-life treatment of sold products	Thousand tons of CO <sub>2</sub>	91	4	74	
(13) Downstream leased assets	Thousand tons of CO <sub>2</sub>	0	0	0	
RE100	Electricity usage	MWh	60,707	40,577	56,598
	Electric power from renewable energy* <sup>2</sup>	MWh	—	36,475	9,037
	Ratio of electric power from renewable energy	%	—	90	16

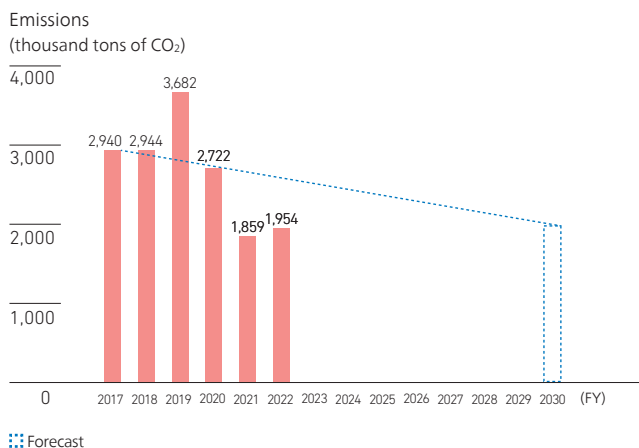
\*1 (8) Upstream leased assets, (9) Downstream transportation and distribution, (10) Processing of sold products, (14) Franchises, and (15) Investments are not applicable and are not included in the above calculations.

\*2 Includes only renewable energy electricity that meets RE100 standards. Began use of non-fossil fuel certificates in the fiscal year ended March 2022.

#### Progress in Scope 1 + 2 targets



#### Progress in Scope 3 targets



## 4 Progress toward Environmental Objectives and Targets in Fiscal 2022

(April 2022–March 2023)

Outcomes of activities for the fiscal year ended March 2023 toward achieving the environmental objectives and targets the Group has set over a three-year period are shown below. We will continue acting to reach the targets, guided by the Group’s environmental management system.

Area	Objective, target	Unit	Group targets for fiscal 2022	Year-end Group results for fiscal 2022	Assessment
<b>1. Actions to prevent global warming</b>					
<b>1.1 Reduce greenhouse gas emissions</b>					
Shared	Procure electric power from renewable energy	(%)	15	16	○
Shared	Reduction of total CO <sub>2</sub> emissions (SBT reduction target) (Reduction rate versus FY2017 [Scope 1 and 2])	(%)	12.7	24.7	○
Civil Engineering	CO <sub>2</sub> emissions per completed construction at the construction stage	(tons of CO <sub>2</sub> /100 million yen)	45.0	41.0	○
Building Construction	CO <sub>2</sub> emissions per completed construction at the construction stage	(tons of CO <sub>2</sub> /100 million yen)	9.7	8.9	○
Civil Engineering and Building Construction	Supply energy through a next-generation CO <sub>2</sub> cogeneration plant	(tons of CO <sub>2</sub> )	150	418	○
Offices	Reduce CO <sub>2</sub> emissions at head office, branches, and sales offices Total reduction compared to fiscal 2017 (SBT reduction basis)	Emissions (tons of CO <sub>2</sub> ) Reduction rate (%)	3,033 22.5	2,437 32.9	○
<b>1.2 Promote environmentally friendly design and technology</b>					
Building Construction	Enhance overall environmental performance by applying simplified CASBEE rating (Comprehensive Assessment System for Built Environment Efficiency)	(%)	Proportion: 100% A rank or higher: 60%	Proportion: 100% A rank or higher: 56%	△
Building Construction	Shift to net zero-energy building (ZEB) standards	(projects)	Verified: 4 (cumulative) Proposed: 5	Verified: 8 (cumulative) Proposed: 8	○
Civil Engineering	Environmental technologies developed Environmental technology design and construction projects adopted	(projects)	1 2	2 1	○ ×
Construction Technology	Environmental technologies developed Environmental technology design and construction projects adopted	(projects)	1 2	2 2	○ ○
<b>2. Actions to conserve biodiversity (helping to bring about a society that can coexist with nature)</b>					
<b>2.1 Steadily pursue biodiversity-friendly initiatives related to construction projects</b>					
Shared	Instill understanding of biodiversity conservation, take definitive actions at spotlighted work sites, make new proposals, conduct internal and external PR	(cases)	30	51	○
Technology	Technologies related to biodiversity: a: examinations, b: development, c: trials, d: application to projects	(cases)	a: 2, b: 1, c: 1, d: 1	a: 2, b: 1, c: 1, d: 2	○
<b>3. Actions to build a circular society</b>					
<b>3.1 Recycle construction waste</b>					
Civil Engineering	Reduce total mixed waste per completed construction by containing waste generation on site and strengthening sorting processes	(tons/100 million yen)	0.95	0.6	○
Building Construction	Reduce mixed waste intensity per total floor area at new construction projects	(kilograms/square meter)	6.8	3.1	○
<b>4. Actions to manage environmental risk (protecting water and air environments, comprehensive chemical substance measures)</b>					
<b>4.1 Actions to prevent environmental accidents</b>					
Civil Engineering and Building Construction	Augment environmental site visits * Visits to the civil engineering and building construction departments of branch offices	(%)	Civil Engineering: 75% Building Construction: 75% Proportion of visits compared to total sites in operation	Civil Engineering: 72% Building Construction: 68%	△ △
<b>5. Actions to promote environmental awareness and disclosure of environmental activities</b>					
<b>5.1 Promote environmental awareness</b>					
Shared	Promote Environment Month activities * Participation rate for all eligible sites Indicates participation in events held during June Environment Month	(%)	100%	Work sites: 100%	○
Shared	Promote environmental initiatives through environmental and eco-site visits	(activities)	30 or more	69	○
Shared	Promote more robust actions that contribute to the environment and society Take actions to contribute to the environment and society	(activities)	Civil Engineering: 3 per work site Building Construction: 3 per work site Offices: 80 per year	Civil Engineering: 3.3 per work site Building Construction: 3.5 per work site Offices: 106 per year	○

(Assessment) ○: met or exceeded target. △: somewhat below target. ×: far below target (less than 70% achievement).

## 5 Environmental Protection Activity Data

Hazama Ando collects and analyzes environmental protection activity data with the objective of efficiently pursuing actions to protect the environment and disclose information externally.

### Data Framework

Collection period ▶ April 1, 2022–March 31, 2023

Scope of data ▶ Head office and all domestic branches (excluding overseas and Group companies)

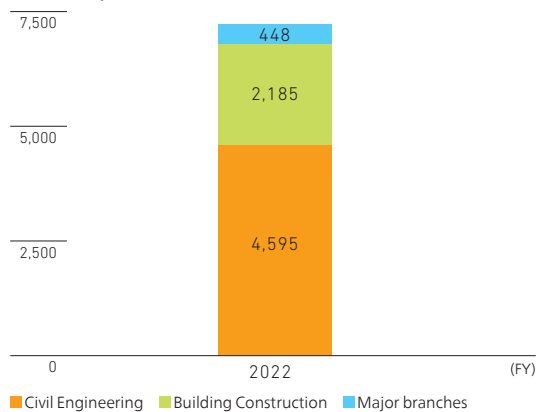
### Environmental Protection Costs

(Millions of yen)

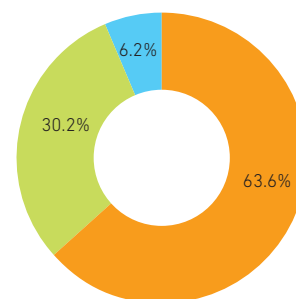
Cost category	Main activity	Fiscal 2022
Costs within business areas		6,614
① Pollution prevention costs	Pollution prevention measures at work sites (air, water, and soil pollution; prevention of noise, vibrations, etc.)	2,036
② Global environmental protection costs	Global warming prevention measures, energy conservation, alternative materials for tropical-wood formworks, etc.	58
③ Resource recycling costs	Containing generation of construction by-products, reuse, proper disposal, etc.	4,520
Upstream, downstream costs	Environmentally friendly designs and technical proposals, green purchasing (amount of increase)	15
Management activity costs	Regular EMS review fees; review personnel costs; environmental disclosure; environmental PR: environmental impact monitoring (survey, measurement costs); environmental education, study groups; cleanup and greening around work sites	256
R&D costs	R&D of environmental technologies	320
Social activity costs	Cooperation with community environmental protection activities, etc.	3
Environmental damage costs	Soil remediation, repair of environs, emergency response preparedness, etc.	20
<b>Total environmental protection costs</b>		<b>7,228</b>
Completed construction	Completed construction in Japan	311,930
Ratio to completed construction	Ratio of Civil Engineering to Building Construction	40:60
Ratio to completed construction	Environmental protection costs/completed construction	2.32%

Environmental protection costs (by type of construction work, major branches) (fiscal 2022)

(Millions of yen)

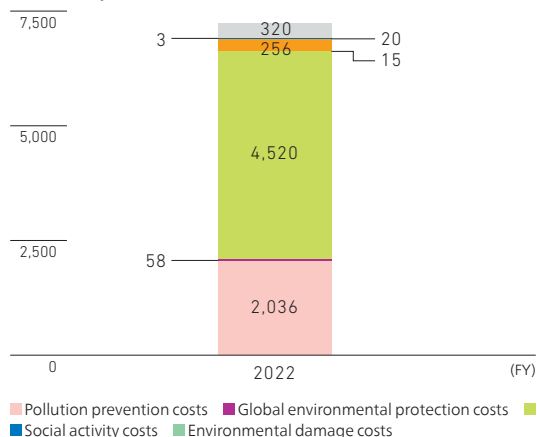


Breakdown of environmental protection costs by type of construction work, major branches (fiscal 2022)

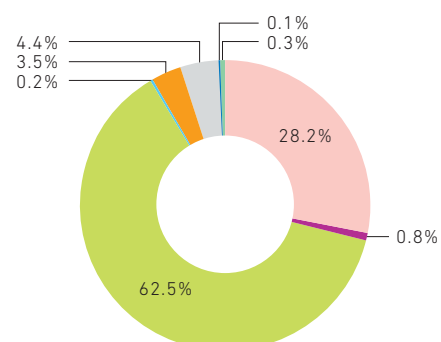


Environmental protection costs (by cost category) (fiscal 2022)

(Millions of yen)



Breakdown of environmental protection costs by cost category (fiscal 2022)



### Environmental Protection Impacts

Category	Impact	Unit	Fiscal 2022	
Resources used (inputs)	Electric power consumption (work sites)	million kWh	47.25	
	Light oil usage (work sites)	thousand kl	19	
	Kerosene usage (work sites)	kl	629	
	GTL fuel usage* <sup>1</sup>	kl	0	
	Bunker fuel A usage (work sites)	kl	0	
	Copy paper purchased (offices, A4 base)	million sheets	6.55	
	Electric power consumption (offices)* <sup>2</sup>	million kWh	4.13	
	Tap water usage (offices)	thousand m <sup>3</sup>	15.7	
	Gas (utility gas, LPG) usage (offices)	thousand Nm <sup>3</sup>	529	
	Fuel (gasoline, light oil, kerosene, bunker oil) usage (offices)	kl	178	
	Steam, cold water usage (offices)	GJ	3,220	
Emissions	CO <sub>2</sub> emissions* <sup>3</sup>	Work sites	thousand tons of CO <sub>2</sub>	68
		Offices	thousand tons of CO <sub>2</sub>	3
		Total	thousand tons of CO <sub>2</sub>	71
	Soil generated by construction	thousand m <sup>3</sup>	563	
	Amount reused (rate)	thousand m <sup>3</sup>	277 (49.1%)	
	Construction waste	thousand tons	735	
	Amount recycled or reduced (rate)	thousand tons	675 (91.8%)	
	Final disposal amount (rate)	thousand tons	60 (8.2%)	
	Properly processed asbestos	tons	2,750	
Amount of valuable materials sold	tons	11,990		

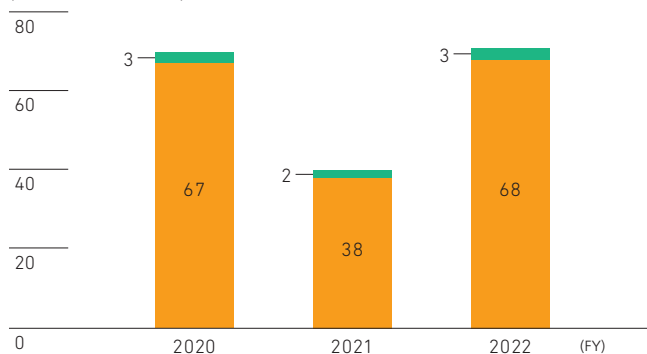
\*1 GTL fuel is a diesel alternative fuel derived from natural gas.

\*2 Includes experimental section of the Technical Research Institute

\*3 Calculated in accordance with the Act on Rationalizing Energy Use, the Act on Promotion of Global Warming Countermeasures, the Greenhouse Gas Protocol, etc.

#### CO<sub>2</sub> emissions

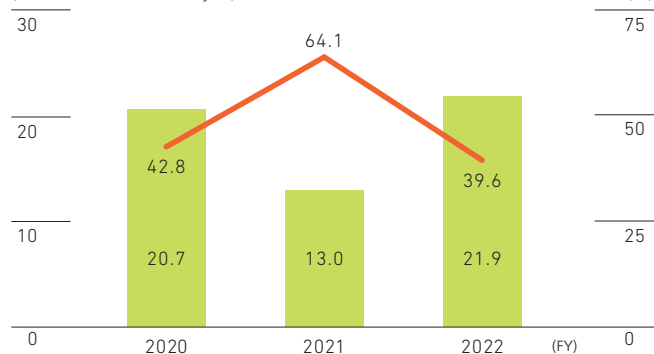
(thousand tons of CO<sub>2</sub>)



■ Work sites ■ Offices

#### Carbon intensity

(tons of CO<sub>2</sub>/100 million yen)

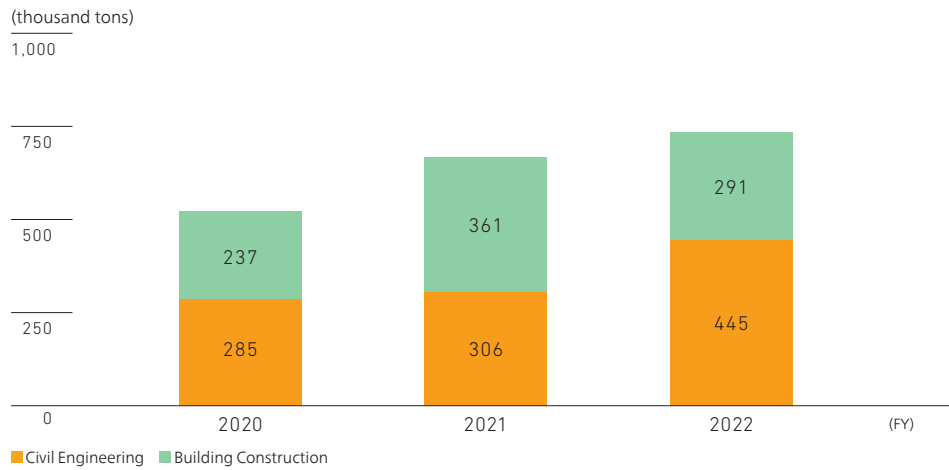


■ Carbon intensity — Reduction rate (versus fiscal 1990)

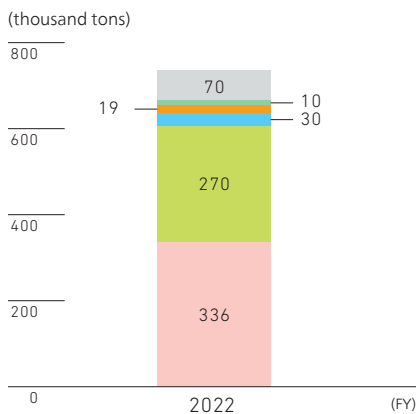
## 6 Construction Waste Disposal

The volume of construction waste generated varies depending on the scale, type, and amount of construction work. The Hazama Ando Group rigorously controls and appropriately manages waste by keeping clear track of the type and volume of waste generated at construction sites.

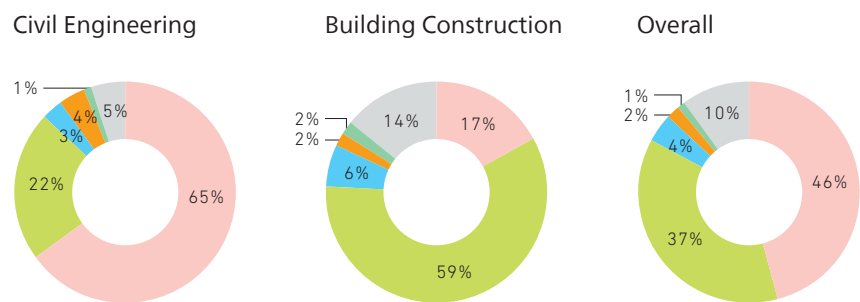
Total construction waste



Emissions by type of waste (fiscal 2022)



Breakdown of emissions by type of waste (fiscal 2022)



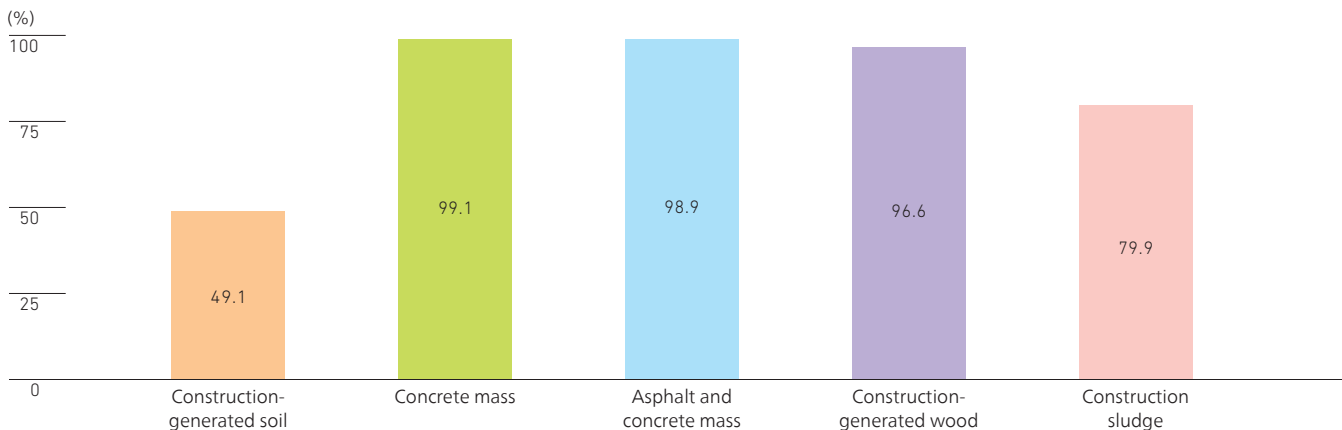
Construction sludge Concrete mass Asphalt and concrete mass Construction-generated wood Construction mixed waste Others



## 7 Using, Promoting the Use of Recycled Resources

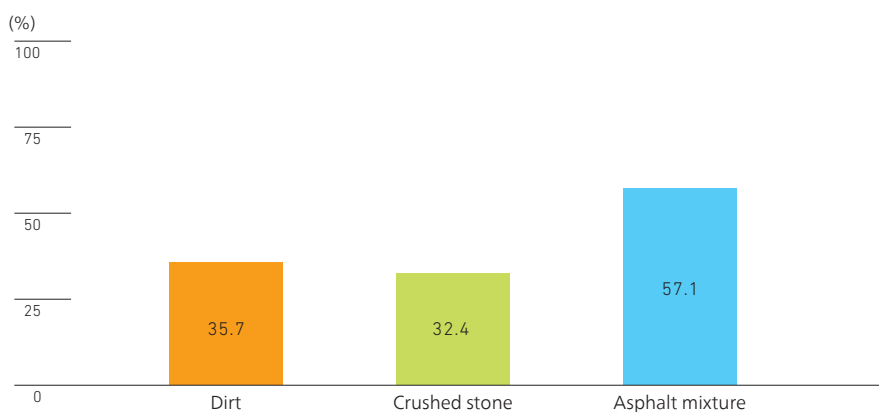
The Group is promoting the use of recycled resources in cooperation with partner companies to further broaden the effective use of resources.

Promotion of recycled resource use (fiscal 2022)



Note: Promotion of recycled resource use indicates reusing construction by-products on-site or transporting them to recycling facilities for use as recycled resources.

Recycled resource utilization rate (fiscal 2022)



### Recycling Under Wide-Area Recycling Designation System, etc.

The Group has formed tie-ups with various manufacturers and is recycling waste materials such as gypsum board and auto-claved lightweight aerated concrete (ALC) products generated at new construction sites.

In the fiscal year ended March 2023, we consigned 544 tons of waste gypsum board directly to wide-area recycling designated contractors for recycling. We also turned over 11,896 tons of metal scrap, 64 tons of cardboard, and 30 tons of other materials to specialist recycling companies as valuable materials or exclusive recycling materials.

## 8 Green Procurement

Having established green procurement categories, the Group is procuring materials, equipment, and products and sourcing construction methods that have lower environmental impact.

### Green Procurement Results (Construction Divisions)

Category	Classification	Unit	Amount procured
			Fiscal 2022
Construction-generated soil		thousand m <sup>3</sup>	956.7
Processed soil recycled from construction sludge	●	thousand m <sup>3</sup>	290.1
Recycled hot asphalt mixture	●	thousand tons	7.3
Recycled aggregate, etc.	●	thousand m <sup>3</sup>	105.1
Recycled steel (electric arc furnace steel)		thousand tons	37.1
Recycled steel (electric arc furnace rebar)*		thousand tons	30.0
Blast furnace cement*	●	thousand tons	28.4
Coal ash cement*	●	thousand tons	0.0
Particle board, fiber board	●	thousand m <sup>2</sup>	8.1
Wood cement board	●	thousand m <sup>2</sup>	13.8
Tropical-wood alternative formwork (metal)		thousand m <sup>2</sup>	22.3
Tropical-wood alternative formwork (concrete)		thousand m <sup>2</sup>	0.0
Tropical-wood alternative formwork (other)		thousand m <sup>2</sup>	39.8
Effective low-quality soil utilization method	●	thousand m <sup>3</sup>	0.0
Construction sludge recycling method	●	thousand m <sup>3</sup>	255.0
Concrete mass recycling method	●	thousand m <sup>3</sup>	0.0
Slope greening method using logging timber or construction-generated soil	●	thousand m <sup>2</sup>	0.0
Permeable pavement	●	thousand m <sup>2</sup>	4.7
Rooftop greening*	●	thousand m <sup>2</sup>	2.9

\* Items included in Group-wide survey.

(Classification) ●: Government-designated procurement item Blank: Item recommended by Hazama Ando

### Green Purchased Office Supplies (Fiscal 2022)

	Copy paper (million sheets)	Business card blanks (thousand sheets)	Printed envelopes (thousand sheets)	Ring binders	Flat files
Total amount purchased	6.55	339	86	824	2,380
Green products	6.51	338	86	824	2,370
Green purchasing rate	99.4%	99.6%	100%	100%	99.6%



Materiality

3

## Promoting sustainable management and taking full responsibility for corporate actions

### Overview of Fiscal 2022 Results

Our response to the material issue of promoting sustainable management and taking full responsibility for corporate actions entails PDCA activities based on three key CSR themes\*.

First, under the key theme of conducting fair and honest corporate activities, we are pursuing ongoing measures to enhance governance and ensure rigorous compliance, the unchanging premises upon which a company is built. In the fiscal year ended March 2023, we continued to reinforce social and environmental risk management and the business continuity framework. Also, by resolution of the regular General Meeting of Shareholders held on June 29, 2023, we transitioned to a company with an Audit and Supervisory Committee, further promoting the independence, diversity, and transparency of management.

This material issue is the basis for Hazama Ando's practice of sustainable management and the realization of the Four Value Creation strategies set out in Hazama Ando VISION2030. A robust response to this issue necessitates collaboration with everyone associated with our business. Under the key theme of engaging in dialogue with stakeholders, we continue to expand and deepen dialogue with everyone we come into contact with across the supply chain to strengthen our engagement with society.

\* For the sake of consistency with the Medium-Term Management Plan 2025, with regard to the key theme of creating safe, comfortable working environments, we transferred elements other than Pillars Supporting Our Initiatives 3: Respect for Human Rights from Materiality 1: Helping to solve social issues and create value for society.

# Conducting fair and honest corporate activities



## Policies and Approach

### Approach to Corporate Governance

The Group’s business activities are based on safe, secure, high-quality “good building operations.” Through these operations, we aim to contribute to the advancement of society and our customers and fulfill our mission and duty to society. To achieve this, we believe it is critical to maintain and improve a management system capable of responding swiftly to changes in the business environment, to ensure the transparency and fairness of management supervision, and to ensure rigorous compliance. To this end, we are working continuously to enhance corporate governance.

**Pillars Supporting Our Initiatives**

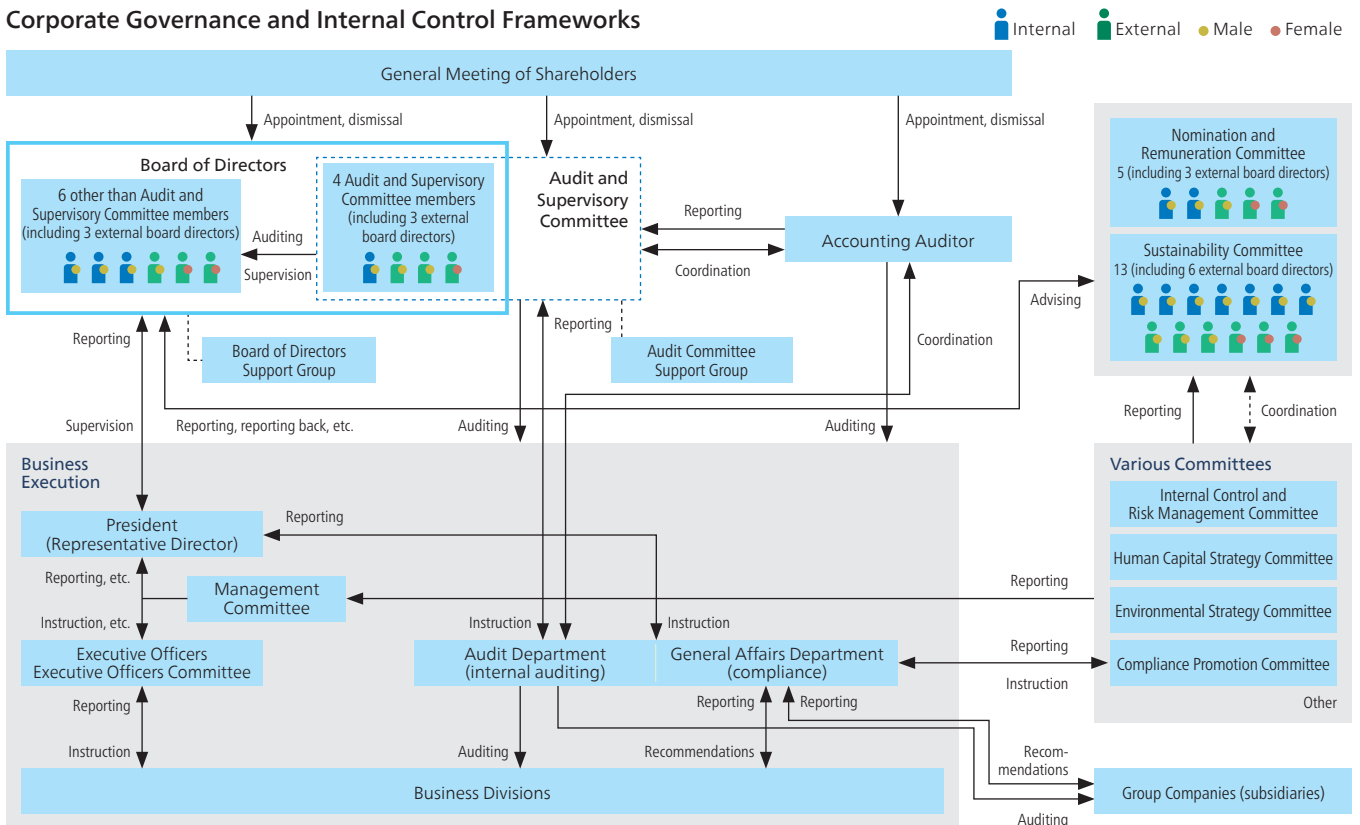
1. Corporate governance
2. Compliance
3. Internal control and risk management
4. Respect for human rights

## Pillars Supporting Our Initiatives 1: Corporate Governance

Hazama Ando is seeking to further enhance corporate governance and raise corporate value in a sustainable manner by further reinforcing the supervisory function of the Board of Directors and enabling more flexible business execution. To

this end, we transitioned to a company with an Audit and Supervisory Committee by resolution of the regular General Meeting of Shareholders held on June 29, 2023.

### Corporate Governance and Internal Control Frameworks



## Independent, Diverse, Transparent Management

### Board of Directors

The Board of Directors consists of six members (including three external board directors) other than members who are Audit and Supervisory Committee members and four members who are Audit and Supervisory Committee members (including three external board directors), for a total of ten members. It makes decisions on important business matters and oversees business execution. The Board of Directors meets monthly in principle, and more often as needed.

The Articles of Incorporation stipulate that some or all important decisions about business execution can be delegated to board directors. Some authority has also been delegated to the Representative Director and President. The Board of Directors thus focuses more narrowly on high-level discussions of more critical agenda items and on monitoring business execution.

### Audit and Supervisory Committee

The Audit and Supervisory Committee is made up of four board directors (three of whom are external). One internal board director has been appointed as a full-time member of the Audit and Supervisory Committee. Meeting monthly in principle, the committee has the authority to direct the Audit Department, which is tasked with internal auditing, and works closely with the department not only to confirm the status of audits and evaluations of the internal control system but also to audit the execution of duties by directors.

### Nomination and Compensation Committee

The Group established a Nomination and Compensation Committee to deal chiefly with procedures related to the nomination and compensation of directors and executive officers.

The Nomination and Compensation Committee is an advisory board to the Board of Directors. Its chair and the majority of its members are independent external board directors. The committee deliberates and decides on the nomination of director candidates, the appointment of executive officers, and the compensation of the Company's directors and executive officers (excluding board directors who are members of the Audit and Supervisory Committee and external board directors), and reports to the Board of Directors. Candidates for the Board of Directors are selected in light of the overall balance of the Board's skill matrix, and individuals are appointed who have the ability to make accurate and prompt decisions, have a keen awareness of compliance, and have other appealing qualities.

### Sustainability Committee

To pursue more thorough-going sustainability management and address ESG-related matters across the Group, the Group established a Sustainability Committee in June 2023. With the participation of board directors, the committee takes a comprehensive approach in considering and deliberating on various key ESG issues from a long-term, wide-ranging perspective.

## Pillars Supporting Our Initiatives 2: Compliance

### Internal Compliance Promotion Framework

We established the Compliance Promotion Committee, to work in conjunction with the Sustainability Committee, an advisory body to the Board of Directors. It acts as a deliberative and advisory body to ensure fair and transparent business operations based on the consistent policies of the Hazama Ando Group. We also assign compliance officers and staff to each division and major Group company to effectively imple-

ment various promotion activities.

Overseas, we have set up and are operating a system to specifically address bribery risk, and are working to raise awareness through educational activities in various regions. We continually check whether activities are being properly carried out.

### Implementation of Compliance Activities

The Group is continuously taking actions with the objective of ensuring that a range of compliance activities are carried out in all aspects of the workplace.

ing awareness of compliance points in their day-to-day operations. We also distributed e-mail newsletters, conducted video-based training and online testing, assessed compliance awareness, and conducted group education based on job position. During Compliance Promotion Month in November, we carried out a series of measures, including a message from top management, lectures by outside speakers, renewed confirmation of the code of conduct, group reading of the compliance manual, and poster displays. In these ways, we are working to further boost compliance awareness.

### Compliance Education

Our efforts to educate employees are based on an annual plan designed to further increase compliance awareness among officers and employees. In the fiscal year ended March 2023, we continued to confirm and evaluate compliance points relevant to each workplace, and augmented measures such as asking each workplace to devise new ways of ensur-

### Compliance Audit

We conduct compliance audits at the head office, all branches, and at Group companies. Audit results are reported to the President, the Board of Directors, the Compliance Promotion Committee, and the Audit and Supervisory Committee. We are making the Group's compliance framework more effective through various measures, revising, adjusting, and improving the framework as needed.

### Compliance Helpline

We have set up a Compliance Helpline to enable people, including from outside the Group, to report and consult, for the purpose of early identification and correction of compliance violations. In the fiscal year ended March 2023, there were no reports that would have a material impact on management. We actively ensure awareness of the reporting system, while placing top priority on protecting those who report violations.

## Pillars Supporting Our Initiatives 3: Internal Control and Risk Management

### Internal Control and Risk Management

We strive to maintain and operate relevant systems based on our internal control system policy.

By resolution of the Board of Directors meeting held on June 29, 2023, we reorganized the Internal Control Committee into the Internal Control and Risk Management Committee, to act in an advisory capacity in connection with the Sustainability

Committee, which is an advisory body to the Board of Directors. The committee deliberates and reports to the Sustainability Committee regarding the effectiveness, management status, improvement measures, and other aspects of the overall internal control system, taking ongoing steps to improve the system.

### Rigorous Information Security

Information security risks are increasing daily, as advances in ICT technology broaden the scope of application and cyberattacks grow more frequent and more sophisticated.

Because the Group's medium-term management plan calls for the greater pursuit of digitalization through digital transformation, we regard information security as a critical management issue and are bolstering measures to mitigate risk.

#### Physical response measures

We are systematically rolling out and updating various tools, seeking to reduce risks automatically.

#### Personnel response measures

We carry out ongoing education, check inventory, and conduct audits to reduce risks that are not capable of being stopped physically.

### 1 Collecting and Sharing Information

Our information security measures are informed by external information, such as the Cybersecurity Management Guidelines of the Ministry of Economy, Trade and Industry. We also actively participate in various conferences related to information security.

In addition, twice a year we hold study sessions for all related divisions, bringing in outside specialists. In this way, we analyze the risks facing the Group and explore and implement response measures.

In particular, it is vital to consider the distinctive environment of the construction industry, including fixed-term projects and the need to conduct business at customer sites and interact with numerous partner companies and workers.

### 3 Examples of Specific Initiatives

#### Supply chain response measures

Recognizing the importance of response measures that encompass partner companies, we conduct ongoing educational activities, including for new onsite workers and education across the Group and partner companies during Japan's cybersecurity month.

#### Employee education

Using e-learning and educational videos, we revise content depending on the risk context. We also conduct regular, ongoing education for all employees.

#### Training for information security staff

We encourage staff to acquire IPA (Japanese information security agency) certification and train certified staff.

### 2 Four Pillars Supporting Our Response Measures

#### Establishing rules

We establish information security rules pertaining to actions to be taken with regard to the framework, roles, and employees, and convey these to employees.

#### Centralizing asset management

We centrally manage assets related to information systems, and are steadily implementing response measures and laying the groundwork to respond swiftly in the event of an accident.

### 4 Other Measures (Preparations against Cyberattacks)

In particular, we view the threat of cyberattacks as a priority risk, and are working to reinforce physical and operational response measures.

## Business Continuity Plan Recertification and Ongoing Training

The Group has formulated a business continuity plan which assumes a Tokyo inland earthquake or massive Nankai Trough earthquake. The plan is based on four objectives: ① ensuring the safety of life, ② preventing secondary disasters, ③ supporting recovery of customers, and ④ helping the community. We obtained construction company disaster-ready business continuity certification from the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism in October 2013 and from the Kinki Regional Development Bureau in April 2017. We have since continued to obtain recertification.

Japan has seen frequent natural disasters nationwide in recent years, which have grown more intense and more wide-ranging. We carried out training at all Group branches in Japan in November 2022, which assumed the occurrence of a large-scale local earthquake. This training posited an earthquake occurring on a holiday, which would limit the number of employees able to gather at each site. Activities under this scenario included setting up a response center, confirming the

safety of personnel and construction sites, and ascertaining the extent of damage at important related entities. The business continuity plan proved effective. Going forward, we will continue to revise and improve the plan, anticipating large storms, floods, and epidemics, striving to reinforce the Group's comprehensive resilience.



Group training in fiscal 2022.

## Formulation of a Procurement Policy

The Group's business activities depend on collaboration with partners. We recognize that engaging in procurement activities that align with our corporate social responsibility (CSR) necessitates actions up and down the supply chain. We have formulated a Procurement Policy and are working with partners to promote CSR procurement.

### Procurement Policy

#### 1. Compliance with laws, prevention of corruption, elimination of antisocial forces

We will comply with all relevant laws and regulations, international rules, internal rules, and social norms, and conduct sound procurement. We will eliminate all forms of bribery and corruption, while taking a resolute stance against antisocial forces that threaten the order and security of civil society, and will sever all relationships with such forces.

#### 2. Implementation of fair and honest procurement

When choosing business partners, we will evaluate each candidate comprehensively and fairly and make honest choices, considering factors such as quality, safety, price, delivery date, and technical capabilities.

#### 3. Respect for basic human rights and consideration for occupational health and safety

We will respect basic human rights, including eliminating child labor, forced labor, and other unfair labor practices as well as various types of discrimination and harassment. We will conduct procurement that is sensitive to working environments and health and safety.

#### 4. Consideration for the environment

In accordance with the Environmental Policy of Hazama Ando, we will procure materials that contribute to conservation of the environment and reduction of environmental impact.

#### 5. Maintaining, improving quality and ensuring safety

To realize safe, secure, high-quality "good building operations," which are the basis of the Group's business activities, we will engage in procurement based on the ability to maintain and improve the quality of the buildings, services, and other products we provide and ensure safety.

#### 6. Contribution to local communities

Fully aware that companies are members of society, we will pursue procurement activities that contribute to the development of local communities and local economies together with our partners.

#### 7. Appropriate management of information and intellectual property

We will appropriately manage and protect confidential information, personal information, and customer information obtained through our procurement activities. We will also appropriately manage and use intellectual property held by the Group, without illegally obtaining, using, or infringing the intellectual property of third parties, including patents, utility models, designs, or trademarks.

#### 8. Building good relationships with business partners and mutual flourishing

Through our procurement activities, we will deepen mutual understanding with our business partners and strive to build good relationships. We will work together with partners to hone technical capabilities and develop human resources, aiming for the sustainable enhancement of corporate value.

## Pillars Supporting Our Initiatives: Respect for Human Rights

### Approach to Human Rights Awareness

In the course of respecting the basic human rights guaranteed to all people and fulfilling our corporate social responsibilities, we are engaged in concrete activities to address a range of human rights issues, including social discrimination.

We strive to ensure that the human rights of all officers and employees and everyone we come into contact with through our business are thoroughly respected. Specifically, supported

administratively by the Personnel Affairs Department, the Human Rights Awareness Committee, an organization that spans the Group, maintains a harassment consultation desk and carries out various human rights awareness activities. Should a human rights violation be suspected, we respond promptly while protecting the rights of the person seeking consultation.

### Thorough Respect for Human Rights

The tasks of the Human Rights Awareness Committee include exploring and determining annual action plans. Moreover, the human rights framework we have put in place encompasses all Group companies, and includes a consultation desk to enable prompt action should a human rights issue arise.

With the aim of adequately fulfilling our duty to respect human rights, we announced a Human Rights Policy in April 2023. The policy identifies seven priority human rights issues: ① forced labor and child labor, ② discrimination, ③ harassment, ④ occupational health and safety, working environments and working conditions, ⑤ freedom of association, ⑥ rights of foreign workers, and ⑦ local communities. We will offer education and training in these areas to prevent human rights violations from occurring and will continue to improve our internal environment and systems.

We have also started human rights due diligence initiatives and are implementing a regular cycle involving the following steps, including management of the supply chain: ① human rights impact assessment, ② education and training, ③ develop-

ment of internal environments and systems, ④ supply chain management, ⑤ follow-up surveys, and ⑥ external disclosure. We also work to rectify any human rights violations we may cause.

We have taken other actions to eliminate harassment for many years now. Other initiatives include rigorously fair hiring and selection, asking employees to submit human rights slogans (560 submissions in 2022), and pursuing activities with various organizations.

#### Harassment Prevention Declaration

- The Hazama Ando Group will never tolerate harassment in the workplace.
- We have a harassment consultation desk. We will protect privacy and deal with matters promptly and fairly.
- We will not treat disadvantageously persons seeking consultation about harassment or persons who cooperate with fact-finding.





# Engaging in Dialogue with Stakeholders

## Disclosure to Investors

The Group holds results briefings for analysts and institutional investors twice a year. Explanations directly from top management cover Group performance, the current situation, and forward-looking management strategies. In the fiscal year ended March 2023, we held the second-quarter briefing via online video conference due to concerns about COVID-19, and held the year-end briefing in a hybrid in-person and online format. Both drew high attendance. Briefing materials can be viewed on the Group’s website.

At the same time, based on Tokyo Stock Exchange disclosure standards, we file disclosure information on the Timely Disclosure Information Transmission System (TDnet) and post it on the IR Library page of the corporate website.

We are working to enhance our English-language disclosure to provide overseas investors with information in a timely manner. In the fiscal year ended March 2023, in addition to the

timely disclosure of financial results in English, we proactively disclosed non-financial information in forums such as our Corporate Report and Sustainability Report.



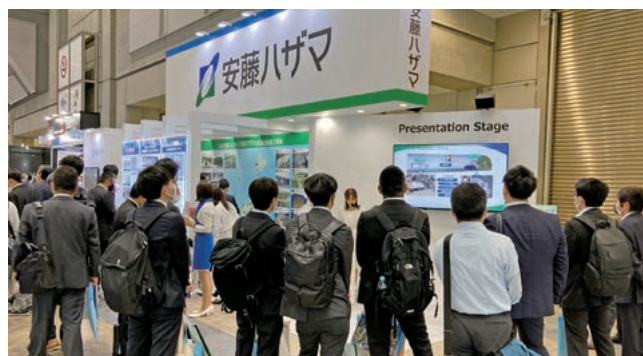
Results briefing (online and offline).

## Sharing Technology and R&D Achievements: Taking Part in Exhibitions Nationwide

Hazama Ando actively participates in exhibitions across the country to showcase a range of technologies in both the civil engineering and building construction fields. Our exhibits feature technologies incorporating ICT and AI that improve productivity, safety, and the quality of buildings through the digital transformation of construction techniques; technologies that support the renewal of expressways; carbon reduction, green infrastructure, and other environmentally friendly technologies; and technologies that boost energy efficiency in buildings.

As in previous years, we set up booths mainly at exhibitions held by various regional development bureaus in Japan. We also took part in events that drew exhibitors and visitors from outside the construction sector, such as a Global Warming Prevention Exhibition and a Green Infrastructure Industry Exhibition. In this way, we are actively gaining greater understand-

ing of our initiatives while exchanging technical knowledge with people across a range of fields.



Highway Technology Fair 2022.

Date	Exhibition	Organizer	Venue
May 2022	6th Japanese Congress for Infrastructure Management Kinki Headquarters Forum 2022	Japanese Congress for Infrastructure Management Kinki Headquarters	Osaka
May 2022	WOODRISE 2021 BUSINESS SESSION	Japan International Association for the Industry of Building and Housing	Tokyo
May 2022	Global Warming Prevention Exhibition 2022	Nippo Business Co., Ltd.	Tokyo
June 2022	Engineering Exhibition Tohoku '22	Engineering Exhibition Tohoku Planning Committee	Miyagi
August 2022	RX Consortium Exhibition 2022	Construction RX Consortium	Tokyo
August 2022	(71st) Japanese Society of Irrigation, Drainage and Rural Engineering Conference Lecture (Ishikawa Conference)	Japanese Society of Irrigation, Drainage and Rural Engineering Conference Secretariat	Ishikawa
September 2022	Soil and Groundwater Remediation Technology Expo	Sankei Shimbun, Soil and Environment Center	Tokyo
October 2022	Construction Technology Fair 2021 in Chubu	Ministry of Land, Infrastructure, Transport and Tourism Chubu Region Development Bureau	Nagoya
October 2022	Kyushu Construction Technology Forum 2022	Kyushu Construction Technology Forum Planning Committee	Fukuoka
October 2022	Construction Technology Forum 2022 in Chugoku	Construction Technology Forum Planning Committee	Hiroshima
November 2022	2022 Chugoku Regional Construction Technology Development Exchange	Chugoku Regional Construction Technology Development Exchange Planning Committee	Okayama
November 2022	Construction Technology Exhibition 2022 Kinki	Nikkan Kensetsu Kogyo Shimbun (Daily Engineering & Construction News), Kinki Construction Association	Osaka
November 2022	Construction Technology Expo 2022 Kanto	Nikkan Kensetsu Kogyo Shimbun	Tokyo
November 2022	Highway Technology Fair 2022	Express Highway Research Foundation of Japan	Tokyo
December 2022	JAPAN BUILD 2022 Tokyo	RX Japan Ltd.	Tokyo
February 2023	1st Green Infrastructure Industry Exhibition 2023	Nikkan Kogyo Shimbun	Tokyo
February 2023	International Nanotechnology Exhibition & Conference 2023	Nano Tech Executive Committee, JTB Communication Design	Tokyo
February 2023	27th Earthquake Technology Expo Yokohama	Earthquake Technology Expo Planning Committee	Kanagawa

## Hazama Ando Foundation Initiatives

With the desire to encourage initiatives related to securing and training workers for specialist contractors, we established the Hazama Ando Foundation in April 2020 to offer grants for such initiatives. In the fiscal year ended March 2023, the Foundation chose seven projects to subsidize from the fund it set up to support the PR activities of specialist contractors.

One company used the funds to revamp its logo and company uniforms to mark its 50th anniversary. Instead of outsourcing the work to a design firm, it commissioned students from a local art college, incorporating fresh ideas from young people into a new design that quickly won the affection of employees. The Foundation posts such case studies on its website to highlight outstanding initiatives that serve as a model for other companies. To contribute to advancement in the construction industry and the sustainable growth of the Group, we will seek through the Foundation's activities to support the human resource development needed to move the construction industry forward into the future.



Presentation by local art college students to the company.

## Collaboration with Hazama Ando Cooperative Association

The goals of the Hazama Ando Cooperative Association are to strive to put health and safety actions at the heart of construction, improve construction quality and technology, and, at the same time, pursue the mutual flourishing of the Group and association members. In addition to the head office, the association has 11 branches nationwide. Its roughly 1,300 member companies, who make up the core of the Group's construction operations, are engaged in various activities.

Particularly with regard to safety, under Hazama Ando's health and safety policy of "putting safety above all," the Group and the association together carry out safety activities on a daily basis. Every June, we also jointly sponsor a nationwide Safety Promotion Rally, to renew our efforts to further improve health and safety management standards and eliminate accidents.

The entire construction industry in Japan is working to support the career advancement of construction workers. Together with the association, the Group is pursuing initiatives such as supporting registration of business operators and skilled workers. In addition, we regularly exchange information

and opinions with each association branch to implement a system of eight or more closures in four weeks, a key part of working style reforms. In this way, we are further advancing and gaining understanding for Group initiatives while reflecting the viewpoints of association members in Group measures.



Nationwide Safety Promotion Rally (June 2023).

## AHAD Architectural Design Website Section Launched

In March 2023, we launched a new Ando Hazama Architectural Design (AHAD) section on the corporate website. Based on the concept of "thinking and creating together," the site posts collections of design-build project achievements, feature articles, and more.

We will continue to deliver the latest useful information to stakeholders by enhancing content and making ongoing renewals to the site.



AHAD section on the corporate website (Japanese only).

<https://www.ad-hzm.co.jp/lp/ahad/>