

Environmental Policy

1. Fundamental Concept

Based on the Taisei Group Philosophy “To create a vibrant environment for all members of society” and our Fundamental Policy on Sustainable Development, the Taisei Group strives to build good quality social capital through corporate activities centered on construction business in harmony with nature.

As the Group having construction as its core business, we aim for the “Realization of a Sustainable and Environmentally Friendly Society” by realizing environmental issues as our significant sustainability tasks and fully recognizing the influence of our business activities on the environment, and environmental influence on our business activities.

Therefore, it is our mission to achieve our Group’s Long-Term Environmental Targets in compliance with environmental laws and regulations.

In addition, we will properly identify the “Environment-Related Risks and Opportunities” (to be defined below) including climate change in particular, develop and promote environment-related technologies and services, and contribute to the realization of a decarbonized, recycling-oriented, and nature co-existing society through our business activities.

2. Group’s Long-Term Environmental Targets

The Taisei Group has established a Long-Term Environmental Target (TAISEI Green Target 2050) to achieve the “Realization of a Sustainable and Environmentally Friendly Society” as outlined in the Fundamental Concept above. We will work with the whole supply chain, together with the stakeholders to achieve these environmental targets by defining our “Responsibilities”, “Contributions Through Business”, and “Activities/Efforts” to confront the three types of societies including “Decarbonized society”, “Recycling-oriented society”, and “Nature co-existing society”, and to address the two individual issues as “Forest Resources/Forest Environment” and “Water Resources/Water Environment”.

3. Continuous Implementation of Environmental Due Diligence

Toward the “Realization of a Sustainable and Environmentally Friendly Society” as outlined in the Fundamental Concept above, we will establish and continuously implement environmental due diligence system following the international standards such as the “OECD Due Diligence Guidance for Responsible Business Conduct”. To operate, we will review and improve the system’s operation accordingly.

We endeavor to engage in communication and consultation with the stakeholders as appropriate, make use of the knowledge of external professional organizations with regard to the impact of the Taisei Group’s business activities to the environment.

(1) Identification and assessment of adverse impact

To assess the actual or potential adverse impacts on environment in the course of our business activities (hereinafter referred to as “Environment-Related Risks”) based on the “Degree of Impact” (severity/ number and extent of people affected/ possibility of remedy), “Probability of Occurrence,” and “Connection with our company,” and then identify the Environment-Related Risks which need to be addressed with priority.

(2) Prevention and mitigation of Environment-Related Risks

(i) To effectively implement environmental management systems (EMS) for all the executives and employees of Taisei Group in order to make them fully understand this Policy and to firmly establish this Policy throughout our business activities, and strive to prevent and mitigate the Environment-Related Risks.

(ii) To widely announce Taisei Group's efforts regarding environment to our subcontractors and suppliers which are subject to the separate "Taisei Group Sustainable Procurement Guidelines" (hereinafter referred to as the "Guidelines") by, for example, reflecting on the Guidelines the measures for preventing and mitigating the Environment-Related Risks which need to be addressed with priority.

(3) Tracking of the effectiveness of the measure

In order to confirm the status of compliance with this Policy and the Guidelines, to ensure the effectiveness of the environmental due diligence and deepen our efforts to respect environment by, for example, conducting internal and external surveys and hearings, and sharing advanced cases with our subcontractors and suppliers.

(4) Monitoring and information disclosure

Recognizing that the respect for environment is an important sustainable development issue, to regularly report the status of the environmental due diligence to the Sustainability Promotion Committee, the Management Committee, the Sustainability Committee, and the Board, and disclose to our stakeholders in a timely and appropriate manner.

(5) Remedy and Rectification

Where it becomes apparent that Taisei Group has caused or contributed to adverse impacts on environment, we promptly remedy and rectify the issue through appropriate measures. We inform inside and outside of our company about consultation desks corresponding the issue, and develop and operate a system to enhance the effectiveness of such remedies and rectification.

4. **Group Environmental Action Guidelines**

(1) Compliance with environment-related laws and regulations and achievement of zero environmental accidents

In addition to complying with environment-related laws and regulations throughout the Group, we will achieve "Zero Environmental Accidents" at work sites based on the "Priority Management Items for Work Sites" and other items set forth by the Safety Division.

(2) Respect for environment related initiatives, etc.

We will respect the SDGs, the UN Global Compact, the Japan Federation of Construction Contractors' "Voluntary Action Plan on the Environment in the Construction Industry", the "Eco First Commitment" with the Ministry of the Environment, and so on.

(3) Raising environmental awareness among the Group executives and employees

We will strive to foster a working environment through training and awareness programs to ensure all executives and employees understand and remain familiar with our Environmental Policy, Environmental Targets, environmental issues, and Environment-Related Risks, Opportunities and Countermeasures, and lead them to concrete actions.

(4) Effective implementation of and continuous improvement on EMS

We will make efforts to achieve our Environmental Targets including Taisei Sustainable Action (TSA), using Environmental Management Systems (EMS) based on ISO 14001. We will continuously improve these EMS at the same time.

- (5) Promotion of Taisei Sustainable Action (TSA) to reduce environmental impact
In addition to the efforts of all Group executives and employees, we will also collaborate with the sub-contractors at work sites.
- (6) Development and promotion of environment-related technologies and services
We will strive to develop and promote environment-related technologies and services, either independently or through working together with stakeholders, to achieve our Environmental Targets and resolve environmental issues.
- (7) Engagement with suppliers
Since our environmental issues need to be addressed with the whole supply chain, we will engage with a wider range of suppliers to improve and resolve such issues through two-way communication.
- (8) Communication with stakeholders
Since resolving environmental issues requires working together with stakeholders, we will work on to improve and solve these issues through communication with various stakeholders to influence with each other, and by lobbying the government and relevant authorities through the industry groups.
- (9) Enhancement of environment-related information disclosure
We will correctly respond to disclosure guidelines and requests, including TCFD (Task Force on Climate-related Financial Disclosures) and CDP, and strive to enhance information disclosure from our Group Annual Report and website to improve our ability to convey environment-related information and enhance our corporate value.
- (10) Monitoring
We will regularly review our efforts on environmental issues at meetings of the Sustainability Promotion Committee, the Management Committee, the Sustainability Committee, and the Board in accordance with these Group Environmental Action Guidelines.

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Taisei Corporation

Revision History

July 1, 2005	Establishment
April 1, 2006	Partial Revision
April 1, 2010	Partial Revision
April 1, 2011	Partial Revision
April 1, 2017	Full Revision
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