

SUSTAINABILITY REPORT 2024



INDEX

1	Hazama Ando's Sustainability Strategies
6	Materiality 1
	Helping to solve social issues and create value for society
7	Activity Highlights
9	Achieving the satisfaction of society and customers and earning their trust
12	Working in harmony with the communities we serve
15	Creating safe, comfortable working environments
19	Materiality 2
	Protecting and being attuned to the natural environment
20	Activity Highlights
22	Creating environmental abundance
26	Environmental Factsheet
33	Materiality 3
	Promoting sustainable management and taking full responsibility for corporate actions
34	Conducting fair and honest corporate activities
41	Engaging in dialogue with stakeholders

Hazama Ando's Sustainability Strategies

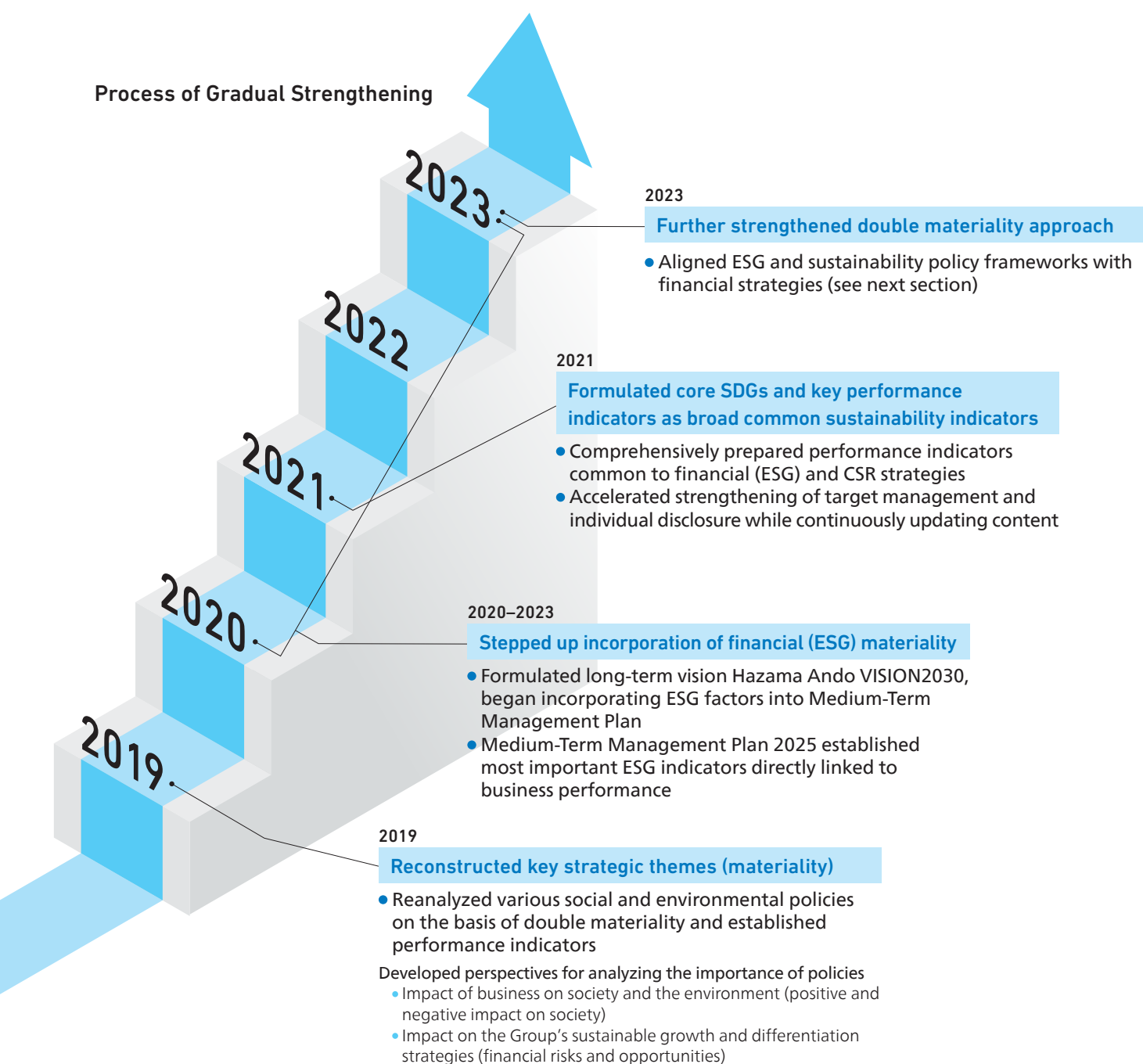
Basic Approach to Materiality

Companies are currently being called on to reflect and put in place a framework to manage a “double materiality” approach in their sustainability strategies, identifying material issues from the perspectives of both the positive and negative impacts on society and the environment and social and environmental risks and opportunities related to the company’s growth. Hazama Ando has long placed importance on such an approach, which has grown in importance in the wake of the release of EU disclosure regulations. We have worked to instill awareness of materiality at every level in the Group and have gradually reflected this in our strategies.

Gradually Strengthening Our Materiality Approach with Reference to Outside Perspectives and Opinions

We have been incorporating a double materiality framework in stages since 2019, taking into account not only various initiatives and ESG evaluation methods, but also regularly obtaining feedback from stakeholders and holding periodic meetings with outside experts and sustainability practitioners. We continue to reflect our findings in various financial and non-financial initiatives and performance indicators.

Process of Gradual Strengthening



Further Strengthening of the Double Materiality Approach

In the fiscal year ended March 2024, Hazama Ando made significant headway in the ongoing renewal of areas of materiality in its sustainability strategy, more strongly aligning the financial strategy with our ESG measures. We are picking up the pace in integrating financial and non-financial management.

Hazama Ando's Materiality and Topics about Core Activities

<p>Materiality 1</p> <p>Helping to solve social issues and create value for society</p>	<p>Materiality 2</p> <p>Protecting and being attuned to the natural environment</p>	<p>Materiality 3</p> <p>Promoting sustainable management and taking full responsibility for corporate actions</p>
---	---	---

Key Sustainability Themes (Material Topics Chosen from an Impact Perspective)

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> ■ Achieving the satisfaction of society and customers and earning their trust ■ Working in harmony with the communities we serve ■ Creating safe, comfortable working environments | <ul style="list-style-type: none"> ■ Creating environmental abundance | <ul style="list-style-type: none"> ■ Conducting fair and honest corporate activities ■ Engaging in dialogue with stakeholders |
|--|--|---|

Key Management Issues Set Out in the Medium-Term Management Plan (Material ESG Topics Chosen from a Financial Perspective)

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Enhancing business growth (reinforcing digital transformation initiatives and operating businesses in a timely manner to adapt to changes in the external environment) ■ Increasing the value of human capital | <ul style="list-style-type: none"> ■ Promoting ESG management (strengthening sustainability governance, rigorous compliance) |
|---|---|

Particularly Important External Initiatives, Guidance, and ESG Evaluations Referenced

Global Reporting Initiative (GRI) GRI Standards / IFRS Foundation ISSB Standards / United Nations Sustainable Development Goals (SDGs) and Global Compact / EU European Sustainability Reporting Standard / Carbon Disclosure Project (CDP) / MSCI ESG Ratings / Task Force on Climate-related Financial Disclosures (TCFD) / SBT Initiative, etc.

Consultations with Specialists and Outside Experts (August 2024)

Each year, in conjunction with preparation of the Corporate Report, Hazama Ando holds regular online and offline meetings with sustainability practitioners and third-party commentators.

At an online meeting held in August 2024, in addition to the content of our disclosure, we reported on the current implementation of materiality measures. The subsequent frank exchange of opinions in light of domestic and international trends yielded suggestions for future improvements.



Meeting with a third-party commentator (Professor Doi, Hosei University Graduate School).






Pursuing PDCA in Line with Materiality

In line with our three material issues, we are currently pursuing Group-wide PDCA management of our core SDGs and key performance indicators, which are common financial and CSR indicators. The results of the PDCA cycle are reviewed by the Sustainability Committee and reported annually in various reports.

We updated the content again in July 2024, underscoring the linkage with the Medium-Term Management Plan, and are pursuing further integrated financial and non-financial management.

Priority Core SDGs and Key Performance Indicators (updated July 2024)

Squares indicate key performance indicators in Medium-Term Management Plan 2025

Material Issues/Relevant SDGs	Key CSR Themes	Core SDGs	Key Performance Indicators	Metrics	Deadline	Fiscal 2023	
Helping to solve social issues and create value for society 	<ul style="list-style-type: none"> ■ Achieving the satisfaction of society and customers and earning their trust ■ Working in harmony with the communities we serve ■ Safe, comfortable working environments 		Serious work-related accidents	0 cases	Every year	0 cases	
			Frequency rate	0.40 or less	2023	0.51	
			Rate of human rights education and training attendance	100%	2025	100%	
				Number of female managers (equivalent to manager class)	60 persons	2025	38 persons
				Eight or more closures in four weeks*1		Every year	
			Civil engineering	100%		94.4%	
			Building construction	100%		84.7%	
			Employee engagement score	At least 80%	2025	75%	
				Productivity improvement**2	Over 10% (compared to fiscal 2020)	2025	18.5%
		Patent applications		75/year	2025	61	
	Regional development projects	3 or more (over 3 years)	2025	2 cases ongoing			
		CO ₂ emission reduction rate (Scope 1 and 2)	At least 34% (compared to fiscal 2017)	2025	26.3%		
CO ₂ emission reduction rate (Scope 3)		At least 21% (compared to fiscal 2017)	2025	22.1%			
Protecting and being attuned to the natural environment 	<ul style="list-style-type: none"> ■ Creating environmental abundance 		Number of ZEB projects	5	2024	5	
			Scale of renewable energy business development	80 MW	2025	45 MW	
			Proportion of renewable energy used for electricity	80%	2030	68.0%	
				Serious environmental incidents	0 cases	Every year	0 cases
				Recycling of construction site waste			
Civil Engineering: Reduction of overall mixed waste volume	0.8 ton/construction cost (100 millions of yen)	2024	0.59t				
Building Construction: Reduction of mixed waste intensity at new construction projects	6.5 kg/total floor space (m ²)	2024	5.1kg				
Promoting sustainable management and taking full responsibility for corporate actions 	<ul style="list-style-type: none"> ■ Conducting fair and honest corporate activities ■ Engaging in dialogue with stakeholders 		Ratio of female board directors	30% or more	Every year	33.3%	
			Ratio of external board directors	50% (a majority)	Every year	66.6%	
			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 to 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.

SOCIAL

Materiality 1

Helping to solve social issues and create value for society

Overview of Fiscal 2023 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 2024. In particular, we pursued building information modeling (BIM) and other means for the digital transformation of construction to boost productivity and strengthen quality control. We are also working on a number of technological developments to address labor shortages and the decline in the population of skilled workers, such as autonomous driving and remotely operated construction machinery. 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, after COVID-19 was downgraded to Category 5 status, we renewed our focus on site tours and other corporate citizenship activities, while also continuing to engage in activities that contribute to regional revitalization.

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. By continuing to enhance the value of our human capital, a key performance indicator in the Medium-Term Management Plan 2025, we are striving to create working environments that allow employees to take pride in their work.



Active Use of BI Tools

We are working on various measures to achieve the goals set out in our Digital Transformation Vision 2030: **1 New ways of working**, **2 Expanding capabilities**, and **3 Creating new value**.

In particular, we are consolidating information gathered from across the Group, including in terms of sales, construction, safety (work-related accidents), and feeding this into a data analysis platform that uses business intelligence (BI)

tools, constructing an environment where all employees can freely view and analyze data.

We are currently deploying several dashboards across the Group, such as for safety, construction, and sales, but going forward, we will make it possible to visualize and analyze other operational data using BI tools and to support data utilization.

Data Analysis Platform Overview

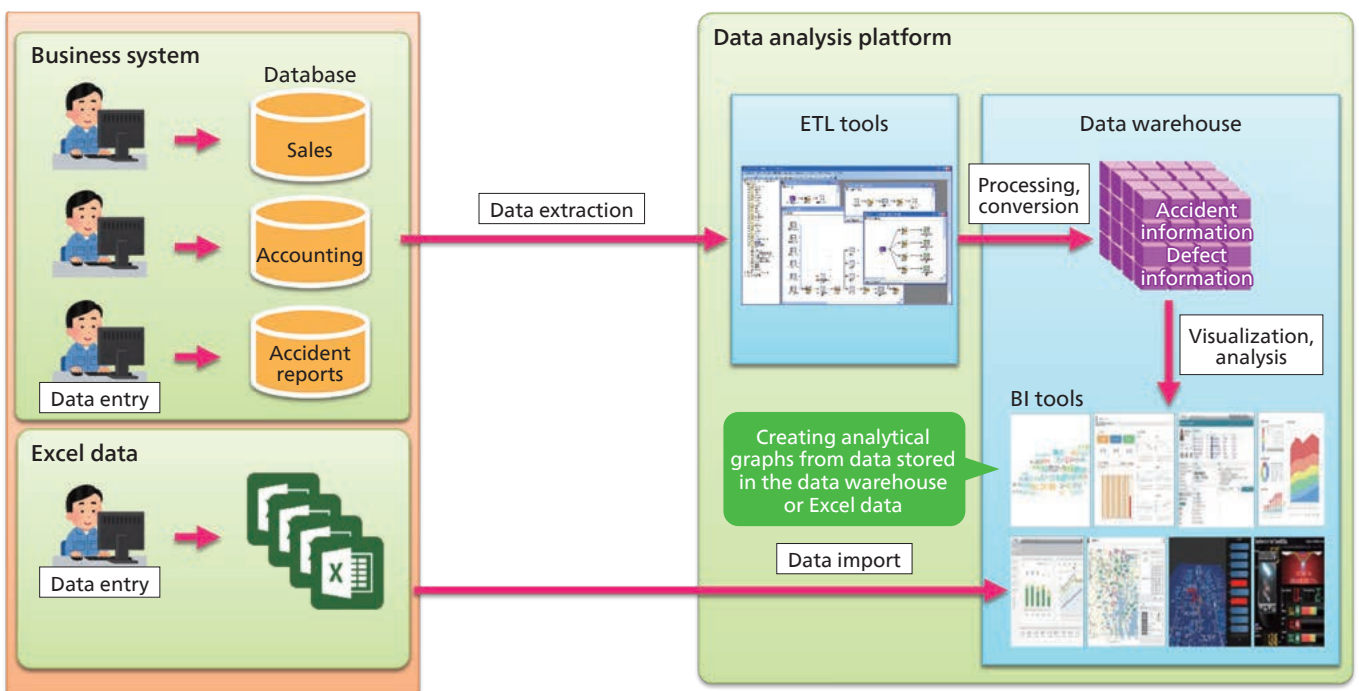


Image of Data Usage

1 Safety (Accident Information)

We are using BI tools to generate multiple charts drawing on accident information collected on the data analysis platform, making it possible to view and analyze past accident information based on various categories, including the type of accident, the situation in which it occurred, the type of construction work involved, and the purpose of the work. We use this information to prevent future accidents.

We are also currently working on building a system to visualize safety patrol information gathered from periodic visits to construction sites, so that this can inform safety management at the various sites.

2 Construction (Quality Defect Information)

It is now possible to analyze information on the quality of construction work, such as reports of defects that occurred during construction and customer satisfaction surveys, and to look at the information from various angles, such as by building use and event. The ability to check construction precautions before the start of construction leads to better quality.

3 Sales

Visualizing data entered into the sales system by sales representatives and branch staff on the BI dashboard, including project information that comes up during sales calls, order plans for each branch, and order results, enables us to manage forecasts and results and analyze orders, which informs our sales activities.



Trial to Verify Autonomous Driving Power Shovel in a Real Working Environment

The Group is working on the development of ICT-based autonomous driving systems for construction machinery, with the aim of improving productivity at construction sites. We entered into a joint research agreement with Kobelco Construction Machinery Co., Ltd. in 2019 to develop power shovels for general use at construction sites, and are moving forward in stages with development and demonstration.

In December 2023, we tested the feasibility of the autonomous driving power shovel by loading soil into a dump truck at a currently active shield tunneling site. In this test, we worked to resolve issues such as the difficulty of assembling the system and the long time needed to get it up and running, as well as the difficulty of operating the shovel.

- 1 Initial setup of the autonomous driving system was completed in a short time, cutting the time needed until operation to about half a day
 - Created a configuration manual to quickly complete initial setup of the system
 - Redesigned the tablet-based user interface for system settings app

- 2 All on-site personnel were able to operate the autonomous driving power shovel, which operated smoothly for two weeks
 - Created easy-to-understand instruction manual and reviewed the user interface of the tablet-based operation app to make it more intuitive
 - Created a daily inspection list for the autonomous driving system

We believe this trial established solid prospects for the practical use of autonomous driving power shovels at certain sites, in terms of operation as well. Based on the results of this joint research, our Group and Kobelco Construction Machinery will step up efforts to expand the scope of construction work to which autonomous driving can be applied and to deploy machinery to sites.



Autonomous driving during the trial.



Developing the Next Generation of Leaders

Hazama Ando is committed to nurturing the next generation of people who will lead the way in the upcoming era. We classify employees into three levels based on their job qualifications: beginner, intermediate, and advanced, and provide selective training for each level.

In the fiscal year ended March 2024, we started with the beginners' class. A total of 20 adventurous young employees were divided into teams and spent several months identifying issues facing the Group and coming up with proposed solutions. At the final presentation, the various teams gave enthusiastic presentations on topics ranging from recruitment and PR strategies to entry into new business ventures. Competing with one another enabled participants to recognize their own growth challenges and spurred them to draw up concrete actions for growth.

Advanced classes also started up during the year, and participants are compiling their proposals for the final presentation.



Next-generation leader training (beginner class)

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 Initiatives

Joint Trial to Realize Wide-Area, High-Speed Wireless 5G and Wi-Fi Environments at Construction Sites

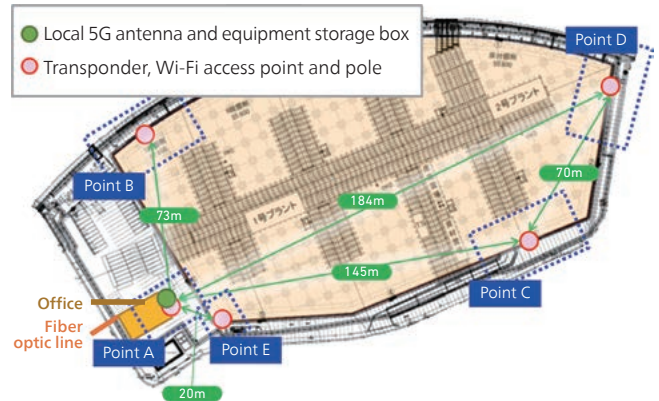
In collaboration with Nippon Telegraph and Telephone East Corporation and NTT Broadband Platform, Inc., we conducted a local 5G trial at a construction site.

We constructed a local 5G and Wi-Fi environment for a large-scale tunneling site where construction is currently underway. The purpose of the trial was two-fold: to confirm the operation of BIM and construction management applications expected to find use in the digital transformation of construction and in efficiency improvements, and to check the situation on-site from a remote location using a 4K camera. We confirmed the effectiveness of both of these things.

- Confirmed that a single local 5G base station can cover a large tunneling site, approximately 200 meters by 100 meters and extending 20 meters underground.
- Confirmed stable throughput of several hundred Mbps for both uplink and downlink via local 5G communications at a location approximately 200 meters away, where there was line of sight to the antenna.
- Confirmed stable throughput of local 5G for the entire span of the operation, unaffected by the movement of trucks or heavy machinery
- Confirmed that applications and 4K cameras can be used smoothly at all local 5G connection points etc.

Based on the knowledge gained from this trial, we will move towards realizing new ways of working at construction sites while aiming to deploy the wide-area, high-speed wireless environments that are optimal for digital transformation at the sites.

Aerial View of the Site



Various Awards (in order received)

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

Granting organization	Award	Technology, projects recognized
Japanese Society for Rock Mechanics	Japanese Society of Rock Mechanics 2022 Frontier Award	Method of evaluating rock mass stress and anisotropic Young's modulus with borehole jack test Shohei Kawakubo and 1 other author (outside the Group)
East Nippon Expressway Co., Ltd. Hokkaido Branch	Excellence in Construction Awards, Branch Manager Award for Excellent Construction Process Management	Sapporo Branch: Hokkaido Expressway Sapporo Management Office New Construction
Engineering Advancement Association of Japan	Fiscal 2023 Engineering Achievement Award and Special Engineering Commendation Award	Engineering Achievement Award: Autonomous Driving Floor Crack Inspection Robot Development Team Special Engineering Commendation Award: Deep-Level Mixing Blade Measurement System Development Project Team
Japan Railway Construction, Transport and Technology Agency (JRTT)	Fiscal 2022 Award (Civil Engineering Division)	Tokyo Branch: Shin-Tsunashima Work Site, Sapporo Branch: Uenoyu Tunnel Work Site, Sapporo Branch: Tenjin Tunnel Work Site, Nagoya Branch: Asamizu-Kawa Work Site (all joint ventures)
Toyama Labor Bureau	Fiscal 2023 Toyama Labor Bureau Director's Awards Excellence Award	Hokuriku Branch: Toga Tunnel (Riverbed Approach) Construction
Chubu Electric Power Co., Inc.	President's Choice Award	Owase-Mita Thermal Power Plant: Removal of on-site equipment (Phase 2) (Joint venture of Hazama Ando and Chubu Plant Service)
Ministry of Land, Infrastructure, Transport and Tourism, Kinki Region Development Bureau	Fiscal 2023 Ministry of Land, Infrastructure, Transport and Tourism Administrative Achievement Awards, Director's Award for Excellence in Construction, Construction Category	Osaka Branch: Maibara Bypass Hikone Tunnel Construction
Sustainable Management Promotion Organization	6th EcoPro Awards Excellence Award	Standardization of low-carbon precast concrete products and initiatives to visualize environmental information
Tohoku Region Construction Safety Promotion Conference Planning Committee	Tohoku Region Construction Safety Promotion Conference (SAFETY2023): Outstanding Paper	"What is Safety?" Motomu Kajiwara
Japan Dam Foundation	43rd Dam Construction Merit Award	Nagoya Branch: Yoshino Segawa Dam, Work Site Manager Atsushi Tomimori
Construction Technology Exhibition 2023 Kinki, Judging Panel Organizers: Nikkan Kensetsu Gogyo Shimibun (Daily Engineering & Construction News), Kinki Construction Association	Judges' Special Award	Weather Hazard Prediction KKY (Weather Hazard Prediction) (Joint exhibit with Life & Business Weather Inc.)
Overseas Construction Association of Japan (OCAJI)	2nd OCAJI Project Award	Two overseas projects (Croix-des-Missions Bridge and Route Neuve Bridge Replacement Project, Nam Ngum 1 Hydroelectric Power Plant Expansion Project Lot. 1)
Tohoku Regional Agricultural Administration Office	Fiscal 2023 Awards for Recipients of Excellent Agricultural and Rural Development Construction Projects	Tohoku Branch: Waga Central Agricultural Water Utilization Project, Ishibane Intake Construction Project
Japan Building Disaster Prevention Association	Fiscal 2023 (13th) Seismic Retrofitting Excellence and Contributor Awards: Seismic Retrofitting Excellence Award	Tomon Building
Ministry of Land, Infrastructure, Transport and Tourism, Chubu Region Development Bureau	3rd Chubu Digital Innovation Award Grand Prize	AI-based (image and character recognition) system for managing quantity and timing of concrete placement
Ministry of Land, Infrastructure, Transport and Tourism, Kanto Region Development Bureau, Yokohama Maintenance Office	Fiscal 2023 Yokohama Maintenance Office Director's Awards for Excellent Construction Works: Award for Difficult Construction Achievement	Building Management Division

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

Aiming to Achieve BIM Level 2: “Connected BIM”

Aiming to realize BIM Level 2 maturity, the BIM Promotion Roundtable of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) is studying the broad-based implementation of BIM following the roadmap it laid down in the fiscal year ended March 2023. It is focusing on three areas: creating an environment for BIM-based building inspections; creating an environment for data sharing; and digitalizing the building maintenance and operation stages. In the fiscal year ended March 2024, the roundtable launched strategy, review, and standardization task forces to explore the start of BIM-based building inspections and BIM drawing reviews in the fiscal year ended March 2026, and is working to standardize BIM attribute information to create a linked-data environment.

In line with these initiatives on the part of MLIT, last year we started developing templates and workflows, applying them to actual projects to realize BIM Level 2, which indicates the stage when BIM information is integrated.

Our next step will be to realize “connected BIM,” in which BIM information is routinely used to carry out work in a model-centric workflow. We will aim to do this by moving ahead with three initiatives:

- 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 We will work to boost overall productivity, developing a variety of tools for enhancing work efficiency and quality as well as construction production processes that further eliminate waste.

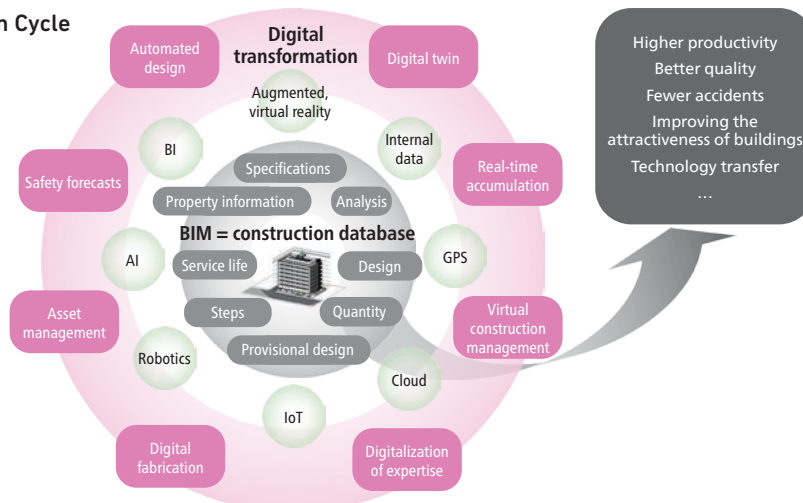
After achieving connected BIM through these efforts, we will set our sights on achieving BIM Level 3 as we build more innovative and sustainable construction processes. Working together across the Group, we will harness the motivation and creativity of our staff as we strive to refine our technologies and gain knowledge, becoming a leading BIM company in the construction industry.

Major Task Force Initiatives Leading up to Fiscal 2025 Achievement

	Fiscal 2023	Fiscal 2024	Fiscal 2025	Results
Review Taskforce	<ul style="list-style-type: none"> Defining BIM drawing review process (data requirements for omitting consistency checks, review methods using PDF and IFC, etc.) Creating specifications for CDE system for confirmation applications used in BIM drawing reviews (organizing functional requirements as a cloud system) 	<ul style="list-style-type: none"> Creating tools and draft manuals for applicants and reviewers for BIM drawing reviews (preparation of confirmation application documents, reviews, etc.) Building a CDE system for confirmation applications (developed based on specifications) 	<ul style="list-style-type: none"> Preparing BIM drawing review operations (finalizing tools, manuals, etc., using these for publicizing and preparing, etc.) Building a CDE system for confirmation applications (linked with electronic application reception system) 	Start of BIM drawing reviews
Standardization Taskforce	<ul style="list-style-type: none"> Organizing a comprehensive framework for applicable objects Organizing attribute information by part, type of work as standard parameter lists 	<ul style="list-style-type: none"> Publishing standard parameter lists and method of use Considering use cases and formulating intermediate files for broad-based implementation 	<ul style="list-style-type: none"> Trial to link with external data including estimates as use cases 	Environment to enable data sharing between different software without issues

Source: Ministry of Land, Infrastructure, Transport and Tourism, Construction BIM Environment Improvement Subcommittee, Fiscal 2023 Review Status

BIM and Digital Transformation Cycle



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
- 3. Regional development projects

- 2. Activities that contribute to culture

Pillars Supporting Our Initiatives 1: Social Contribution Activities

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.

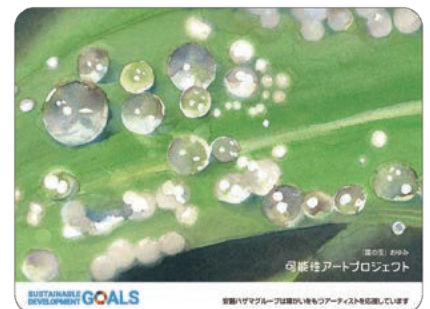
■ Supporting the Art of Possibility Project: Posting Works by Artists with Disabilities at Construction Sites

As part of our ESG management, we support the Art of Possibility Project* jointly undertaken by Toppan Holdings, Inc., 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 2024, we had exhibited artwork at 47 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. 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



Novelties incorporating an artist’s artwork.

■ [Sapporo Branch]
Hokkaido Shinkansen, Shishi Tunnel (Tenjin) and Other Construction Projects

On August 3, 2023, the Construction Exploration Team 2023 Summer Vacation Series sponsored by the Japan Federation of Construction Contractors (Nikkenren) took place at the site of a tunnel construction project currently underway in the city of Otaru in Hokkaido on behalf of the Hokkaido Shinkansen Construction Bureau of the Japan Railway Construction, Transport and Technology Agency. The Shishi Tunnel (Tenjin) on the Hokkaido Shinkansen line is part of several related construction projects. This event is an annual site tour organized by Nikkenren for elementary and junior high school students and their parents. This year drew about 20 parents and children chosen from the general public.

In this site tour, participants walked through the tunnel currently being excavated all the way to the end, where they touched the excavation face and watched demonstrations of wheel loaders and drilling jumbos. The children were full of questions, such as whether the water flowing at the site is drinkable, how such large machines can be transported, and whether any fossils will be found.

We will continue to accommodate site tours organized by Nikkenren and other organizations.



Scene from the site tour.

■ [Nagoya Branch]
Site Tour of the Chubu Transregional Bokata Tunnel Construction

A total of 200 people participated in a site tour open to local residents at the Chubu Transregional Bokata Tunnel construction site in the city of Takayama in Gifu Prefecture, where new construction work is underway. People of many ages, ranging from two-year-olds to senior citizens, participated in a total of eight tours hosted. After the site manager gave an overview of the construction work, participants traveled to the site by minibus and toured the whole length of the tunnel, from the entrance to the excavation face. To offer participants a concrete image of the work being done, a concrete sprayer equipped with an erector was operated to simulate construction work. After the tour, the children remarked excitedly how massive the machines were and how fun the tour was.

We will help make construction a viable career option for children, gaining greater understanding and improving the image of the construction industry for children who will lead the industry in the future.



Children touching a road header (excavation machine) actually in use.

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. Two projects completed in August 2024 were the seismic retrofitting and repair work on town-designated cultural properties located on the grounds of the Meiji Memorial Oiso Residence Garden in the town of Oiso in Kanagawa 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.

We will continue to contribute to society by applying these technologies to the conservation, repair, and restoration projects for cultural properties, historical buildings, and civil engineering structures.



Former Mutsu Munemitsu and Furukawa villas (Meiji Memorial Oiso Residence Garden).



Former Okuma Shigenobu and Furukawa villas (Meiji Memorial Oiso Residence Garden).

Supporting Dedication of Outdoor Firelight Noh Performances at Meiji Jingu Shrine, Publication of 40th Anniversary Commemorative Publication

Hazama Ando co-sponsors the dedication of outdoor firelight Noh performances held at Meiji Jingu Shrine in Tokyo every autumn. The event was held for the 42nd time in 2023 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 42nd dedicated firelight Noh performance was held at Meiji Jingu Shrine in October 2023—with spectators actually in attendance

for the first time in four years.

Also, to mark the 40th anniversary of the outdoor firelight Noh performances, we published a 40th anniversary commemorative publication in September 2023, summing up the history of these events.

* For details, see the website below (Japanese only): <https://www.ad-hzm.co.jp/assets/pdf/sustainability/culture/takiginou40th.pdf>



The 42nd dedicated firelight Noh performance held at Meiji Jingu Shrine, entitled "Kakitsubata: Dance of Sawabe" (Photograph: Fuminori Mikami)

Pillars Supporting Our Initiatives 3: Regional Development Projects

Co-Creation with Local Communities in New Community Development

Hazama Ando works together with local governments, regional companies, and members of local communities to address the array of issues facing the various regions in Japan, including a declining birthrate and aging population and contraction in regional economies, seeking to contribute to the development of the regions through regional revitalization.

In the fiscal year ended March 2024, based on a regional comprehensive partnership agreement with the city of Buzen in Fukuoka Prefecture, we moved ahead with the planning of a renewable energy project that will contribute to regional carbon neutrality. Based on a similar agreement with the city of Kuki in Saitama Prefecture and a startup company, we supported a

health promotion event and engaged in other activities.

The Six-Fold Focus of the Group's Community Development

1. Community development driven by the region that capitalizes on local resources
2. Community development that adds new value to enhance the appeal of the region and encourages broad interest in living or visiting there
3. Vibrant community development that attracts businesses and new industries to take advantage of regional strengths, creating jobs
4. Community development that contributes to the realization of a carbon neutral society
5. Robust community development brought about by a regional circular economy
6. Self-sufficient community development through the local production and consumption of energy

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

Fiscal 2023 Basic Plan for Health and Safety Management Promoting a safety culture

- Launch of greeting campaign
- Thoroughly ingraining and expanding hands-on learning
- Rigorously following the on-site safety management manual
- Rigorously following the Hazama Ando Safety Rules

Health and Safety Slogan

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

Health and Safety Promotion Measures

- 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

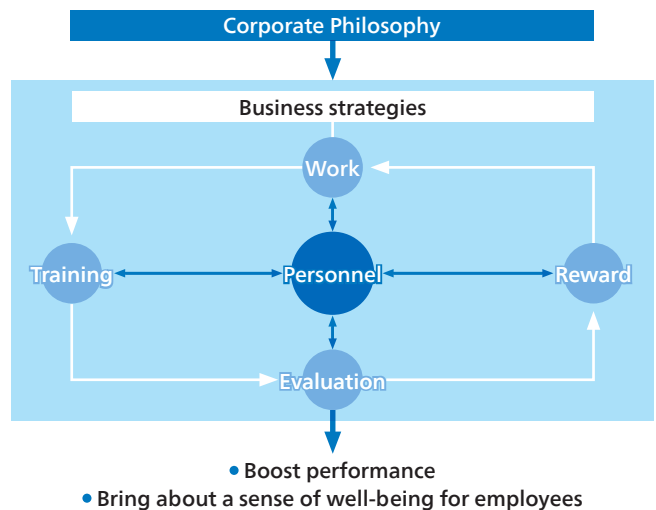
Foster an organizational culture where diverse personnel can actively demonstrate their full potential and take on challenges for the benefit of society.

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. We seek to thoroughly ingrain the Hazama Ando Safety Rules and the 10 Safety Steps to Avoid Repetitive Accidents formulated by the Safety, Quality and Environment Division and the Construction Division. 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 where people can grow.

Pillars Supporting Our Initiatives 1: Occupational Health and Safety

Efforts to Eliminate Repetitive Accidents

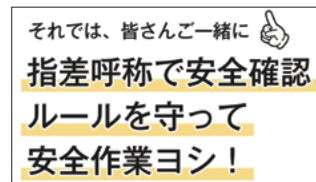
In the construction industry, many work-related accidents are repetitive in nature. The Group has compiled case studies of past accidents and established 10 Safety Steps to Avoid Repetitive Accidents, which we update every year. We are implementing these measures in construction projects both in Japan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

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

Analyzing the causes of accidents in the Group in the previous year, we found that 70% of accidents could have been prevented if people had pointed out and called out potential issues. We have thus started an initiative to analyze and publicize what kind of pointing out and calling out could have been done at the work site to prevent such accidents.

We aim to ingrain three practices in day-to-day work. In the order of the most common accidents: **1 Confirming uneven surfaces: Check!** **2 Ensuring hands are in the right position: Check!** **3 Making sure equipment is stationary: Check!**



Video signage (effects of point-out and call-out confirmation)



Video signage (establishment of point-out and call-out confirmation)

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, the Group renewed its commitment to the principle of the 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. Strongly convinced of the need to thoroughly reinforce this principle, we have directed all officers and employees to ensure that recurrence prevention measures are implemented.

Each work site is implementing specific measures to prevent recurrence and eliminate the risk of fire, including changing to construction methods that do not use open flames and in principle prohibiting the use of open flames near combustible materials.

July 2024 marked the sixth year since the large fire accident, and a quarter of our current employees joined the company after it occurred. 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 all officers and employees watch training videos and conduct online testing on the rules for using fire.

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.

First, in our training by job position, we devised a new training program for newly appointed department managers and launched a program in which such newly appointed managers nationwide engage in active discussions and seek to improve the quality of their own decision-making. In our

training for new employees, participants undergo months-long, hands-on training 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. In addition to this lengthy training for new employees, in the fiscal year ended March 2024, we began a training program to prepare for the first-class architect exam, targeting new employees in the construction field. Participants study hard while competing with each other to pass the exam.

In addition, we have introduced overseas internships with the aim of broadening employees' scope of knowledge and experience and tying this to their future career advancement. Over a period of several months, employees get the chance to realize how enjoyable it can be to work overseas and embrace new growth challenges.

We are also focusing on leadership training by expanding the training menu for executives in line with our succes-

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

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 and long-term care to gain greater understanding of Group initiatives. In the fiscal year ended March 2024, we raised the target rate for male employees taking childcare leave in our action plans for supporting the development of the next generation and our action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace, seeking to create an environment that further facilitates men taking 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 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Male employees taking childcare leave (percentage)	8 (13.60%)	17 (18.30%)	17 (26.60%)	29 (46.03%)
Female employees taking childcare leave (percentage)	13 (100%)	15 (100%)	15 (100%)	22 (100%)
Returnees after childcare leave	9	16	16	13
Users of reduced working hour system	33	26	43	55
Job return applications	0	0	0	0
Employees rehired after retirement (percentage)	58 (90.6%)	52 (83.8%)	57 (82.6%)	60 (92.3%)
Foreign employees	54	50	47	45
Employees with disabilities (including special disabilities)	45 (22)	50 (22)	52 (22)	53 (21)
Average length of employment: male	18.9	18.8	18.8	19.0
Average length of employment: female	11.1	11.5	11.7	11.9
Percentage of full-time female employees (to all employees)	12.9%	13.3%	14.2%	14.2%
Percentage of women among new graduate hires (full-time)	9.6%	18.7%	20.5%	20.5%
Percentage of female employees (new graduate and mid-career hires) among new hires (retirement employees)	12.9%	21.1%	25.4%	19.3%
Ratio of women in management positions*	1.6%	1.7%	2.2%	2.9%

* Assistant manager (equivalent to manager class) or above

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 values and ways of thinking are becoming increasingly diverse and to understand the need for managing a diverse workforce. For female employees, we also continue to conduct group training aimed at supporting career development. Through assessment results and group work, participants deepen their understanding of themselves and

learn techniques to take greater control over their career paths. The training also serves as an opportunity to network with fellow female employees.

We also hold training for site managers on the topic of approaches to human capital management that invite the willing and active participation of Gen Z employees. The training references 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.

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.

Executive Seminars

Our training menu for executives includes executive seminars, training for newly appointed executive officers, and training to offer financial knowledge. We held four executive seminars in the fiscal year ended March 2024 and invited outside lecturers, with around 100 executives participating in each session. One lecturer was Professor Kunio Ito, director of the Hitotsubashi CFO Education and Research Center, who is well-known for the Ito Report for Human Capital Management. Professor Ito joined us twice as a lecturer. Participants had the chance to deepen their understanding of human capital management and think once again about the nature of people in a management context.

Other seminars were on the topics of case studies of corporate culture reform and the kind of leaders that are called for in a contemporary context. The seminars were a valuable opportunity to gain new perspectives and ways of thinking, with participants remarking that they were highly inspired and gained new insight, and that the content was very interesting and impressive.

We hope to continue to take up a variety of topics going forward, actively creating opportunities for people to gain new insights.



Scene from the seminar.

Recognized as a Certified Health & Productivity Management Outstanding Organization (White 500)

Hazama Ando was recognized as a Certified Health & Productivity Management Outstanding Organization (White 500) in 2024 under a program jointly sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (Japan Health Council). This is the second year in a row we were recognized as a White 500 company.

This program recognizes companies that practice particularly outstanding health and productivity management, with the aim of giving visibility to such companies—large corporations, small and medium-sized enterprises, and other companies—and fostering an environment in which they can receive social recognition among employees, job seekers, affiliates, financial institutions, and others. Top corporations are given the designation White 500.

Having issued a Health Declaration in July 2019, we have recognized that maintaining and improving health, including improved employee vigor and corporate productivity, is essential to the vitality of the organization. We have therefore established a framework to promote health management throughout the company and put initiatives in place to promote better health, including diet, exercise, smoking, and mental health. We will continue striving to provide a safe, secure, and healthy working environment so that our employees can continue to work energetically.



ENVIRONMENT

Materiality 2

Protecting and being attuned to the natural environment

Overview of Fiscal 2023 Results

In addressing the material issue of protecting and being attuned to the natural environment, we are seeking 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 2024, guided by the carbon neutral performance indicator that is linked to our medium-term management plan, we took steps to reduce CO₂ emissions and make our businesses carbon neutral, including by promoting next-generation energy projects. We also accelerated our efforts in strategic areas, such as pursuing the application of ZEB construction and further developing Carbon Pool concrete. In terms of respecting biodiversity, in addition to efforts at construction sites, we are exploring technical research and application to actual projects, centered around the work of the Technical Research Institute.

In terms of a PDCA framework, we have set environmental objectives and targets for the fiscal 2023-fiscal 2025 period and are practicing forecast and performance management with a view to managing the supply chain. Furthermore, we are committed to improving transparency for stakeholders by making proactive disclosure in line with CDP, TCFD, and various other initiatives. We will continue to press forward with these initiatives to create environmental value.



Start of Power Cogeneration Trial Using CO₂-Free Hydrogen Produced In-House

As part of our efforts to address energy-related issues in Japan, we have been operating the Hazama Ando Next-Generation Energy Project (Phase 1) since April 2020. In October 2023, the trial moved into its second phase (full-fledged trial), targeting the use of CO₂-free hydrogen*. This project was also chosen for the first-round Fiscal 2023 Sustainable Buildings Pioneer Project (for the Introduction of CO₂ Reductions) by the Ministry of Land, Infrastructure, Transport and Tourism.

The aim of the trial is to further reduce CO₂ emissions from the energy we obtain by supplying hydrogen that we produce as fuel for an existing cogeneration system—installed during the first phase, the system is compatible with hydrogen. Furthermore, we will use our existing wide-area reduced CO₂ management system to distribute energy obtained from CO₂-free hydrogen and other fuels to multi-structure facilities buildings and remote buildings.

The CO₂-free hydrogen production and supply system under development in this trial has several distinct features.

- 1 Using an existing solar power generation system as a power source, the system produces and supplies CO₂-free hydrogen by means of electrolyzers.
- 2 The CO₂-free hydrogen is used as fuel for an existing next-generation, low-CO₂ cogeneration plant compatible with this fuel.
- 3 For the

hydrogen production, the project has rolled out two types of electrolyzers with different characteristics—an anion exchange membrane (AEM) electrolyzer made overseas and a proton exchange membrane (PEM) electrolyzer made in Japan. 4 The system operates constantly, producing hydrogen year round except during maintenance periods.

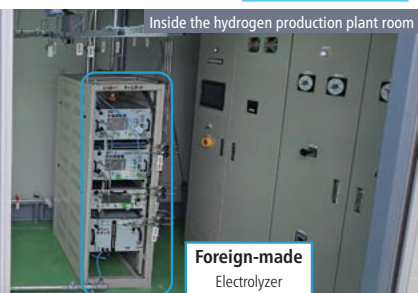
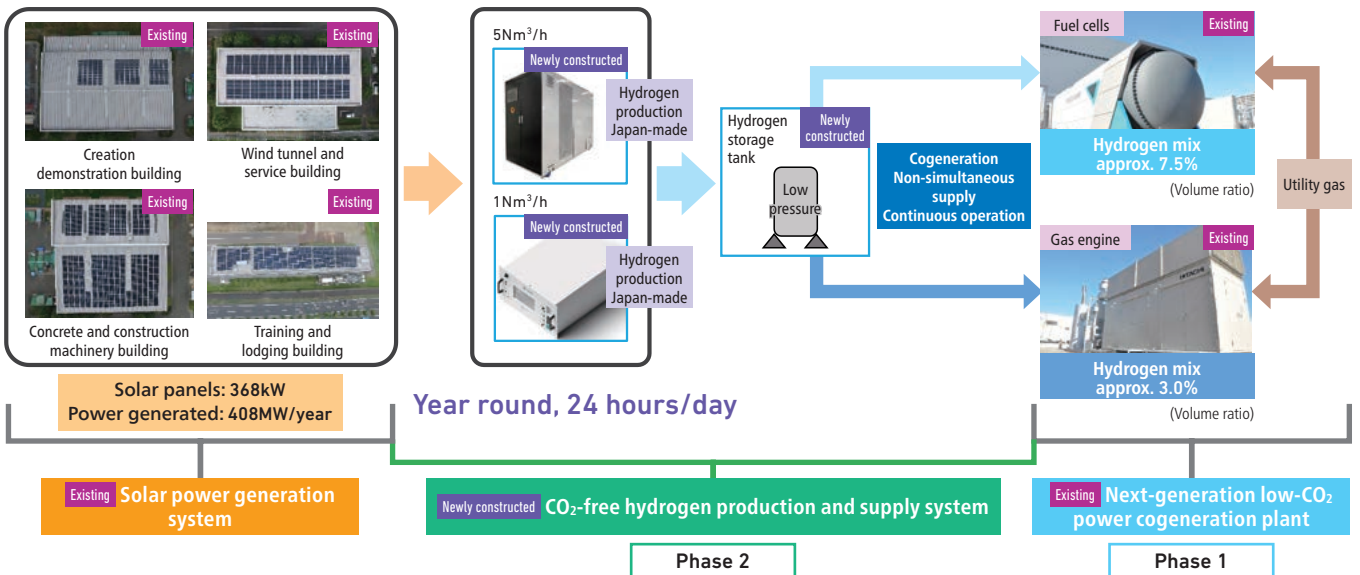
We rolled out the foreign-made AEM electrolyzer at the end of the fiscal year ended March 2024 and conducted a hydrogen co-firing test run to produce hydrogen. The Japanese PEM electrolyzer is scheduled to come online by the end of the fiscal year, starting full-scale operation in April 2025.

Our aim with the second phase of the trial is to take a leading role in establishing a distributed energy system for the upcoming hydrogen-based society by publicly taking a concrete step forward in the production and use of CO₂-free hydrogen. We will also gather and verify expertise on leading-edge CO₂ reduction technologies, and, by further operating and expanding these technologies, we contribute to the construction of next-generation energy management systems and the realization of a sustainable society.

* CO₂-free hydrogen:

- Hydrogen with low greenhouse gas emissions during manufacturing
- Hydrogen produced in a way that significantly reduces CO₂ emissions
- Hydrogen considered to have higher environmental performance, with a focus on CO₂ emissions at the manufacturing stage

Project Overview





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 provides a 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 select tree species in light of plant life and vegetation native to the surrounding area 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. Also, to demonstrate that healthy plant growth is possible even in limited sunlight conditions and demonstrate our ability to shape the kind of high-quality green spaces customers seek, we have established a Shade and Green Demonstration Field in the courtyard of the institute's environmental and radiation building. Here, we are

evaluating the health of each plant species.

Furthermore, 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.

To help our employees gain a deeper understanding of the importance of conserving biodiversity, we publish an in-house newsletter called the *Research Institute 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 tree species in light of plant life and vegetation native to the surrounding area



Planting

Green space management that does not rely on chemical pesticides



Nurturing

Publication of *Research Institute Ikimono Tsushin*



Broadening

Protecting

Bird monitoring survey



Evaluation of plant growth



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

Three-Year Environmental Objectives and Targets (Fiscal 2023–Fiscal 2025)

In the fiscal year ended March 2024, the Group renewed the three-year environmental objectives and targets it first set 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 CO₂ 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.

Environmental Objectives and Targets (Fiscal 2023–Fiscal 2025)

1. Climate change activities					
Area	Objective, target	Fiscal 2023	Fiscal 2024	Fiscal 2025	
1.1 Reduce greenhouse gas emissions					
Shared	Reduction of greenhouse gas emissions (Scope 1+2) (versus fiscal 2017)	15.3%	26.8%	34.0%	
Shared	Reduction of greenhouse gas emissions (Scope 3) (versus fiscal 2017)	—	18.0%	21.0%	
Shared	Procure electric power from renewable energy	25.0%	43.0%	49.0%	
Civil Engineering Building Construction	CO ₂ emissions per completed construction at the construction stage	(Civil Engineering) 43.0 tons of CO ₂ /100 million yen (Building Construction) 9.4 tons of CO ₂ /100 million yen	18.6 tons of CO ₂ /100 million yen (this time)	15.8 tons of CO ₂ /100 million yen	
Civil Engineering Building Construction	Electrification rate of energy used in construction	—	37.0%	39.0%	
Civil Engineering Building Construction	Reduce CO ₂ emissions by supplying energy through a next-generation low-CO ₂ cogeneration plant	Reduction: 160 tons of CO ₂	Begin full-scale operation green hydrogen power generation	Optimize green hydrogen power generation	
Offices	Reduce CO ₂ emissions at head office, branches, and sales offices Total reduction compared to fiscal 2017 (SBT reduction basis)	Reduction: 2,722 tons of CO ₂ Reduction rate: 30.4%	—	—	
1.2 Promote environmentally friendly design and technology					
Building Construction	Implement environmental proposals based on life cycle assessment* results for design-build projects of 2,000 square meters or more	100%	100%	100%	
Building Construction	Shift to net zero-energy building (ZEB) standards	Verified: 5 (cumulative) Proposed: 5	—	—	
Building Construction	Implement net zero-energy building (ZEB) proposals for design-build projects of 2,000 square meters or more	—	100%	100%	
Civil Engineering Building Construction Technology	(Top row) Environmental technologies developed (fiscal 2023) Development projects (fiscal 2024-2025) (Bottom row) Environmental technology design and construction projects adopted	Civil Engineering: 1 project 2 projects Building Construction: 1 project 2 projects	5 projects 4 projects	5 projects 4 projects	
2. Actions to conserve biodiversity (helping to bring about a society that can coexist with nature)					
Area	Objective, target	Fiscal 2023	Fiscal 2024	Fiscal 2025	
2.1 Steadily pursue biodiversity-friendly initiatives related to construction projects					
Shared	Instill understanding of biodiversity conservation, take definitive actions at spotlighted work sites, make new proposals, conduct internal and external PR	30	30	30	
Technology	Technologies related to biodiversity: a: examinations, b: development, c: trials, d: application to projects	a: 2, b: 1, c: 1, d: 1	a: 2, b: 1, c: —, d: 2	a: 2, b: 1, c: —, d: 2	
3. Activities toward building a recycling-oriented society					
Area	Objective, target	Fiscal 2023	Fiscal 2024	Fiscal 2025	
3.1 Recycle construction waste					
Civil Engineering	Reduce mixed waste intensity per total floor area at new construction projects (Civil Engineering)	0.85 tons/100 million yen	0.8 tons/100 million yen	0.76 tons/100 million yen	
Building Construction	Reduce mixed waste intensity per total floor area at new construction projects (Building Construction)	6.7 kilograms/square meter	6.5 kilograms/square meter	6.5 kilograms/square meter	
Shared	Reduce waste plastic emissions and promote recycling	—	Add trial measures for reducing emissions and recycling, and expand trial model sites	Continue adding trial measures for reducing emissions and recycling Deploy identified measures Group-wide	
4. Put environmental activities in practice					
Area	Objective, target	Fiscal 2023	Fiscal 2024	Fiscal 2025	
4.1 Promote environmental activities and disclosure					
Civil Engineering Building Construction	Environmental site visits * Visits to sites of branch offices	Civil Engineering: 90% Building Construction: 90%	Civil Engineering: 100% Building Construction: 100%	Civil Engineering: 100% Building Construction: 100%	
Shared	Promote Environment Month activities * Participation rate for all eligible sites	Civil Engineering: 100% Building Construction: 100%	—	—	
Shared	Promote environmental initiatives through environmental and eco-site visits	30 activities or more	30 activities or more	30 activities or more	
Shared	Promote more robust actions that contribute to the environment and society Take actions to contribute to the environment and society	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: 90 per year	Civil Engineering: 3 per work site Building Construction: 3 per work site Offices: 90 per year	

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

* Life cycle assessment (data on CO₂ emissions) is 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

Development of Solar Power Self-Consignment System, Start of Electricity Supply to Shizuoka Branch Office

As part of our technological development aimed at helping to bring about a carbon neutral society, we have developed a solar power self-consignment system that transmits green electricity from solar power generation facilities in remote locations. After adapting the system to a solar power farm built in the city of Makinohara in Shizuoka Prefecture, which is also suited to farming, we started supplying electricity to the Shizuoka branch office building in April 2024.

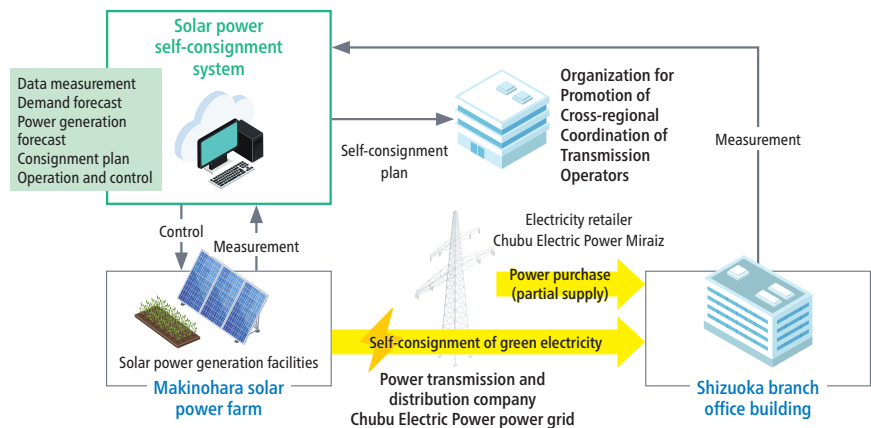
As an increasing number of companies pursue carbon neutral energy by installing solar power generation facilities on their premises for internal consumption, demand is growing for the off-site procurement of renewable electricity, due to the lack of space for installation and other restrictions. At the same time, large-scale off-site development has become the subject of debate in recent years over issues such as the fact that it degrades landscapes, eliminates the absorption function of forests, and increases the danger that deforestation will cause landslides, which has made it difficult to secure land.

This prompted Hazama Ando to develop its own solar power self-consignment system to automate the self-consignment of

solar power. Meanwhile, to address the issue of securing land, we have developed and deployed high-angle solar power generation facilities that can be used on both active and abandoned farmland.

Going forward, we will continue to hone the accuracy of system control based on the range data we obtain through self-consignment. We also plan to carry out various trials using this solar power farm in line with customer demands.

We continue to accumulate technologies and operational expertise, pursue initiatives to address social issues and realize a carbon neutral society that can co-exist with nature to meet the needs of customers down the road.



Further Efforts towards Achieving ZEB

As part of its efforts to help bring about a sustainable society, Hazama Ando continues to promote the transition to ZEB*1 building construction.

In the fiscal year ended March 2024, while implementing ZEB technologies in new office building construction and renovation projects, in the course proposing multiple projects for large-scale offices, we also accumulated technologies and knowledge about environmentally friendly building construction, comprehensively exploring comfort, energy efficiency, and CO₂ reduction. We have now completed and started the operation of ZEB structures not only for office use but also for hospitals, warehouses, and other uses.

In the case of hospitals, we are currently undergoing commissioning*2 to ensure that we fully achieve the performance required by the customer and by ZEB functional standards. We are collecting and analyzing questionnaires, operational data, and test results, and proposing necessary adjustments and steps to optimize operations.

We are also developing new technologies to achieve both comfort and energy efficiency.

In the fiscal year ending March 2025, with the aim of realizing further ZEB construction and implementing new technologies, we plan to propose ZEB construction for 100% of design-build projects*3 of 2,000 square meters or more, drawing on the technology, track record, and expertise we have built up to date.



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

*2 <http://www.bsca.or.jp/english/outline/>

*3 As a rule, new construction implementation and design conforming to Japan's Energy Conservation Act

Carbon Pool Concrete Development: Successful Capture of CO₂, Sequestering in Aggregate from a Cement Plant

As the lead company of the Carbon Pool Concrete Consortium, Hazama Ando has been pursuing the development of Carbon Pool concrete since 2022.

Carbon Pool concrete has a target of sequestering more than 120 kilograms of CO₂ per cubic meter. To do so, it sequesters CO₂ in a mixture of concrete mass obtained in demolition, unused concrete from construction sites, and sludge cake and sludge water discharged from ready-mixed concrete plants, which is reused as a raw material. CO₂ nanobubble water is further used during the curing process after placement of the concrete to maximize the amount of CO₂ sequestered.

As part of our development efforts aimed at the widespread implementation of this concrete in actual projects, in collaboration with Haiko Onoda Remicon, Inc., we began running experiments June 2024 at that company’s Carbon Pool Center. The goal was to sequester CO₂ captured by chemical absorption at the Kumagaya Plant of Pacific Cement Corporation in granulated recycled aggregate.

Based on the results of a series of trials conducted so far, the center moved on to a trial to sequester CO₂ emitted during the process of firing cement, using granulated recycled aggregate. The trial confirmed that the 450 kg of CO₂ captured could be sequestered in the aggregate using the center’s temporary CO₂ sequestering facilities.

The consortium is planning next to sequester CO₂ in granulated recycled aggregate using CO₂ captured on a trial basis at the Kumagaya Plant of Taiheiyo Cement Corporation, and to use this Carbon Pool concrete aggregate in the trial construction of a park facility in Shiga Prefecture. The consortium will also continue to work toward the widespread implementation in actual projects by 2030, including exploring ways of using CO₂ emitted from other plants and efficiently sequestering it in concrete.



Granulated recycled aggregate carbonizing equipment.

Pillars Supporting Our Initiatives 2: Taking Steps to Achieve Biodiversity

Initiatives That Help Conserve Biodiversity: Active Use of Ikimono Info

Ikimono Info (ikimono means “living thing” in Japanese) is an in-house platform that has compiled a database of case studies of biodiversity conservation initiatives we have been involved in in our civil engineering and building construction work. Based on examples of conservation activities undertaken on-site (sites focusing on biodiversity) and basic information on living creatures (such as the ecology of plants and animals and their habitats), we can use the platform to help propose construction plans that take the ecosystem surrounding a site into consideration and to address issues related to plant and animal life that arise at a site. We are seeking to take more effective action to conserve biodiversity by sharing experience and knowledge across the Group.



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 2024 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				
	Head office management divisions	Branch office management divisions	Civil engineering work sites	Building construction work sites	Total
September–November 2023	9	32	9	10	60

Notes: The audit sampling rate was 15.0% (9 of 77 head office departments [11.7%], 32 of 96 branch offices [33.3%], 9 of 103 civil engineering work sites [8.7%], and 10 of 123 building construction work sites [8.1%])
A combined QMS and EMS audit was performed.

Results of External Review

In the fiscal year ended March 2024, we underwent surveillance by the Japan Testing Center for Construction Materials, a review and registration organization. This was QMS review 9-1 and EMS review 8-1 for the Group.

Date of review	Sites reviewed	Review results			
		ISO 9001		ISO 14001	
Surveillance November 2–9, 2023	Head office, Technical Research Institute, Hokuriku, Tokyo, Osaka, Shikoku branches	Major nonconformities:	0	Major nonconformities:	0
		Minor nonconformities:	0	Minor nonconformities:	0
		Observations:	0	Observations:	0

Results of Management Review

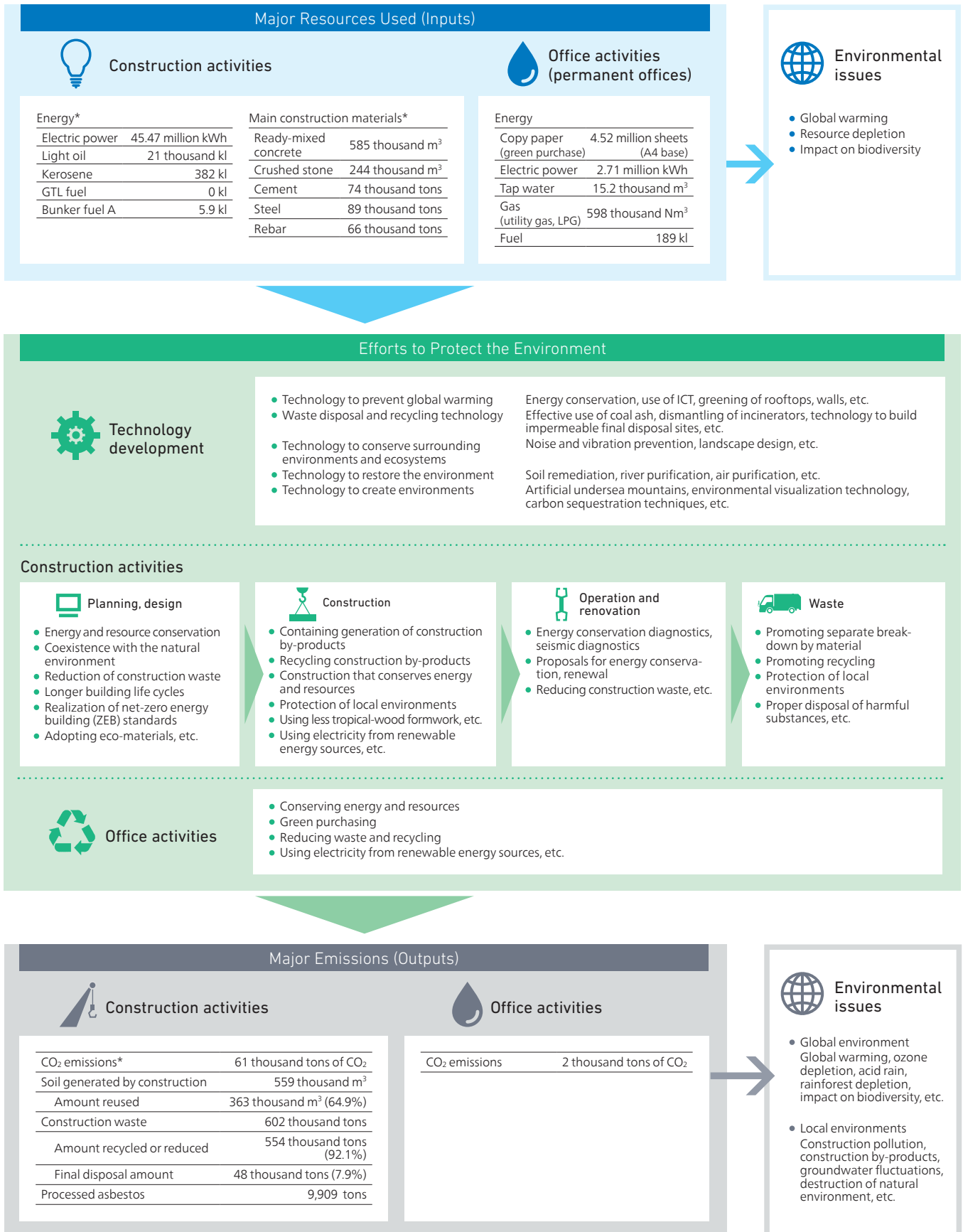
Top management of the Group carried out a management review in October 2023 and March 2024. The President in March 2024 issued directives from the management review applicable to the fiscal year ending March 2025.

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 the Group’s compliance with environmental laws and regulations. (In the fiscal year ended March 2024, there were no reports of serious violations of laws or regulations that materially affect the environment.)

2 Relationship with the Environment (Material Balance)

The following outlines the environmental impact of Hazama Ando's business activities in the fiscal year ended March 2024 in terms of the use of resources and emissions, as well as our efforts to protect the environment.



Efforts to Protect the Environment

Technology development

- Technology to prevent global warming
- Waste disposal and recycling technology
- Technology to conserve surrounding environments and ecosystems
- Technology to restore the environment
- Technology to create environments

Energy conservation, use of ICT, greening of rooftops, walls, etc.
Effective use of coal ash, dismantling of incinerators, technology to build impermeable final disposal sites, etc.

Noise and vibration prevention, landscape design, etc.

Soil remediation, river purification, air purification, etc.
Artificial undersea mountains, environmental visualization technology, carbon sequestration techniques, etc.

Construction activities

Planning, design

- Energy and resource conservation
- Coexistence with the natural environment
- Reduction of construction waste
- Longer building life cycles
- Realization of net-zero energy building (ZEB) standards
- Adopting eco-materials, etc.

Construction

- Containing generation of construction by-products
- Recycling construction by-products
- Construction that conserves energy and resources
- Protection of local environments
- Using less tropical-wood formwork, etc.
- Using electricity from renewable energy sources, etc.

Operation and renovation

- Energy conservation diagnostics, seismic diagnostics
- Proposals for energy conservation, renewal
- Reducing construction waste, etc.

Waste

- Promoting separate break-down by material
- Promoting recycling
- Protection of local environments
- Proper disposal of harmful substances, etc.

Office activities

- Conserving energy and resources
- Green purchasing
- Reducing waste and recycling
- Using electricity from renewable energy sources, etc.

Major Emissions (Outputs)

Construction activities

CO ₂ emissions*	61 thousand tons of CO ₂
Soil generated by construction	559 thousand m ³
Amount reused	363 thousand m ³ (64.9%)
Construction waste	602 thousand tons
Amount recycled or reduced	554 thousand tons (92.1%)
Final disposal amount	48 thousand tons (7.9%)
Processed asbestos	9,909 tons

Office activities

CO ₂ emissions	2 thousand tons of CO ₂
---------------------------	------------------------------------

Environmental issues

- Global environment
Global warming, ozone depletion, acid rain, rainforest depletion, impact on biodiversity, etc.
- Local environments
Construction pollution, construction by-products, groundwater fluctuations, destruction of natural environment, etc.

* Estimated value calculated by sampling

3 Greenhouse Gas Emissions and Use of Electric Power from Renewable Energy Sources in Fiscal 2023 (Group total for the period from April 2023 to March 2024)

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 2024. 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.

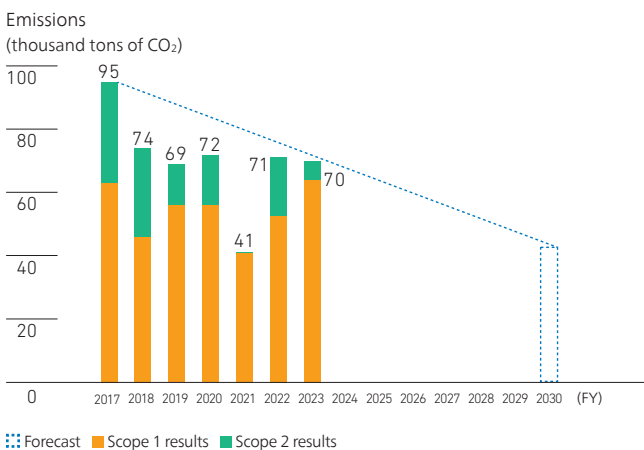
Greenhouse gas emission reduction targets		RE100 Targets	
Greenhouse gas emission reduction rate		Ratio of electric power from renewable energy sources	
Scope 1 + 2	Fiscal 2030 55% reduction (compared to fiscal 2017)	Fiscal 2030	80%
Scope 3	Fiscal 2030 33% reduction* ¹ (compared to fiscal 2017)	Fiscal 2050	100%

Category		Unit	Fiscal 2017 (base year)	Fiscal 2022 (previous year)	Fiscal 2023
GHG	Scope 1	Thousand tons of CO ₂	63	52.8	64.0
	Scope 2	Thousand tons of CO ₂	32	18.4	6.0
	Scope 1 + 2	Thousand tons of CO ₂	95	71.2	70.0
	Scope 3* ¹	Thousand tons of CO ₂	2,940	1,954.3	2,289.0
	(1) Purchased goods and services	Thousand tons of CO ₂	810	746	756.0
	(1)-1: Main materials such as ready-mixed concrete, office supplies	Thousand tons of CO ₂	541	509	506
	(1)-2: Purchased civil engineering and construction services	Thousand tons of CO ₂	270	237	250
	(2) Capital goods	Thousand tons of CO ₂	14	16	38
	(3) Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Thousand tons of CO ₂	6	11	13
	(4) Upstream transportation and distribution	Thousand tons of CO ₂	34	24	25
	(5) Waste generated in operations	Thousand tons of CO ₂	50	11	1
	(6) Business travel	Thousand tons of CO ₂	1	0	0
	(7) Employee commuting	Thousand tons of CO ₂	1	1	1
	(11) Use of sold products	Thousand tons of CO ₂	1,932	1,070	1,431
(12) End-of-life treatment of sold products	Thousand tons of CO ₂	91	74	23	
(13) Downstream leased assets	Thousand tons of CO ₂	0	0	0	
RE100	Electricity usage	MWh	60,707	56,598	54,861
	Electric power from renewable energy* ²	MWh	—	9,037	37,424
	Ratio of electric power from renewable energy	%	—	16	68

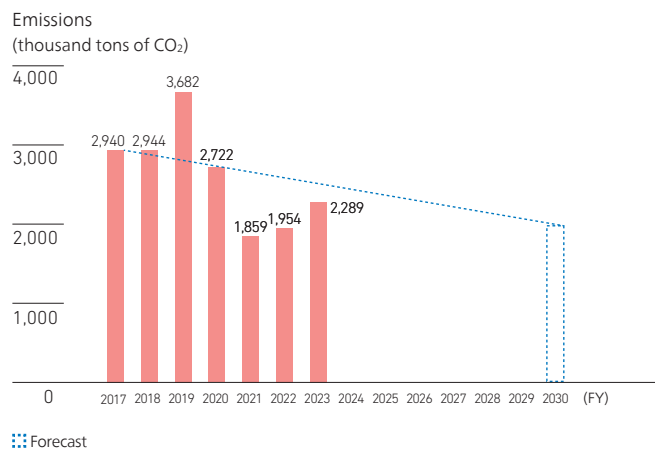
*1 (8) Upstream leased assets, (9) Downstream transportation and distribution, (10) Processing of sold products, (14) Franchises, and (15) Investments are not applicable and are not included in the above calculations.

*2 Includes only renewable energy electricity that meets RE100 standards.

Progress in Scope 1 + 2 targets



Progress in Scope 3 targets



4 Progress toward Environmental Objectives and Targets in Fiscal 2023

(April 2023–March 2024)

Outcomes of activities for the fiscal year ended March 2024 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 2023	Year-end Group results for fiscal 2023	Assessment
1. Actions to prevent global warming					
1.1 Reduce greenhouse gas emissions					
Shared	Procure electric power from renewable energy	(%)	25	68*	○
Shared	Reduction of total CO ₂ emissions (SBT reduction target) (Reduction rate versus FY2017 [Scope 1 and 2])	(%)	15.3	26.3	○
Civil Engineering	CO ₂ emissions per completed construction at the construction stage	(tons of CO ₂ /100 million yen)	43.0	35.9	○
Building Construction	CO ₂ emissions per completed construction at the construction stage	(tons of CO ₂ /100 million yen)	9.4	11.9	×
Civil Engineering Building Construction	Supply energy through a next-generation CO ₂ cogeneration plant	(tons of CO ₂)	160	278	○
Offices	Reduce CO ₂ emissions at head office, branches, and sales offices Total reduction compared to fiscal 2017 (SBT reduction basis)	Emissions (tons of CO ₂) Reduction rate (%)	2,722 30.4	2,430 33.1	○
1.2 Promote environmentally friendly design and technology					
Building Construction	Implement environmental proposals based on life cycle assessment results for design-build projects of 2,000 square meters or more	(%)	100	100	○
Building Construction	Shift to net zero-energy building (ZEB) standards	(projects)	Verified: 5 (cumulative) Proposed: 5	Verified: 13 (cumulative) Proposed: 5	○
Civil Engineering Technology	Environmental technologies developed Environmental technology design and construction projects adopted	(projects)	1 2	3 2	○ ○
Building Construction-Technology	Environmental technologies developed Environmental technology design and construction projects adopted	(projects)	1 2	2 9	○ ○
2. Actions to conserve biodiversity (helping to bring about a society that can coexist with nature)					
2.1 Steadily pursue biodiversity-friendly initiatives related to construction projects					
Shared	Instill understanding of biodiversity conservation, take definitive actions at spotlighted work sites, make new proposals, conduct internal and external PR	(cases)	30	46	○
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	○
3. Actions to build a circular society					
3.1 Recycle construction waste					
Civil Engineering	Reduce total mixed waste per completed construction by containing waste generation on site and strengthening sorting processes	(tons/100 million yen)	0.85	0.59	○
Building Construction	Reduce mixed waste intensity per total floor area at new construction projects	(kilograms/square meter)	6.7	5.1	○
4. Actions to manage environmental risk (protecting water and air environments, comprehensive chemical substance measures)					
4.1 Actions to prevent environmental accidents					
Civil Engineering Building Construction	Augment environmental site visits * Visits to the civil engineering and building construction departments of branch offices	(%)	Civil Engineering: 90% Building Construction: 90% Proportion of visits compared to total sites in operation	Civil Engineering: 71.6% Building Construction: 58.5%	△ ×
5. Actions to promote environmental awareness and disclosure of environmental activities					
5.1 Promote environmental awareness					
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	86	○
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: 4.5 per work site Building Construction: 3.6 per work site Offices: 120 per year	○

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

* Including amounts procured by non-fossil fuel certificates.

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, 2023–March 31, 2024

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

Environmental Protection Costs

Category	Impact	Unit	Fiscal 2023	
Resources used (inputs)	Electric power consumption (work sites)	million kWh	45.47	
	Light oil usage (work sites)	thousand kl	21	
	Kerosene usage (work sites)	kl	832	
	GTL fuel usage* ¹	kl	0	
	Bunker fuel A usage (work sites)	kl	5.9	
	Copy paper purchased (offices, A4 base)	million sheets	4.52	
	Electric power consumption (offices)* ²	million kWh	2.71	
	Tap water usage (offices)	thousand m ³	15.2	
	Gas (utility gas, LPG) usage (offices)	thousand Nm ³	598	
	Fuel (gasoline, light oil, kerosene, bunker oil) usage (offices)	kl	189	
	Steam, hot water, cold water usage (offices)	GJ	2,318	
Emissions	CO ₂ emissions* ³	Work sites	thousand tons of CO ₂	61
		Offices	thousand tons of CO ₂	2
		Total	thousand tons of CO ₂	63
	Soil generated by construction	thousand m ³	559	
	Amount reused (rate)	thousand m ³	363 (64.9%)	
	Construction waste	thousand tons	602	
	Amount recycled or reduced (rate)	thousand tons	554 (92.1%)	
	Final disposal amount (rate)	thousand tons	48 (7.9%)	
Properly processed asbestos	tons	9,909		
Amount of valuable materials sold	tons	15,496		

*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 and Shifting to Non-Fossil Energy, the Act on Promotion of Global Warming Countermeasures, the Greenhouse Gas Protocol, etc.

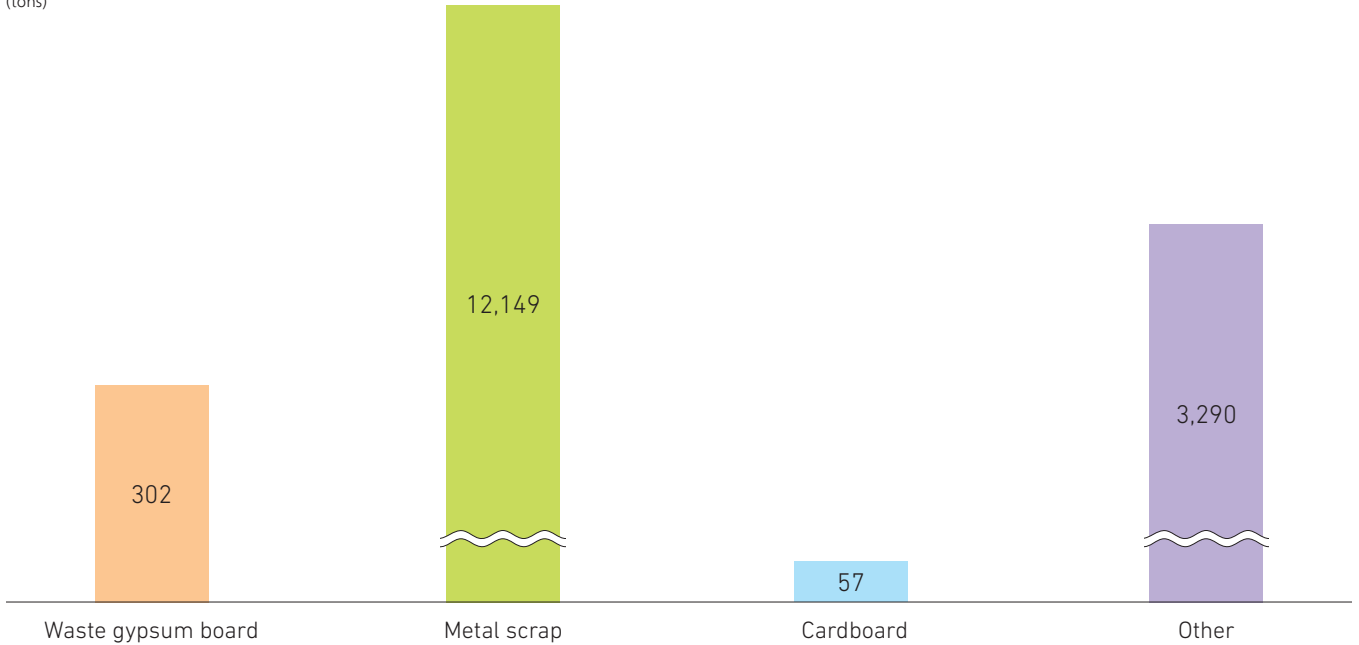
6 Recycling through wide-area certification systems, etc.

Hazama Ando has signed basic agreements with certified product manufacturers to recycle as much as possible the waste we generate, primarily at new construction sites, such as gypsum board and autoclaved lightweight concrete (ALC).

We also turn over metal scrap, cardboard, and other recyclable waste to specialist recycling companies as valuable materials or exclusive recycling materials.

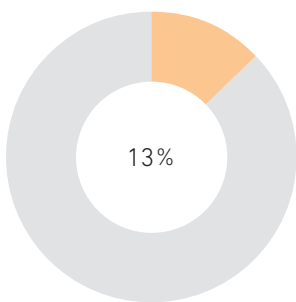
Amount Recycled (Fiscal 2023)

(tons)

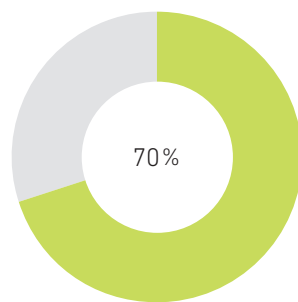


Recycling rate (Fiscal 2023)

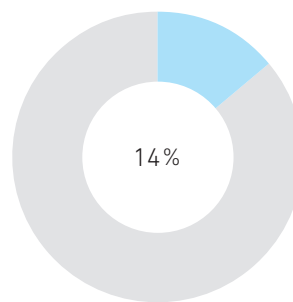
Waste gypsum board*1



Metal scrap



Cardboard*2



*1 Percentage of waste gypsum board generated from work other than demolition that is recycled using a certified wide-area recycling system.

*2 Percentage of cardboard waste generated at construction sites that is recycled.

7 Green Purchasing

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

Green Purchasing Results (Construction Divisions)

Category	Classification	Unit	Amount procured
			Fiscal 2023
Construction-generated soil		thousand m ³	499.6
Processed soil recycled from construction sludge	●	thousand m ³	70.3
Recycled hot asphalt mixture	●	thousand tons	21.2
Recycled aggregate, etc.	●	thousand m ³	55.5
Recycled steel (electric arc furnace steel)		thousand tons	10.2
Recycled steel (electric arc furnace rebar)*		thousand tons	2.9
Blast furnace cement*	●	thousand tons	0.2
Coal ash cement*	●	thousand tons	0.0
Particle board, fiber board	●	thousand m ²	2.2
Wood cement board	●	thousand m ²	11.8
Tropical-wood alternative formwork (metal)		thousand m ²	206.8
Tropical-wood alternative formwork (concrete)		thousand m ²	0.0
Tropical-wood alternative formwork (other)		thousand m ²	5.7
Effective low-quality soil utilization method	●	thousand m ³	0.0
Construction sludge recycling method	●	thousand m ³	0.0
Concrete mass recycling method	●	thousand m ³	0.0
Slope greening method using logging timber or construction-generated soil	●	thousand m ²	0.0
Permeable pavement	●	thousand m ²	21.1
Rooftop greening	●	thousand m ²	0.0

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

Green Purchased Office Supplies (Fiscal 2023)

	Copy paper (million sheets)	Business card blanks (thousand sheets)	Printed envelopes (thousand sheets)	Ring binders	Flat files
Total amount purchased	4.59	444	84	590	2,029
Green products	4.55	443	84	590	2,029
Green purchasing rate	98.8%	99.9%	100%	100%	100%

GOVERNANCE

Materiality 3

Promoting sustainable management and taking full responsibility for corporate actions

Overview of Fiscal 2023 Results

Our response to the material issue of promoting sustainable management and taking full responsibility for corporate actions entails PDCA activities based on two 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. The Sustainability Committee, established in June 2023, continued to meet regularly in the fiscal year ended March 2024, while various advisory committees working with the committee explored and addressed various kinds of ESG issues. Meanwhile, we are further promoting the independence, diversity, and transparency of management while maintaining the ratio of external directors and female directors at or above our targets.

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.

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

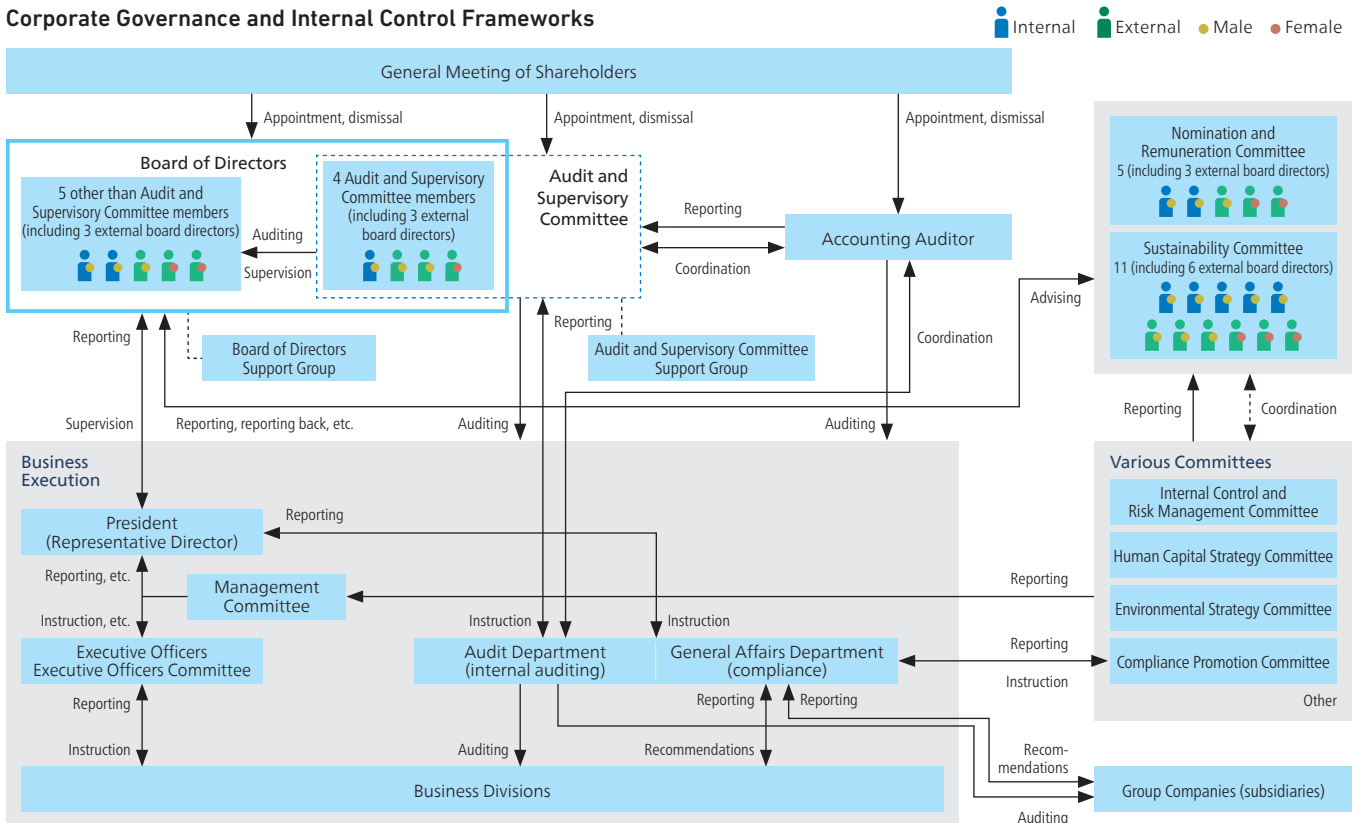
- 1. Corporate governance
- 2. Compliance
- 3. Internal control and risk management
- 4. Respect for human rights

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 five 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 nine members. It makes decisions on important business matters and oversees business execution.

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 met 13 times in the fiscal year ended March 2024. It has the authority to direct the Audit Department, which is tasked with internal auditing, and works closely with the department as well as with the accounting auditor to confirm the status of audits and evaluations of the internal control system, and to audit the execution of duties by directors.

Nomination and Compensation Committee

We established a Nomination and Compensation Committee as an advisory body to the Board of Directors to deal chiefly with procedures related to the nomination and compensation of directors and executive officers.

To strengthen the independence and accountability of the functions of the Board of Directors and to ensure the fairness, transparency, and objectivity of the Board's decisions, the majority of committee members are independent external directors, and an external director is also appointed as chair.

In principle, the committee meets at least twice a year, and met a total of 10 times in the fiscal year ended March 2024. The committee deliberates and decides on the nomination of director candidates, the appointment of executive officers, and matters related to 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.

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 ensure fair and transparent business operations in the Hazama Ando Group. We have also appointed compliance officers and staff at our head office and branches and at Group companies to effectively implement various promotion activities.

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.

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 2024, we continued to confirm and evaluate compliance points relevant to each workplace, and took steps at each workplace to devise ways of ensuring awareness of compliance points in their day-to-day operations. We also distributed e-mail newsletters, conducted video-based

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.

training and online testing, and conducted group training 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 Audit

We conduct compliance audits at the head office, all branches, and at Group companies. Audit results are reported to the President, the Audit and Supervisory Com-

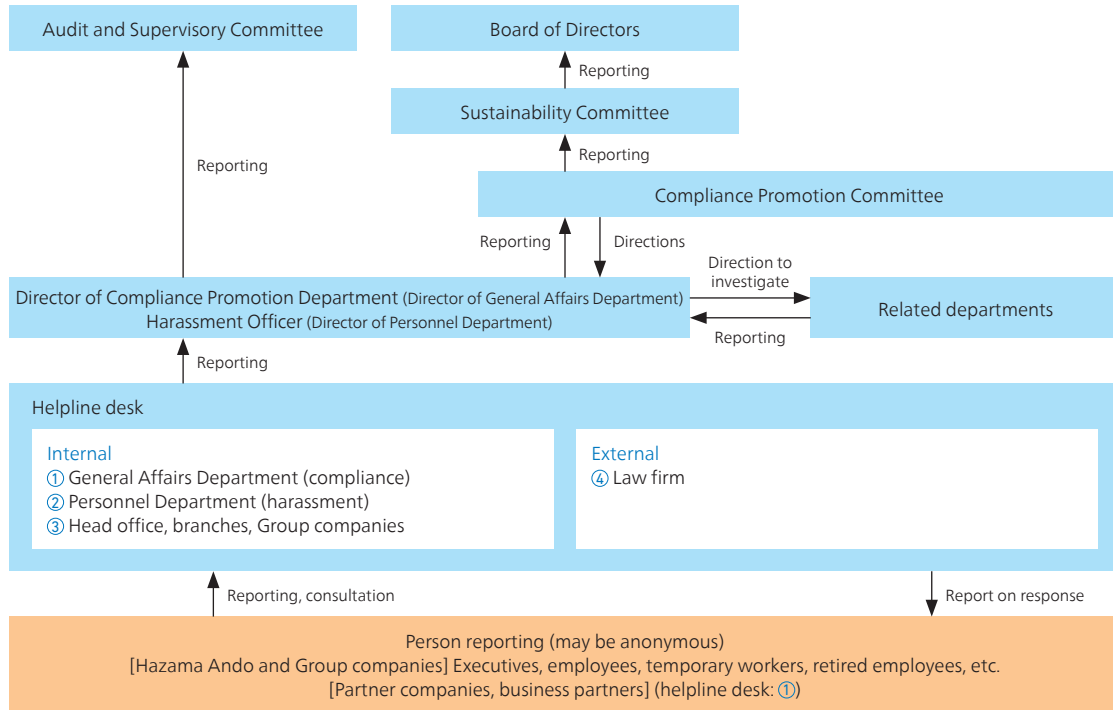
mittee, the Board of Directors, and the Compliance Promotion Committee. We are making the Group’s compliance framework more effective through various measures, revising, adjusting, and improving the framework as needed.

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 2024, 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.

Compliance Helpline Response



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 multiplying 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.

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, we hold annual 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.

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.

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 incapable of being physically prevented.

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 also obtained construction company disaster-ready business continuity certification from the Kanto Region Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism in October 2013 and from the Kinki Region Development Bureau in April 2017. We have since continued to obtain recertification.

For the fiscal year ended March 2024, we carried out training at all Group branches in Japan in November, positing the occurrence of a massive, magnitude 9.1 earthquake with an epicenter in the Nankai Trough, off the Pacific coast. We set up an emergency response headquarters at the head office as well as at all Group branches. Based on damage assumption data mapping seismic intensity and the height of incoming tsunamis in each region, the drill followed two time axes: the initial response two hours after the disaster, and recovery efforts 27 hours after the disaster. We also conducted a push-type support drill—i.e., a proac-

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.

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

We conduct regular, ongoing education on information security and training on targeted email attacks for all employees, revising the content as necessary.

Training for information security staff

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

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.

tive response without waiting for requests for support—to transport stockpiled equipment, food, and drinking water from the head office and the Technical Research Institute on the day after the disaster, targeting branches expected to suffer severe damage.

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 (head office response headquarters).

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.

Survey of Initiatives Requesting the Cooperation of Business Partners under the Procurement Policy

1. Survey overview

- 1 Survey period** January 9, 2024–February 16, 2024
- 2 Survey scope** 40 major partner companies of the Hazama Ando Cooperative Association
- 3 Survey objective** To confirm progress on requests for the cooperation of business partners under the Procurement Policy
- 4 Survey methodology** Questionnaire (total of 30 questions). Dialogue with partner companies as needed
- 5 Survey content** Status of partner company responses to five requests for cooperation: compliance with laws, regulations, and corporate ethics; respect for basic human rights and consideration for occupational health and safety; consideration for the environment; maintaining and improving quality and ensuring safety, competitiveness, and supply capacity; and contribution to local communities

2. Survey results

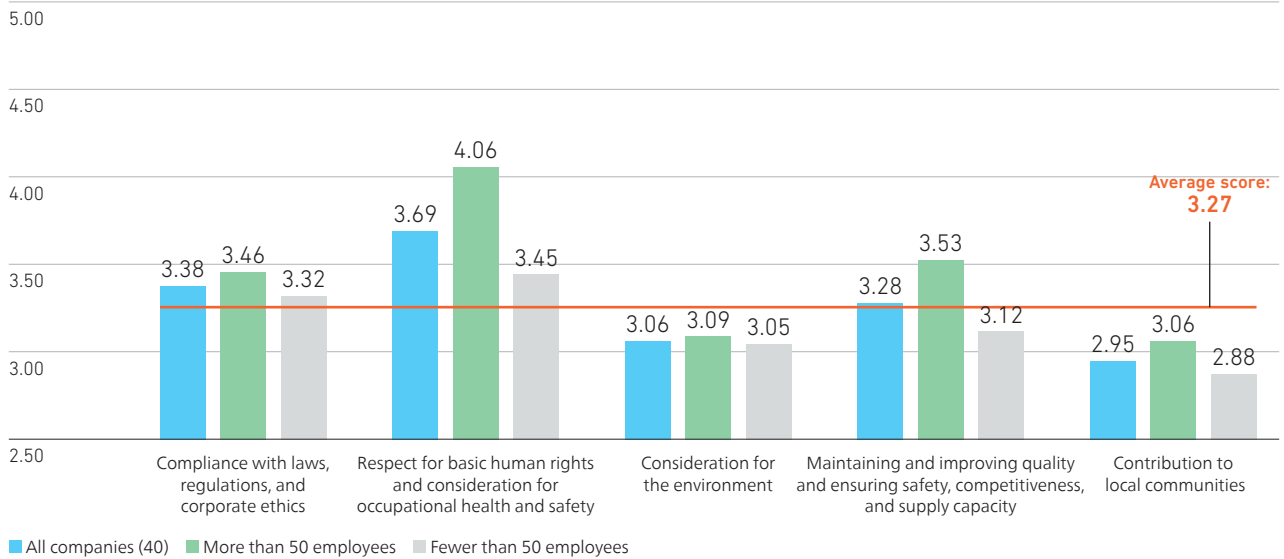
- 1 Evaluation method** Respondents were ranked on a scale of 1 to 5 depending on the progress of their initiatives. Average scores were calculated for each topic and question.
We also confirmed whether any actions had been taken that could lead to legal issues.

[Choices]

- 5 points** Have established regulations, policies, manuals, etc., and are taking action. Also offer education and guidance to business partners
- 4 points** Have established regulations, policies, manuals, etc.
- 3 points** No regulations, policies, manuals, etc., are in place, but are taking appropriate steps as needed
- 2 points** Intend to put a framework in place (would like Hazama Ando’s help in doing so)
- 1 point** No initiatives at present

2 Evaluation results

- Maximum score was 5. Overall average score was 3.27.
- Regarding the areas of respect for basic human rights and consideration for occupational health and safety and maintaining and improving quality and ensuring safety, competitiveness, and supply capacity, we confirmed that companies with 50 or more employees are making progress in establishing regulations and standards, etc.
- Regarding consideration for the environment and contribution to local communities, we confirmed that there has been no progress in establishing regulations and standards due to a lack of familiarity with such initiatives.



3 Initiatives going forward

- Expand the scope of partners surveyed, continue to monitor the status of initiatives for each of the five requests
- Promote initiatives by providing specific examples of each request

Pillars Supporting Our Initiatives 4: Respect for Human Rights

Hazama Ando Human Rights Policy (Established April 1, 2023)

Compliance with international norms and laws

The Hazama Ando Group respects and supports several international norms, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global Compact, the Children’s Rights and Business Principles, the OECD Guidelines for Multinational Enterprises, and the U.N. Declaration of the Rights on Indigenous Peoples, and complies with the laws and regulations applicable in the countries and regions where we conduct business. If there are any discrepancies between these laws and regulations and international norms, we will pursue an approach that respects international norms to the extent possible while complying with laws and regulations.

This policy has been created based on the U.N. Guiding Principles on Business and Human Rights.

Scope of application

This policy applies to all officers and employees of the Group as well as seconded, dispatched, and contract employees. We also expect our business partners to support the policy. In particular, we ask our suppliers to cooperate with the Group in respecting human rights in the supply chain.

Respect for human rights

While recognizing items listed in the Appendix as human rights issues to be addressed as priorities, the Group will strive to prevent any negative impact on human rights, not limited to the items listed. We will review and update the items listed in the Appendix according to changes in the internal and external context.

Governance and promotion framework

The Board of Directors oversees the human rights initiatives of the entire Group, while an advisory committee is tasked with promotion. This policy has been approved by the Board of Directors.

Human rights due diligence

To identify, prevent, and mitigate negative impact on human rights in the Group or among its suppliers and other business partners, the Group has established a human rights due diligence framework and has put in place an ongoing cycle of implementing, evaluating, improving, and disclosing initiatives.

Rectification, remedy

If the Group has caused a negative impact on human rights, or if it becomes clear that the Group has directly or indirectly contributed to such an impact, we will take appropriate measures to rectify and remedy the situation. Moreover, if the Group's business or services are directly related to a negative impact on human rights as a result of its relationships with suppliers or other business partners, even though the Group has not endorsed this, we will strive to make improvements after consulting with the parties involved.

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,

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 have formulated a Human Rights Policy. 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 offer education and training in these areas to prevent human rights violations from occurring and will continue to improve our internal environment and systems.

As part of our human rights due diligence initiatives, under the supervision of the Board of Directors, we 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-

Compliance Helpline

The Group has established a Compliance Helpline for our own employees, the employees of suppliers, or other persons for reporting and consulting on human rights-related issues. In operating this helpline, we will strive to ensure its effectiveness as a mechanism for dealing with complaints.

Education and training

The Group will provide education and training to all Group officers and employees so that this policy is understood, fully accepted, and put into practice. We will also work to ensure that our suppliers understand the policy.

Dialogue with stakeholders

The Group engages in dialogue and discussions with relevant stakeholders regarding the impact of its business activities on human rights and its response to human rights issues.

Disclosure

We will regularly disclose progress on our efforts to respect human rights based on this policy through various reports and on our website.

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.

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 (375 submissions in the fiscal year ended March 2024), 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

Relevant SDGs



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 2024, we held both the second-quarter and year-end briefings 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 2024, 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 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 the Global Warming Prevention Exhibition, the Green Infrastructure Industry Exhibition, and the Military Engineer

Techno Fair. In this way, we are actively gaining greater understanding of our initiatives while exchanging technical knowledge with people across a range of fields.



Global Warming Prevention Exhibition

Date	Exhibition	Organizer	Venue
May 2023	7th Japanese Congress for Infrastructure Management Kinki Headquarters Forum 2023	Japanese Congress for Infrastructure Management Kinki Headquarters	Osaka
May 2023	Global Warming Prevention Exhibition 2023	Nippo Business Co., Ltd.	Tokyo
June 2023	Engineering Exhibition Tohoku '23	Engineering Exhibition Tohoku Planning Committee	Miyagi
June 2023	40th National Urban Greening Fair in Sendai	Sendai: Urban Green Infrastructure Agency	Miyagi
July 2023	Concrete Techno Plaza 2023	Japan Concrete Institute	Fukuoka
July 2023	58th Geotechnical Engineering Research Conference	Japanese Geotechnical Society	Fukuoka
September 2023	17th Military Engineer Techno Fair	Japan Society of Defense Facility Engineers	Tokyo
October 2023	Construction Fair Hokuriku 2023 in Kanazawa	Hokuriku Regional Construction Project Promotion Council	Ishikawa
October 2023	Kyushu Construction Technology Forum 2023	Kyushu Construction Technology Forum Planning Committee	Fukuoka
October 2023	Construction Technology Forum 2023 in Chugoku	Japan Federation of Construction Contractors (Chugoku Regional Development Bureau)	Hiroshima
November 2023	Construction Technology Exhibition 2023 Kinki	Nikkan Kensetsu Kogyo Shimbun (Daily Engineering & Construction News), Kinki Construction Association	Osaka
November 2023	Highway Technology Fair 2023	Express Highway Research Foundation of Japan	Tokyo
November 2023	Construction Technology Expo 2023 Kanto	Nikkan Kensetsu Kogyo Shimbun	Tokyo
November 2023	2023 Chugoku Regional Construction Technology Development Exchange	Chugoku Regional Construction Technology Development Exchange Planning Committee	Tottori
November 2023	Construction Fair Shikoku 2023	Shikoku Construction Public Relations Council	Kagawa
November 2023	2nd International Conference on Construction Resources for Environmentally Sustainable Technologies	Kyushu University	Fukuoka
November 2023	Japanese Geotechnical Society Kanto Branch Conference	Japanese Geotechnical Society	Tokyo
November 2023	Japan Earthquake Engineering Symposium	Japan Association for Earthquake Engineering	Kanagawa
October 2023	Construction Technology Fair 2023 in Chubu	Nagoya International Trade Fair Commission, Chubu Regional Bureau; Nagoya Industries Promotion Corporation	Aichi
December 2023	SDGs Week Expo 2023	Sustainable Management Promotion Organization, Nihon Keizai Shimbun	Tokyo
December 2023	JAPAN BUILD Tokyo	RX Japan Ltd.	Tokyo
January 2024	International Nanotechnology Exhibition & Conference 2024	Nano Tech Executive Committee	Tokyo
February 2024	Japan Society of Defense Facility Engineers Annual Forum	Japan Society of Defense Facility Engineers	Tokyo
February 2024	2nd Green Infrastructure Industry Exhibition	Nikkan Kogyo Shimbun	Tokyo

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 2024, the Foundation chose nine projects to subsidize from the fund it set up to support the PR activities of specialist contractors. Of these, two projects were selected to receive partial funding, and three were selected to receive a grant for the development of young construction technicians and skilled workers, which offsets costs arising from activities aimed at developing and retaining young workers.

One company used the funds to help build a systematic training system. The company felt that establishing a system to train young people would lead to greater labor productivity and also tie in to securing human resources, such as by expanding the applicant pool and improving retention rates. So, to help inexperienced employees quickly get fully trained, it built a full-size apartment staircase within its own facility that can be used as often as needed for hands-on training. The Foundation posts such case studies on its web-

site 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.



Full-size apartment staircase for training.

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 1,400 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 2024).

Sponsorship Contract with Female Racing Driver Juju Noda

In April 2024, Hazama Ando signed a sponsorship contract with professional racing driver Juju Noda. Juju debuted in 2024 in Japan’s top car race, the All-Japan Super Formula Championship—the youngest and first Japanese female racing driver in history—and shows great promise for the future. Her efforts as a young female athlete to carve out a place for women to play an active role globally in the male-dominated world of motorsports has similarities with the construction industry. In addition, we were inspired by Juju’s attitude of embracing new challenges on a stage where no one else has gone before, which also fits in with Hazama

Ando’s values. This led us to sign a contract to sponsor Juju’s activities going forward. By extension, we seek to support other young people as they embrace the challenges of leading the next generation.



Racing Driver Juju Noda.

