

**Sustainable Procurement Guidelines
(Revision September 2023)**

TAISEI GROUP OF COMPANIES

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Revision history

April 1, 2022	Establishment
September 1, 2022	Partial Revision
September 1, 2023	Partial Revision

1. To Our Customers

In recent years, in order to realize development of a sustainable society, there has been an increasing need for companies to take the initiative in addressing social issues such as environmental problems and human rights and to fulfill their social responsibility, and that trend has been much stronger.

In addition, it has become a global standard that efforts to address environmental and social issues should not to be undertaken by companies on their own, but rather throughout the entire supply chain together with their business partners.

The TAISEI Group established Sustainability Division in April 2022 and will focus more on solving environmental and social issues through its business in the future. As part of this effort, we have reviewed the contents of our CSR Procurement Guidelines established in 2013 and revised them into the TAISEI Group Sustainable Procurement Guidelines.

These Guidelines cover items that our Group, subcontractors and suppliers must work together on, and we will revise it as needed to meet changing social demands. Please be sure to read through the Guidelines, under which we will strive to solve environmental and social issues through our business together with entire supply chain, and to become a trusted corporate group contributing to the society. We would like to sincerely ask for our subcontractors' and suppliers' cooperation.

For more information:

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2. Taisei Group Of Companies Sustainable Procurement Guidelines

1. Compliance with Laws, Regulations and Social Norms

- We will comply with laws, regulations and social norms.

1-1 To observe the relevant laws, standards and social norms applicable in the country or region in which business activities are conducted. Also to observe relevant norms, etc., including international law, in raw material procurement and the manufacture and transport of construction equipment and materials.

1-2 To prepare policies, standards of conduct, training and other mechanisms to ensure thorough compliance.

1-3 To face antisocial forces and organizations that threaten safety and social order with a resolute attitude and work with the police and other institutions to thoroughly isolate them, and refuse to give in to unreasonable demands.

1-4 To establish systems for internal communications for use by both Taisei employees and subcontractor and supplier employees. In addition, to observe the Whistleblower Protection Act and preserve the rights of communicating parties.

1-5 To protect the company's intellectual property rights from infringement by third parties, and not to infringe on the intellectual property rights of other parties.

1-6 To maintain a high degree of transparency in relationships with politicians and civil service workers, and refrain from bribery or other acts that violate the penal code or that might lead to misunderstandings.

1-7 To arrange for appropriate social insurance and, based on worker status(employed or contracted), sign employment contracts with persons determined to be in an employment relationship and enroll them in appropriate social insurance.

2. Fair Business Dealings

- We will promote fair business dealings with our subcontractors and suppliers on an equal footing basis, and will select them in a systematic manner by conducting a comprehensive evaluation of their pricing, delivery performance, technological capabilities, business status, etc.

2-1 To conduct transactions with subcontractors and suppliers based on fair and transparent procedures, such as the receipt of an appropriate estimate and the signing of a written contract prior to the start of construction.

2-2 To select subcontractors and suppliers based on rational criteria such as cost competitiveness, guarantee of quality, delivery performance, technological capabilities, financial capabilities, social credibility as a company, consciousness of social issues such as environment and human rights, business status, etc.

2-3 To prohibit abuse of a dominant bargaining position, such as a demand for unwarranted profits and incentives from subcontractors and suppliers. Also not to commit acts that interfere with transparency and free competition. To strive to conduct fair transactions on an equal footing that achieve coexistence and co-prosperity.

3. Respect for Human Rights

- We will respect the fundamental human rights of employees and are committed to ensuring appropriate working conditions.

3-1 To understand Taisei Group's "Human Rights Policy" and to promote activities with respect for human rights in collaboration with Taisei Group toward realization of sustainable and inclusive society.

Upon implementation of such activities: (i) to observe laws and regulations relating to human rights in the country or region in which business activities are conducted; (ii) to affirm and respect internationally recognized human rights standards, such as Universal Declaration of Human Rights and International Bill of Human Rights; and (iii) to respect the internationally recognized human rights to a maximum extent if there is any discrepancy between the internationally recognized human rights standards and local laws and regulations in respective country or region.

3-2 To respect human rights and diversity of employees and those relating to the business and to prohibit any act in violation of human rights, such as discrimination due to race, nationality, religious belief, gender, sexual orientation, gender identity, age, social status, disability and medical status, and physical characteristics, harassment, and privacy invasion.

To respect the religious, cultural and traditional beliefs and practices of countries, regions and employees, and not to enforce uniform work regulations and the like by which they might be infringed.

3-3 To respect the freedom of association of employees, and to affirm and respect the right of employees to seek improvements in wages and the work environment (the right to organize and the right of collective bargaining).

3-4 To pay employees appropriately in accordance with their experience and capabilities and to strive to pay a living wage or higher, by observing the relevant laws and ordinances of each country and region relating to minimum wage, overtime work allowance, deductions and other wage-related matters.

3-5 To pay appropriate attention to the respect for human rights of individuals who are socially vulnerable or may possibly fall into socially vulnerable position. Especially, to thoroughly prohibit human rights violations against foreign workers. In addition, to ban child labor, forced labor and human trafficking, in all of its forms.

3-6 To reduce long working hours in consideration for the health and safety of employees, subcontractors, and suppliers. To observe the relevant laws and ordinances of each country and region relating to the management of working hours, days off and vacations, and reduce and eliminate long working hours/overwork that harm employees' health and welfare.

3-7 To provide all employees with equal opportunities for personnel training and career advancement. To establish clear policies and procedures for disciplinary action and make sure these are understood by employees prior to its implementation. In addition, to conduct detailed and strictly fair investigations upon implementation and to make sure that unfair punishments and disciplinary action that infringe on human rights shall not be conducted.

3-8 To run business in harmony with the local society, by taking into consideration of potential impacts on local society due to our business activities. and by taking countermeasures against bribery and corruption issues.

3-9 To cooperate with Taisei Group in their Human Rights Due Diligence, and to prevent and mitigate adverse impacts on human rights due to business activities.

4. Promotion of Safety and Hygiene

- We will maintain safe and hygienic working environments and are committed to preventing occupational accidents.

4-1 To create a pleasant working environment that ensures work safety and hygiene to enable all workers to enjoy peace of mind as they work.

4-2 To establish an appropriate safety management organization, and conduct disaster prevention activities and work to prevent industrial accidents.

4-3 To take action to ensure the safety and hygiene of local residents and the local community.

5. Commitment to Environmental Conservation

- We will protect the natural environment through the reduction of environmental burden and the prevention of environmental pollution.

5-1 To strive in collaboration with Taisei Group to achieve the three types of societies as “Decarbonized Society”, “Recycling-Oriented Society”, and “Nature Co-Existing Society”, and to confront the two individual issues as “Forest Resources/Forest Environment” and “Water Resources/Water Environment” in order for the realization of a Sustainable and Environmentally Friendly Society, based on thorough understanding of Taisei Group’s “Environmental Policy,” a long-term environmental target of “TAISEI Green Target 2050” and “Declaration of Biodiversity Preservation by Taisei Group”.

5-2 To select equipment, materials and methods with a low environmental burden by taking into consideration for: (i) reducing greenhouse gas emissions; (ii) preventing excessive consumption of and ensuring effective use of resources; (iii) conserving biodiversity; (iv) preventing pollution by hazardous substances, in planning and implementing construction and development as well as procuring construction equipment and materials. Also, to cooperate with and participate in the Green Procurement and the “Taisei Sustainable Action (TSA)” program that is designated to reduce the environmental burden as promoted by Taisei Group.

5-3 To strive to reduce greenhouse gas emissions and to contribute for the realization of a decarbonized society, by recording the quantity of energy used, reducing energy usage, using energy more efficiently, using renewable energy, and the like .

5-4 To promote use of the legitimate timber materials, with the aim of realizing zero deforestation by timber procurement.

5-5 To strive to reduce water consumption and promote its reuse, and efficiently use rainwater and spring water, in order to conserve water resources.

5-6 To reduce emissions of and appropriately manage construction wastes, hazardous chemical substances and pollutants, including compliance with relevant laws and regulations and management of wastewater associated with our business, in order to eradicate environmental accidents and to prevent degradation in atmosphere, water quality, soil environment, and ecological system.

5-7 To cooperate with Taisei Group in the Environmental Due Diligence and to mitigate and prevent an adverse impact on the environment.

6. Ensuring and Improving Safety and Quality

- We will ensure the safety and quality of our construction products and services and are committed to improving their safety and quality yet further.

6-1 To faithfully achieve outsourcer quality requirements in the provision of construction products, related services and construction equipment and materials, in accordance with contract details and laws, ordinances, standards etc., by using the most appropriate technologies,

materials and methods to provide construction and related services based on a quality management system.

6-2 To improve technical capabilities on an autonomous and continuous basis, and develop new technologies and new materials in order to improve the quality of technical and construction services toward the resolution of environmental and social issues.

6-3 To issue prompt reports and take appropriate action in the event of a quality related accident or problem. To issue prompt reports and take appropriate action in the event of a quality-related accident or problem.

7. Information Disclosure

- We will provide and disclose information to our stakeholders in a timely and appropriate manner.

7-1 To voluntarily disclose company information on corporate management, business activities, Sustainability activities etc. in a timely and appropriate manner, and promote communication with a wide array of stakeholders.

8. Commitment to Information Security

- We will appropriately manage and protect all confidential, personal and customer information that we handle.

8-1 To exercise thorough control of confidential information, personal information, customer information etc. to ensure that there is no improper or illegitimate use, disclosure or leakage.

8-2 To take protective measures for threats (viruses, etc.) to the company's IT environment (computers and networks) and prevent information leaks and the like.

9. Activities Contributing to Society

- We will use management resources to promote activities that contribute to society.

9-1 To actively participate in culture and learning support activities, local community interchange, environmental protection activities and so on, and respect and support voluntary participatory activities on the part of employees to contribute to society.

10. Business Continuity in Times of Disaster

- We are committed to improving our disaster preparedness so that, as part of our responsibilities as a general contractor, we can contribute to the business continuity of national and local governments, businesses and other organizations in the event of major disasters and other incidents.

10-1 To make securing the lives and physical safety of employees and their families the top priority, and actively work to minimize damage to company facilities, etc.

10-2 To establish an organization to protect against disasters (natural disasters and fires) and the spread of infectious diseases before such situations occur, and verify their effectiveness through drills, etc. and conduct improvements, in order to maintain the supply chain in an emergency.

10-3 To help national and local governments and companies, etc. continue their business operations through stopgap measures and restoration activities for social infrastructure and constructed properties, and help to maintain people's living environments.

11. Promotion of Sustainable Procurement

- We will seek the understanding and cooperation of our subcontractors and suppliers with regard to this Procurement Policy and the Sustainable Procurement Guidelines, and will promote Sustainable procurement activities together with our subcontractors and suppliers.

11-1 To seek the understanding and cooperation of subcontractors and suppliers (with which Taisei has either a direct or an indirect business relationship) regarding the Procurement Policy and the Taisei Group Sustainable Procurement

Guidelines, and promote Sustainable procurement activities throughout the entire Taisei Group supply chain.

We will continue to actively promote questionnaires and interviews to grasp the actual status of sustainability activities as stipulated in these guidelines, as well as to provide guidance and support for improvements in order to strengthen our initiatives, and we would appreciate your cooperation in such cases.

Please understand that if we do not receive your cooperation for improvement, we may be forced to review our future transactions with you in order to avoid any risks in the supply chain.

3. Taisei Group Of Companies Sustainable Procurement Guidelines (discussion)

1. Compliance with Laws, Regulations and Social Norms	
● We will comply with laws, regulations and social norms.	
1-1	To observe the relevant laws, standards and social norms applicable in the country or region in which business activities are conducted. Also to observe relevant norms, etc., including international law, in raw material procurement and the manufacture and transport of construction equipment and materials.
Discussion	<p>Companies perform their corporate activities based on social recognition and cooperation from various stakeholders.</p> <p>For this reason, companies and their employees, as members of society, are responsible for observing the laws and regulations, etc., that are relevant to their business activities both at home and abroad. A company that turns its back on this responsibility will be subject not only to legal sanctions but also to the censure of society, and its continued existence may even be put at risk.</p>
1-2	To prepare policies, standards of conduct, training and other mechanisms to ensure thorough compliance.
Discussion	<p>Compliance means that the company acts in keeping not only with laws and regulations but also corporate ethics, management principles, in-house rules, and other norms, and that the company's employees act in accordance with values and ethics as upstanding members of society.</p> <p>For this purpose, providing the rule of compliance in the code of conduct and guidelines for the employees and conduct training activities for them, and organizational structure improvement such as establishing a department in charge of compliance and appointing a person in charge are also important.</p>
1-3	To face antisocial forces and organizations that threaten safety and social order with a resolute attitude and work with the police and other institutions to thoroughly isolate them, and refuse to give in to unreasonable demands.
Discussion	<p>Conducting company activities with a resolute attitude toward antisocial forces and organizations so they have no opportunity to take advantage aids in the formation of a healthy civil society and leads to improved corporate value.</p> <p>When an unreasonable demand is made by antisocial forces, the company should work with the relevant in-house department, the police organized crime division, the National Center for Removal of Criminal Organizations, lawyers and so on, and under no circumstances should the company give in to the demand.</p>
1-4	To establish systems for internal communications for use by both Taisei employees and subcontractor and supplier employees. In addition, to observe the Whistleblower Protection Act and preserve the rights of communicating parties.

Discussion	In recent years, there has been a string of incidents in which whistleblowers inside an organization have called attention to failures to announce product recalls, falsified quality, and other corporate misdeeds that put consumer safety at risk and damage consumer confidence. Internal communications systems are designed to receive information on risks to company operations as quickly as possible from employees who are aware of internal company issues, so the issue can be assessed in advance or as quickly as possible and corrected, while at the same time providing thorough protection for the person providing the information. In addition, the Whistleblower Protection Act has also been enacted. This Act establishes provisions to protect workers who report improprieties from dismissal or other unfair treatment, and it is important for companies to act in accordance with these provisions.
1-5	To protect the company's intellectual property rights from infringement by third parties, and not to infringe on the intellectual property rights of other parties.
Discussion	<p>Progress in global mechanisms and business approaches has resulted in a steady increase in the value of intellectual property rights. In the handling of these rights, companies must not only strive to protect their own rights but also exercise the utmost care to avoid infringing on the rights of other entities.</p> <p>① Intellectual property refers to inventions, ideas, designs, trademarks, literary works or other products of creative activity, as well as trade secrets and other information relating to technologies or company operations that is valuable in terms of business activities.</p> <p>② Intellectual property rights refer to patent rights, utility model rights, design rights, trademark rights, copyrights, breeder's rights and other rights relating to intellectual property that have been established by law or regulation, or rights relating to profits protected under laws relating to trade secrets or the like.</p>
1-6	To maintain a high degree of transparency in relationships with politicians and civil service workers, and refrain from bribery or other acts that violate the penal code or that might lead to misunderstandings.
Discussion	Companies should strive to maintain healthy and normal relationships with the government and public administration, and establish open relationships with these entities on an equal footing. They must be particularly careful in their relationships with politicians and civil service workers to avoid giving money and goods (bribery) in an effort to expedite matters and committing other acts that are in violation of the law, as well as acts that might lead to misunderstandings.
1-7	To arrange for appropriate social insurance and, based on worker status(employed or contracted), sign employment contracts with persons determined to be in an employment relationship and enroll them in appropriate social insurance.
Discussion	Measures are being promoted to deal with the problem of people not being enrolled in social insurance. At the same time, in an effort to reduce the burden of legally mandated welfare costs, some companies have changed the status of workers who up to that time were full-time employees to make them independent contractors, thereafter having them work based on a service contract rather than hiring them. Even if they are officially contracted persons, if the reality is that they are workers, they are subject to social insurance and labor laws and ordinances, and in some cases the companies are punished for such acts.

2. Fair Business Dealings

- We will promote fair business dealings with our subcontractors and suppliers on an equal footing basis, and will select them in a systematic manner by conducting a comprehensive evaluation of their pricing, delivery performance, technological capabilities, business status, etc.

2-1	To conduct transactions with subcontractors and suppliers based on fair and transparent procedures, such as the receipt of an appropriate estimate and the signing of a written contract prior to the start of construction.
Discussion	Before conducting transactions, it is essential to reach an agreement with the transaction partner on roles and division of responsibilities and to put this in writing.
2-2	To select subcontractors and suppliers based on rational criteria such as cost competitiveness, guarantee of quality, delivery performance, technological capabilities, financial capabilities, social credibility as a company, consciousness of social issues such as environment and human rights, business status, etc.
Discussion	Selecting subcontractors and suppliers based on rational criteria in consideration of international discussions regarding sustainability will enhance sustainability activities for the supply chain as a whole.
2-3	To prohibit abuse of a dominant bargaining position, such as a demand for unwarranted profits and incentives from subcontractors and suppliers. Also not to commit acts that interfere with transparency and free competition. To strive to conduct fair transactions on an equal footing that achieve coexistence and co-prosperity.
Discussion	<p>Companies must not demand that subcontractors and suppliers provide them with business-related entertainment, gifts, or money with the aim of obtaining or maintaining unreasonable profits or incentives. If such an offer is made, they should refuse. Maintaining good relationships with subcontractors and suppliers as business partners on an equal footing is beneficial to both parties.</p> <p>In August 2020 Taisei announced a "Declaration of Partnership Building" to be aimed at building new partnerships by promoting cooperation and prosperous coexistence with all sub-contractors and suppliers on the supply chain, and companies aiming at value creation.</p>

3. Respect for Human Rights

- We will respect the fundamental human rights of employees and are committed to ensuring appropriate working conditions.

3-1	<p>To understand Taisei Group's "Human Rights Policy" and to promote activities with respect for human rights in collaboration with Taisei Group toward realization of sustainable and inclusive society.</p> <p>Upon implementation of such activities: (i) to observe laws and regulations relating to human rights in the country or region in which business activities are conducted; (ii) to affirm and respect internationally recognized human rights standards, such as Universal Declaration of Human Rights and International Bill of Human Rights; and (iii) to respect the internationally recognized human rights to a maximum extent if there is any discrepancy between the internationally recognized human rights standards and local laws and regulations in respective country or region.</p>
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Discussion	<ul style="list-style-type: none"> • Taisei Group’s Human Rights Policy: https://www.taisei.co.jp/english/profile/philosophy/policies/pdf/Human_Rights_Policy.pdf • Taisei Group requests business partners, including clients, subcontractors and suppliers, to affirm our Human Rights Policy and to respect human rights. • You are expected to be aware of the Human Rights Policy and to cooperate with us for measures in respect of human rights. • You are expected to understand and respect the internationally declared frameworks and norms relating to human rights. <p>For better understanding of international frameworks and norms or internationally recognized human rights standards, please refer to “Guidelines on Respecting Human Rights in Responsible Supply Chains” released in September 2022 by the Government of Japan.</p> <p>“Guidelines on Respecting Human Rights in Responsible Supply Chains” https://www.meti.go.jp/english/press/2022/pdf/0913_001a.pdf</p> <ul style="list-style-type: none"> • You are expected to be cautious in this regard especially when procuring goods and materials from foreign countries or regions where human rights are not properly protected by local laws or law-enforcement.
3-2	<p>To respect human rights and diversity of employees and those relating to the business and to prohibit any act in violation of human rights, such as discrimination due to race, nationality, religious belief, gender, sexual orientation, gender identity, age, social status, disability and medical status, and physical characteristics, harassment, and privacy invasion.</p> <p>To respect the religious, cultural and traditional beliefs and practices of countries, regions and employees, and not to enforce uniform work regulations and the like by which they might be infringed.</p>
Discussion	<ul style="list-style-type: none"> • Protecting the basic human rights of employees and those related to the business is a condition precedent for company activities. • In particular, as harassment of any kind is a deep-rooted issue, it must be eradicated in collaboration with every and all parties involved in our business. • As individual values and approaches to work modes become more diverse in response to changes in the economic environment, companies are required to observe various work-related laws and to create an environment that respects diversity. • Everyone is recognized to have the right of religious freedom and the right to be free from discrimination based on religion. At workplaces populated by workers of various faiths, especially foreign workers, uniform work regulations should not be applied and care should be taken to ensure that these rights are not infringed upon.
3-3	<p>To respect the freedom of association of employees, and to affirm and respect the right of employees to seek improvements in wages and the work environment (the right to organize and the right of collective bargaining).</p>

Discussion	<ul style="list-style-type: none"> • The freedom of associations is the right of employee(s) to associate a group and to participate upon their own decision, which is the essential right for free and open society. • "The right to organize" is the right of workers to undertake collective action to maintain and improve working conditions and the work environment. • "The right of collective bargaining" is the right of a group of workers to negotiate with employers regarding wages and other working conditions. • In Japan, these rights are workers' rights guaranteed under Japanese Constitution, and it is a violation of law for employers to deny these rights, unless otherwise involving act of violence.
3-4	To pay employees appropriately in accordance with their experience and capabilities and to strive to pay a living wage or higher, by observing the relevant laws and ordinances of each country and region relating to minimum wage, overtime work allowance, deductions and other wage-related matters.
Discussion	<ul style="list-style-type: none"> • "Minimum wage" means that, by law, employers must pay workers a minimum level of compensation, while "Living wage" is a wage calculated based on the cost of living needed for the worker and his or her family to maintain an appropriate lifestyle. • Effects to lead sustainable growth in the construction industry, such as increasing worker motivation, improvement of the worker retention rate, hiring of new worker and so on, can be expected (by paying decent wage).
3-5	To pay appropriate attention to the respect for human rights of individuals who are socially vulnerable or may possibly fall into socially vulnerable position. Especially, to thoroughly prohibit human rights violations against foreign workers. In addition, to ban child labor, forced labor and human trafficking, in all of its forms.
Discussion	<ul style="list-style-type: none"> • With respect to human rights, it is essential to provide special attention to individuals who may possibly fall into socially vulnerable group such as, for example, female, children, foreigners and disabled. At construction sites, we must pay specific attention to prevent human rights violation for foreign workers. Child labor and forced labor are major problems. If the raw materials used in own products are from overseas sources, companies need to be careful not to purchase or use raw materials that may include child labor or forced labor at some point in the procurement process. • Child labor: Children who are younger than the legally mandated working age in the country or region must not be employed. • Forced labor: Forcing people to work against their will, restricting the freedom of people to leave employment, labor coercion through inappropriate means of constraint, forced overtime and so on are forbidden.
3-6	To reduce long working hours in consideration for the health and safety of employees, subcontractors, and suppliers. To observe the relevant laws and ordinances of each country and region relating to the management of working hours, days off and vacations, and reduce and eliminate long working hours/overwork that harm employees' health and welfare.
Discussion	<ul style="list-style-type: none"> • Long working hours is one of the most serious issues against human rights. You are encouraged to work with us to reduce long working hours.

3-7	To provide all employees with equal opportunities for personnel training and career advancement. To establish clear policies and procedures for disciplinary action and make sure these are understood by employees prior to its implementation. In addition, to conduct detailed and strictly fair investigations upon implementation and to make sure that unfair punishments and disciplinary action that infringe on human rights shall not be conducted.
Discussion	<ul style="list-style-type: none"> • You must not conduct any discriminatory act, except by rational reasons such as employee's ability and aptitude, in respect of your employees' career opportunities, such as assignment or training, as well as employment (recruitment) and working conditions (wage, pay raise, and working hours), thus such opportunities (chances) must be fair. • When implementing disciplinary action, the reason and means must be clearly stated in the employment regulations or the like. In addition, upon imposing disciplinary action, it is important to pay attention to ensure that the employee's human rights are not violated by conducting careful study to balance the action against the reason and to determine whether the disciplinary action is appropriate under normal social conventions.
3-8	To run business in harmony with the local society, by taking into consideration of potential impacts on local society due to our business activities. and by taking countermeasures against bribery and corruption issues.
Discussion	<ul style="list-style-type: none"> • Bribery and corruption can be defined, during the course of company's commercial activities, as to give or receive gift, loan, gratuity, compensation, or other benefits to/from any individual for a motive to act unjustly, illegally, or in breach of trust, or as to exercise given authority for an individual benefit. • You must be specifically cautious in case of a bribery with government employees, as it could be considered as a human rights issue where such act may obstruct proper public services and, as a result, interrupt local government services for human rights protection.
3-9	To cooperate with Taisei Group in their Human Rights Due Diligence, and to prevent and mitigate adverse impacts on human rights due to business activities.
Discussion	<ul style="list-style-type: none"> • Taisei Group introduced Human Rights Due Diligence as to promote our measures with respect to Human Rights. • Human Rights Due Diligence is: to identify particular human rights risks and initiate countermeasures against them; and to continuously improve our respect for human rights by running a process cycle to assess the effectiveness and disclose the results. • All subcontractors and suppliers are requested: (i) to be well aware of and to thoroughly follow the "Sustainable Procurement Guidelines" as measures to prevent and mitigate adverse impacts on the human rights; and (ii) to engage in the "self-assessment (questionnaire for sustainability activity)" so as to assess the effectiveness.
4. Promotion of Safety and Hygiene	
● We will maintain safe and hygienic working environments and are committed to preventing occupational accidents.	
4-1	To create a pleasant working environment that ensures work safety and hygiene to enable all workers to enjoy peace of mind as they work.

Discussion	Companies need to provide their employees with a work environment that keeps them safe and healthy in both mind and body. In addition, maintaining the sound mental health of employees will both ensure that they can enjoy a fulfilling life and improve their work product.
4-2	To establish an appropriate safety management organization, and conduct disaster prevention activities and work to prevent industrial accidents.
Discussion	Ensuring the health and safety of employees is one of the most important priorities for company administration. In order to provide active support for preventing industrial accidents and maintaining and increasing the health of employees, the company must establish an organization for promoting Occupational Health and Safety Measures, and all relevant parties must have a sense of ownership and do everything they can to achieve this.
4-3	To take action to ensure the safety and hygiene of local residents and the local community.
Discussion	Companies should manage safety and hygiene and strive to prevent accidents and disasters with the aim of eliminating them entirely, and they must at all costs avoid producing disasters that affect the public. In particular, a “plan that places highest priority on preventing third party disasters” must be drafted and thoroughly executed.
5. Commitment to Environmental Conservation	
● We will protect the natural environment through the reduction of environmental burden and the prevention of environmental pollution.	
5-1	To strive in collaboration with Taisei Group to achieve the three types of societies as “Decarbonized Society”, “Recycling-Oriented Society”, and “Nature Co-Existing Society”, and to confront the two individual issues as “Forest Resources/Forest Environment” and “Water Resources/Water Environment” in order for the realization of a Sustainable and Environmentally Friendly Society, based on thorough understanding of Taisei Group’s “Environmental Policy,” a long-term environmental target of “TAISEI Green Target 2050” and “Declaration of Biodiversity Preservation by Taisei Group”.
Discussion	<p>Environmental Policy: https://www.taisei.co.jp/english/profile/philosophy/policies/pdf/Environmental.pdf</p> <p>TAISEI Green Target 2050: https://www.taisei-sx.jp/english/environment/tgt/vision.html#anc1</p> <p>Declaration of Biodiversity Preservation by Taisei Group : https://www.taisei-sx.jp/english/environment/tgt/pdf/seibutsu.pdf</p> <ul style="list-style-type: none"> • The Taisei Group established a long-term environmental target (TAISEI Green Target 2050) to achieve the “Realization of a Sustainable and Environmentally Friendly Society” . 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 as “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”. Subcontractors and suppliers are encouraged to carefully read through relevant policies and standards such as Environmental Policies, and to work together on environmental conservation with Taisei Group.

5-2	To select equipment, materials and methods with a low environmental burden by taking into consideration for: (i) reducing greenhouse gas emissions; (ii) preventing excessive consumption of and ensuring effective use of resources; (iii) conserving biodiversity; (iv) preventing pollution by hazardous substances, in planning and implementing construction and development as well as procuring construction equipment and materials. Also, to cooperate with and participate in the Green Procurement and the “Taisei Sustainable Action (TSA)” program that is designated to reduce the environmental burden as promoted by Taisei Group.
Discussion	<p>Green Procurement: Items shall be selected as to meet following criteria:</p> <ul style="list-style-type: none"> ① Lower CO2 emissions throughout the entire service life from production to disposal; ② Fewer consumption of energy and resources anticipated; ③ Smaller quantities of construction wastes produced during construction and dismantling; ④ Consideration for using recycled materials or for recycling; ⑤ No hazardous substances contained; or ⑥ Consideration for biodiversity and the local environment. <p>TSA: Taisei Group promotes activities to reduce the environmental burden on a Group-wide basis. Taisei works to improve the efficiency of energy use as well as to promote the use of renewable energy, in order to realize the sustainable Environmentally Friendly society.</p>
5-3	To strive to reduce greenhouse gas emissions and to contribute for the realization of a decarbonized society, by recording the quantity of energy used, reducing energy usage, using energy more efficiently, using renewable energy, and the like .
Discussion	Companies are required to take action to reduce greenhouse gas emissions that are a cause of global climate change. It is essential for companies to contribute to environmental conservation by means of activities to reduce energy consumption such as “ecological driving” and “Cool Biz / Warm Biz” campaigns, the use of air conditioners and lighting fixtures with high energy-saving performance, the use of public transport for travel and commuting, the use of renewable energy, and the like.
5-4	To promote use of the legitimate timber materials, with the aim of realizing zero deforestation by timber procurement.
Discussion	Forests play important roles in maintaining and improving the global environment, such as mitigating climate change, conserving biodiversity, recharging water sources, etc. It is necessary for forest conservation to eliminate illegal logging for preventing degradation of the forests.
5-5	To strive to reduce water consumption and promote its reuse, and efficiently use rainwater and spring water, in order to conserve water resources.
Discussion	Some regions of the world are facing potential water risks such as drought, flooding, and water pollution as a result of economic growth, population increase, climate change, and so on. We need to conserve water resources by reducing water use, efficiently using rainfall and spring water, and so on.
5-6	To reduce emissions of and appropriately manage construction wastes, hazardous chemical substances and pollutants, including compliance with relevant laws and regulations and management of wastewater associated with our business, in order to eradicate environmental accidents and to prevent degradation in atmosphere, water quality, soil environment, and ecological system.

Discussion	In order to eradicate environmental accidents, it is essential to follow and comply with the relevant laws and regulations, thus you are requested to take actions as follows: ① To initiate environmental training to improve environmental knowledge and awareness among all subcontractors; ② To have all subcontractors proactively participate in foremen’ s meetings; ③ To carry out subcontractor owners’ site patrol to confirm the environmental management conditions and to provide instructions to comply with environmental laws and regulations; and ④ To share an information about “Nearly Missed Incidents” and “Preventive Measures” through Health, Safety and Environment coordination activities (Tool Box Meeting).
5-7	To cooperate with Taisei Group in the Environmental Due Diligence and to mitigate and prevent an adverse impact on the environment.
Discussion	<ul style="list-style-type: none"> • Taisei Group engages in the Environmental Due Diligence to promote Environmental Management. • Environmental Due Diligence is the effort to continuously improve environmental conservation and defined as the cycle to implement respective counter measures against specific environmental risks, to assess their effectiveness, and to disclose the results. • All subcontractors and suppliers are requested: (i) to be well aware of and to thoroughly follow the “Sustainable Procurement Guidelines” as measures to prevent and mitigate adverse impacts on the environment; and (ii) to engage in the “self-assessment (questionnaire for sustainability activity)” so as to assess the effectiveness.
6. Ensuring and Improving Safety and Quality	
● We will ensure the safety and quality of our construction products and services and are committed to improving their safety and quality yet further.	
6-1	To faithfully achieve outsourcer quality requirements in the provision of construction products, related services and construction equipment and materials, in accordance with contract details and laws, ordinances, standards etc., by using the most appropriate technologies, materials and methods to provide construction and related services based on a quality management system.
Discussion	Top management must demonstrate leadership in terms of rigorously observing relevant laws and regulations relating to quality and safety, in order to build and promote an organization that places top priority on safety and trustworthiness.
6-2	To improve technical capabilities on an autonomous and continuous basis, and develop new technologies and new materials in order to improve the quality of technical and construction services toward the resolution of environmental and social issues.
Discussion	Companies need to improve their technologies and expertise, etc. to resolve environmental and social issues such as achieving a carbon-free society, in order to help build a sustainable society.
6-3	To issue prompt reports and take appropriate action in the event of a quality related accident or problem. To issue prompt reports and take appropriate action in the event of a quality-related accident or problem.

Discussion	When such events occur, companies must take prompt action and disclose information, contact the supervisory authorities, establish procedures, and set up management systems for repair and recovery.
7. Information Disclosure	
● We will provide and disclose information to our stakeholders in a timely and appropriate manner.	
7-1	To voluntarily disclose company information on corporate management, business activities, Sustainability activities etc. in a timely and appropriate manner, and promote communication with a wide array of stakeholders.
Discussion	Disclosing important information on company activities in a timely and appropriate manner to society at large promotes understanding and appropriate assessment of the company that will lead to its sustainable growth. It is important to disclose not only company information in accordance with relevant laws, ordinances etc. but also to voluntarily disclose non-financial information such as climate change measures and efforts relating to respect for human rights. It is also important to establish an in-house organization for disclosure of information in a fair and accurate manner.
8. Commitment to Information Security	
● We will appropriately manage and protect all confidential, personal and customer information that we handle.	
8-1	To exercise thorough control of confidential information, personal information, customer information etc. to ensure that there is no improper or illegitimate use, disclosure or leakage.
Discussion	With the development of the information society, cybersecurity and the protection of personal information are preconditions for the use of data: ① Observance of laws and regulations and other norms relating to the protection of personal information ② Safety measures to prevent unauthorized access, leakage, loss, falsification, unauthorized use etc. ③ Respect for the rights of the party him/herself ④ Provision of a liaison for inquiries ⑤ Establishment and ongoing improvement of a control organization
8-2	To take protective measures for threats (viruses, etc.) to the company's IT environment (computers and networks) and prevent information leaks and the like.
Discussion	Companies must establish protective measures to ensure that confidential information learned through business activities does not leak outside the company due to a cyberattack, and must exercise appropriate management to avoid damage to the company or other entities.
9. Activities Contributing to Society	
● We will use management resources to promote activities that contribute to society.	
9-1	To actively participate in culture and learning support activities, local community interchange, environmental protection activities and so on, and respect and support voluntary participatory activities on the part of employees to contribute to society.

Discussion	As good corporate citizens, companies promote activities to make wideranging contributions to society through dialogue with their stakeholders. They can provide donations and various other administrative resources, collaborate with community events, work together with NPOs, NGOs and other entities, introduce programs to support employee volunteer activities and so on.
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10. Business Continuity in Times of Disaster

- We are committed to improving our disaster preparedness so that, as part of our responsibilities as a general contractor, we can contribute to the business continuity of national and local governments, businesses and other organizations in the event of major disasters and other incidents.

10-1	To make securing the lives and physical safety of employees and their families the top priority, and actively work to minimize damage to company facilities, etc.
Discussion	In the event of a large-scale disaster or accident or the like, it is anticipated that employees and their families as well as company facilities will sustain damage, and that company operations will be massively affected. It is important for companies to prepare for such eventualities, such as by establishing a mechanism for confirming the safety of employees.
10-2	To establish an organization to protect against disasters (natural disasters and fires) and the spread of infectious diseases before such situations occur, and verify their effectiveness through drills, etc. and conduct improvements, in order to maintain the supply chain in an emergency.
Discussion	To ensure that the company will be able to withstand disasters and the spread of infectious diseases and so on, it must establish a Business Continuity Plan (BCP) and conduct regular drills to verify the effectiveness and viability of this plan, and also strive for continual improvement.
10-3	To help national and local governments and companies, etc. continue their business operations through stopgap measures and restoration activities for social infrastructure and constructed properties, and help to maintain people's living environments.
Discussion	As companies that support the infrastructure for socioeconomic activities, construction industry companies have the important responsibility of ensuring that the critical functions for business activities are maintained, as well as working to maintain or restore the value of constructed structures, helping national and local governments and companies, etc. continue their business operations, and maintaining the living environment for ordinary citizens.

11. Promotion of Sustainable Procurement

- We will seek the understanding and cooperation of our subcontractors and suppliers with regard to this Procurement Policy and the Sustainable Procurement Guidelines, and will promote Sustainable procurement activities together with our subcontractors and suppliers.

11-1	To seek the understanding and cooperation of subcontractors and suppliers (with which Taisei has either a direct or an indirect business relationship) regarding the Procurement Policy and the Taisei Group Sustainable Procurement Guidelines, and promote Sustainable procurement activities throughout the entire Taisei Group supply chain.
Discussion	Companies need to promote Sustainability not only within the company but throughout the entire supply chain that includes subcontractors and suppliers.