



Sustainability of SHO-BOND

Basic Concept for Sustainability

With its Corporate Philosophy at the core of management, the Group has designated material issues (Materialities) to get close to its vision. Four designated Materialities involve internal activities and how business activities affect society. We believe that all of these activities are sustainability management that contributes to accomplishing the SDGs and achieving our Corporate Philosophy. We have established a Sustainability Policy and ESG-related policies to provide guidelines for constant activities in accordance with materiality priorities. In August 2022, we set KPIs for each of the priorities to measure their progress and disclosed targets and results.

We will enhance our corporate value over the medium to long term and contribute to creating a sustainable society by continuing to upgrade sustainability initiatives with the input of our internal and external stakeholders. Specifically, we will improve our promotion framework, consider measures, and regularly review them to upgrade the initiatives.

Sustainability Philosophy



Strengthening Our Sustainability Promotion Framework

The Group has established a Sustainability Committee, chaired by the President and Representative Director and composed of all inside and outside directors. The Committee meets once a year as a general rule to discuss sustainability issues including social and environmental

issues. The Committee also submits and reports the results of discussions on important matters to the Executive Committee and the Board of Directors. The Committee mainly discusses general important matters related to sustainability such as the development of policies and measures related to sustainability, the identification, assessment, and management of climate-related risks and opportunities, and the management of KPIs for non-financial information.

We have also established an ESG Promotion Office to integrate activities related to sustainability. The ESG Promotion Office holds

meetings with ESG promoters from each department and Group company as needed to ensure that the Group as a whole collaborates at the practical level. Under such a structure, we are committed to staying and becoming more sustainable through organic cooperation among the management team, the ESG Promotion Office, respective departments, and Group companies.

KPIs Related to Sustainability

Materiality	KPIs	Target year	FY2022	FY2023		
 Contribution to the development of sustainable cities	Number of violations of environmental laws and regulations	0	Every year	0	0	
	CO ₂ emissions (Scope 1 and 2) (vs. FY2022 [5,238t])	3,929t [-25%]	FY2031	5,238t [±0.0%]	5,474t [+3.5%]	
	(CO ₂ emissions intensity*)	(4.9 t-CO ₂ / 100 million yen)		(6.5 t-CO ₂ / 100 million yen)	(6.5 t-CO ₂ / 100 million yen)	
 Comprehensive maintenance system backed by the organizational capabilities	Average scores for contractor performance evaluation in construction industry	MLIT : 78 or higher NEXCO : 80 or higher	Every year	MLIT : 80.0 NEXCO : 86.0	MLIT : 80.6 NEXCO : 86.5	
	Percentage of construction sites where "8 days off in 4 weeks" is achieved (according to the Japan Federation of Construction Contractors)	100%	FY2024	85.9%	94.3%	
	Number of fatal accidents	0	Every year	0	0	
	Lost Time Injury (LTI) frequency rate	0.7 or lower	Every year	0.67	0.00	
	Achievement rate of annual overtime limit of 720 hours	100%	FY2024	100%	100%	
	Percentage of female employees in regular recruiting	15% or more	Every year	9.5%	16.2%	
 Productivity improvement through technology development	Number of female engineers	38	FY2024	26	30	
	Percentage of employees with disabilities	2.4% or more	Every year	3.3%	3.1%	
	Childcare leave rate of new fathers	100%	FY2024	100.0%	74.0%	
	 Sound governance and measures for more improvements	Rate of response to safety confirmation	100%	Every year	100%	100%
		Compliance training participation rate	100%	Every year	98.8%	100%
		Number of serious violations of laws and regulations	0	Every year	0	0
Information security training participation rate	100%	Every year	90.3%	100%		

* (Reference value) CO₂ emissions per consolidated net sales (100 million yen)

Efforts for Environment



Climate-related Financial Disclosure Based on the TCFD Recommendations

The SHO-BOND Group (the "Group") expressed its support for the TCFD recommendations and joined the TCFD Consortium in July 2022. Based on its corporate philosophy of "Inheriting and passing on social infrastructure to the next generation in good condition," the Group is committed to "contribution to the development of sustainable cities" as one of its Materialities and is aware that combatting climate change is an important management challenge.

Based on the recognition that a longer service life of infrastructure contributes to reducing greenhouse gas emissions, we will make efforts so that we can contribute to realizing a sustainable society. These efforts include information disclosure and other initiatives related to climate change, in addition to core business activities as an infrastructure maintenance specialist.

Strategy

The Group conducted a scenario analysis to identify and assess the impact on its overall business management of the risks and opportunities associated with the "transition" to a low-carbon economy and those associated with the "physical" changes brought about by climate change.

As assumptions for the scenario analysis, we selected the 2°C or lower and 4°C scenarios by referring to several existing scenarios published by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and other organizations. Businesses subject to the analysis are the domestic construction business and the manufacturing and sales business of repair and reinforcement materials; the time horizon is assumed to be up to the year 2030. For the climate-related risks and opportunities identified, we have sorted out necessary countermeasures as shown in the table below.

By implementing the countermeasures identified in this report, we will contribute to developing sustainable cities and will achieve sustainable growth by enhancing the resilience of our business.



Risks / Opportunities covered		Countermeasures
Changes expected	Description	
Changes in reputation among shareholders and investors	<ul style="list-style-type: none"> ● Increased ESG investment in the SHO-BOND Group as an infrastructure maintenance specialist due to being highly regarded for its low CO₂ emissions 	<ul style="list-style-type: none"> ● Disclose information about CO₂ emissions (Scope 1, 2, and 3) and initiatives aimed at reducing CO₂ emissions (Scope 1 and 2)
Introduction of carbon pricing Introduction of more aggressive targets / policies for CO ₂ emissions reduction by countries around the world	<ul style="list-style-type: none"> ● Increased procurement costs for energy and materials ● Decreased transactions due to our inability to adequately respond to customers' requests for reducing CO₂ emissions ● Surges in the purchase prices of resin-based materials and steel materials as a result of decreased production of naphtha and iron ore ● Increased demand for watershed flood control and disaster restoration work, rather than seismic reinforcement work and service life extension work, in the face of growing severity of weather disasters 	<ul style="list-style-type: none"> ● Promote green procurement, including switching to low-carbon materials ● Switch to renewable energy and promote energy conservation during construction ● Invest in solar power generation for own consumption, etc.
Changes in customer behaviors Rises in raw materials costs Acceleration of national resilience measures	<ul style="list-style-type: none"> ● Increased price competitiveness with the delivery of low-carbon construction services and products in the field of repair and reinforcement ● Due to CO₂ emissions regulations, the number of life-extending works of buildings and infrastructures increases while the amount of overall investments in construction decreases ● Increased demand for infrastructure maintenance to counter natural disasters 	<ul style="list-style-type: none"> ● Develop low-carbon and decarbonization technologies ● Develop new technologies that support the preventive maintenance of infrastructure
Increase in average temperature	<ul style="list-style-type: none"> ● Decreased productivity in line with increased heat stroke cases among on-site workers ● Increased costs for improving working environment and introducing equipment, etc. to prevent heat stroke ● Worsening worker shortages due to deteriorating outdoor working conditions 	<ul style="list-style-type: none"> ● Develop technologies for improving on-site working environments and implement heat stroke countermeasures
Growing severity of weather disasters	<ul style="list-style-type: none"> ● Increased costs due to process delays at disaster-stricken sites ● Supply chain disruption ● Damage to or shutdown of operations at disaster-stricken own factories or contracted manufacturing plants 	<ul style="list-style-type: none"> ● Work together with the entire supply chain to strengthen BCP measures in preparation for disasters ● Manage sanitation related to water in a sustainable manner

Metrics and Targets

CO₂ Emissions Reduction Targets

Metrics		Base year	Targets	
		FY2022	FY2031	FY2051
CO ₂ emissions (Scope1 and 2)	Total emissions	5,238t-CO ₂ (6.5t-CO ₂ /100 million yen)	3,929t-CO ₂ (-25%) (4.9t-CO ₂ /100 million yen)	Net zero
	(CO ₂ emissions intensity*)			

* (Reference value) CO₂ emissions per consolidated net sales (100 million yen)

To realize a decarbonized society—the basic principle underlying the Act on Promotion of Global Warming Countermeasures, the Group has set targets of reducing its CO₂ emissions (Scope 1 and 2) 25% from FY2022 levels by FY2031 and ultimately achieving carbon neutrality by FY2051.

CO₂ Emissions (Scope 1, 2, and 3)

Category	(Unit : t-CO ₂)	
	FY2022	FY2023
Scope1	2,667	2,805
Scope2	2,571	2,669
Total of Scope1 and 2	5,238	5,474
CO ₂ emissions intensity (t-CO ₂ /100 million yen)	6.5	6.5
Scope3	110,008	110,468
Total of Scope1, 2, and 3	115,246	115,942

Coverage: Domestic group companies

Measures to Combat Climate Change

The operations of the SHO-BOND Group generate a relatively small amount of CO₂ emissions due to the characteristics of the infrastructure maintenance business, which left us limited options for Scope 1 and 2 reduction measures. Factoring in these circumstances, the Group examines various types of methods for CO₂ emission reductions and carbon offsets mainly in the Sustainability Committee.

The Kita-Nihon Regional Office of SHO-BOND CORPORATION, which is in the city of Sendai in Miyagi prefecture, was relocated in FY2023 to a building that received ZEB (Net Zero Emission Building) certification under the BELS (Building-Housing Energy-efficiency Labeling System). ZEB certification requires zero or negative net primary energy consumption annually by using energy-efficient facilities and renewable energy sources. The Group assessed the design and equipment of the building including estimates of cost-effectiveness based on the building's location, sunshine exposure, and other parameters.

The Group will continue activities to achieve carbon neutrality by 2050 while examining a diverse array of measures.



Efforts to Develop Talent and Improve the Workplace Environment



Productivity improvement through technology development

Basic Views

Employees are the most valuable asset of the SHO-BOND Group. For the Group to survive and grow while fulfilling its social responsibilities and contributing to the development of a sustainable society, we believe every employee of the Group must have a dream and feel a sense of fulfillment by demonstrating their abilities.

Therefore, we aim to create a workplace where every employee is mentally and physically healthy and can continue their work for a long time with confidence while having the opportunity to maximize their abilities and potential.

Recruiting

Explaining the need for infrastructure repair and reinforcement and the social significance of these activities is an effective way to attract new university or technical college graduates, especially in the fields of civil engineering and architecture. For this purpose, SHO-BOND invites students and instructors to visit the Technical Research Institute and Tsukuba Training Center and send our engineers to give special lectures on the campus regularly.

When it comes to hiring people with previous work experience, we use many channels including an employee referral system to diversify our human resources.

Talent Development

Experience is a critical component of repair and reinforcement construction activities. For this reason, we provide education mainly through on-the-job training, and we are working to improve their ability to solve problems independently by delegating responsible tasks and putting them in charge of them in their early stages.

As for off-job training, we select effective and efficient learning methods for each theme, and offer our employees various training opportunities according to their stage of growth, such as internal/external education programs, e-learning, etc. In 2021, we opened the Tsukuba Training Center, which is adjacent to the Technical Research Institute, for hands-on training programs. We will continue to develop the skills of everyone in the Group from a long-term perspective while upgrading education programs and encouraging people to learn new skills in a well-planned manner.

	General staff	Junior/middle managers	Department managers and higher positions
Job-specific training	Training for new employees		
Rank-specific training	Follow-up training Training outside the group	Job-specific training	
OJT	Safety training		
Self-development	<ul style="list-style-type: none"> ● Interviewing system ● Self-declaration system ● Skill and performance evaluation system ● Job rotation 	<ul style="list-style-type: none"> ● Information about correspondence courses ● Reference book recommendations 	

Training for Specific Job Levels

SHO-BOND has training programs structured to give employees the knowledge and skills required depending on their specific job levels. These follow-up training programs extend from education for new employees to training for people with more experience, which cover subjects selected to enable the participants to advance to the next step of their careers. Furthermore, the Tsukuba Training Center has lessons that are very similar to conditions at job sites and the employees can obtain practical knowledge.

Support for Earning Certifications

The Group gives employees a variety of support for earning professional qualifications and other certifications required for their jobs. Not only is the cost of tests and registrations for certifications covered but receiving certifications also raises the monthly income of employees. For Professional Engineer and other difficult qualifications, we have carried out measures including supplementary lessons by the employees who have been certified and commendation at the time of certification. Through such promotion measures, the number of those qualified has been steadily increasing.

We will continue to expand these programs in order to enable our staff to earn the certifications required for their work and even difficult qualifications.

Employee Retention

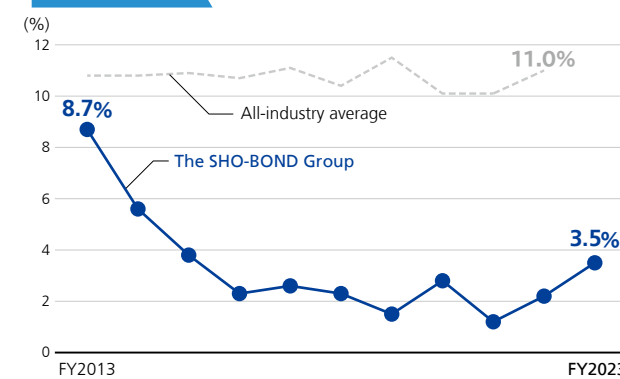
SHO-BOND conducts monthly surveys of employee job satisfaction, goals, and other items with an emphasis on younger employees and individuals returning from leave. Using the results, human resources personnel timely interview and support those in need with the cooperation of the supervisors and others. These activities let employees know that there is a framework in place to help them deal with various problems and relieve their anxiety.

In addition, we offer opportunities to work at home and select staggered working hours for more flexibility. Measures like these to constantly improve the workplace environment based on the employees' needs result in a higher retention rate.

Employee Surveys and Human Resources Interviews

Time	Employee Surveys			Interviews by human resources personnel
	Subjects (including duplication)	Responses (including duplications)	Response rate	Interviews (including duplications)
April 2021-March 2022	1,468	1,429	97.3%	63
April 2022-March 2023	2,385	2,297	96.3%	84

Attrition Rate



*Attrition rate only counts for employees who resign voluntarily. All-industry average is determined by SHO-BOND using Ministry of Health, Labour and Welfare data.

Workplace Environment Initiatives

Maintaining Proper Working Hours

The Proper Working Time Project was started in 2014 with measures that include improvements to the rules of employment and the initiation of no overtime days to prevent excessive working hours and encourage employees to take time off.

In 2017, the Group started using a new system for recording working time. This framework allows efficient monitoring of the number of job hours and the situation of weekend or holiday attendance.

To promote the tendency to use vacation days more easily, we have designated a month when employees are encouraged to take paid holidays. In FY2023, we achieved the target of no employee having fewer than 110 days off per year. We have continued to take action concerning paid leave, increasing the use of vacation time.

Starting in April 2024, construction companies in Japan will have to comply with a limit on overtime working hours. We are committed to complying with these regulations by making continual improvements such as reducing total working time and increasing the use of paid leave.

Average annual days off	FY2019	FY2020	FY2021	FY2022	FY2023
	127.0	129.4	130.2	134.3	134.5

Supporting Employees in Balancing Work and Childcare and/or Nursing Care

We provide employee assistance programs that exceed the legal requirements and promote the use of these programs to allow employees to balance work with childcare and nursing care without anxiety. To increase the use of



childcare leave by male employees, we started a system of making one-off payments when they return from childcare leave in 2019. To raise awareness of that, we have made a pamphlet for introduction and it has raised the number of male employees taking childcare leave as well as the number with long-time childcare leave.

In 2020, SHO-BOND CORPORATION received Kurumin certification as a company that supports childcare.

Childcare leave rate of new fathers	FY2019	FY2020	FY2021	FY2022	FY2023
	45.8%	80.0%	65.0%	100.0%	74.0%

Selection of Employment Category and the Self-Declaration System

The Group gives employees the flexibility to choose an employment category with or without transfers to different locations. Many individuals change their status to reflect the current stage of their lives. Every year, some employees ask to be shifted. The self-declaration system allows individuals to confirm their employment category and job status once every year.

Diversity and Inclusion

To maintain diversity in our workforce, the Group makes efforts to recruit diverse new employees as well as conduct the selection process in a fair and non-discriminatory manner. In addition, the Group selects management personnel based solely on each individual's capabilities and performance.

To increase the participation of women in the workforce, we make efforts to maintain at least a 15% regular recruiting rate of females, and from a longer perspective, we hope to encourage the participation of more females in management and other higher levels of work. The 15% goal was achieved in FY2023. In addition, there are workplace environment measures and a training program with follow-up surveys for female engineers that result in a high retention rate.

To retain elder employees and continue benefiting from their many years of experience, the remuneration for these people was raised significantly in FY2021 and FY2023. Partly because of that, all employees who reached their mandatory retirement age in FY2023 decided to remain at SHO-BOND.

For many years, we have hired large numbers of people with prior work experience. At the end of June 2023, mid-career employees were 52.3% of the entire workforce and 33.5% of all managers. We remain committed to maintaining a diverse workforce.

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of female engineers	16	18	23	26	30
Percentage of female employees in regular recruiting	2.8%	5.3%	17.2%	9.5%	16.2%
Employee retention after mandatory retirement age	65.0%	86.0%	80.0%	88.0%	100.0%

SHO-BOND Training Programs

A new employee learning on-site practices from an experienced individual now in his sixth year at the Group



[Training for new employees]

Training for new employees is designed as a first phase to let them acquire know-how essential for working at the Group and become the core members of the workforce. This one-year training consists of an introductory course mainly in the form of classroom lectures and practical training at workplaces where new employees are temporarily assigned.

[Introductory training]

The main purposes of the 45-day introductory training are to (1) give them the proper mindset as a businessperson, (2) acquire basic knowledge about their jobs, and (3) foster a sense of solidarity among them as employees of the Group. Many of the new employees have majored in civil engineering and construction in college or university but most of them are introduced to the maintenance field for the first time at SHO-BOND. We design training programs in a way that allows them to acquire the fundamental knowledge needed to advance to the on-the-job training phase.

[On-the-job training]

On-the-job training accounts for the majority of the one-year training for new employees. This training is an important process for new employees to apply the knowledge acquired during the introductory training under the guidance of experienced employees. We believe that the fundamentals of every job within the Group are learned at work sites, regardless of future career paths. This is why on-the-job training is provided mainly at construction sites where new employees acquire repair and reinforcement skills.



Training at the Technical Research Institute

[The Group-wide Construction Engineering Technology Conference]

Every year, SHO-BOND holds a Construction Engineering Technology Conference at the head office to allow our employees to share knowledge and experience and further upgrade their skills. The event is attended by about 100 engineers of all ages from all areas of Japan. Selected employees give presentations about timely themes and innovations in maintenance work, which can cultivate the essential ability of communication. Therefore, this event provides every participant with valuable learning opportunities. After the pandemic started, online links with regional offices nationwide have been used to enable engineers unable to attend in person to participate.



Participants listen to a construction engineering presentation

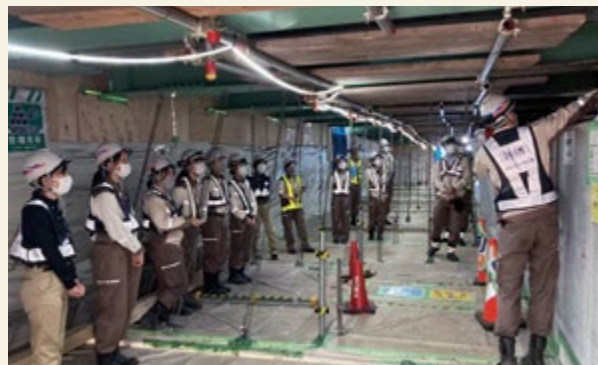


Award winners pose with the Engineering Division general manager

[Education matching the requirements of in-house companies]

One of the goals of the Group's current Medium-term Business Plan is to upgrade the order receipt strategy utilizing the in-house company structure and to increase activities for large projects and construction work capability. One element of these activities is the reinforcement of training, field trips, and classes specifically for in-house companies.

Within the Group, the condition differs depending on workforce composition, regional characteristics of projects, and other factors. Training programs must reflect these differences. This is why we give people practical know-how and skills that cover precise requirements.



A field trip for female engineers of the West Japan In-house Company

New Employee Training – Hands-on Lessons for Practical Knowledge



The Sumida River, which flows through downtown Tokyo, is home to bridges of such diverse designs and structures that it can be said to be a “bridge exhibition.” On their field trip to this river, new employees hear explanations of bridge structures and components from members of the Engineering Division. Seeing bridges from this perspective gives everyone a sound understanding of the structure of bridges, which will be part of their future maintenance activities.



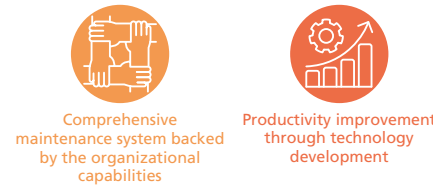
As part of introductory training, new employees complete hands-on lessons at the Technical Research Institute and the Tsukuba Training Center about construction site processes and quality and tasks involving safety management. The hands-on lessons include special experience such as handling the same tools and materials used at job sites, assembling scaffolding, etc., which enables trainees to simulate the actual construction process.

New employees need to understand what types of work take place at construction sites, precautions that are required, and other points about their jobs. Giving them this practical knowledge allows them to do their jobs at these sites with confidence. The instructors are experienced engineers of SHO-BOND, mainly from the Technical Research Institute, Construction Division, and Safety Management Department.



Activities centered on hands-on experiences are a distinctive feature of training at SHO-BOND as a specialist in infrastructure maintenance. Using this methodology gives new employees the basic knowledge and skills needed for this field of construction and the subsequent transition to actual job sites will also be smooth. We will continue to make further improvements to our training programs to enhance the effectiveness of job introductions.

Efforts for Health and Safety



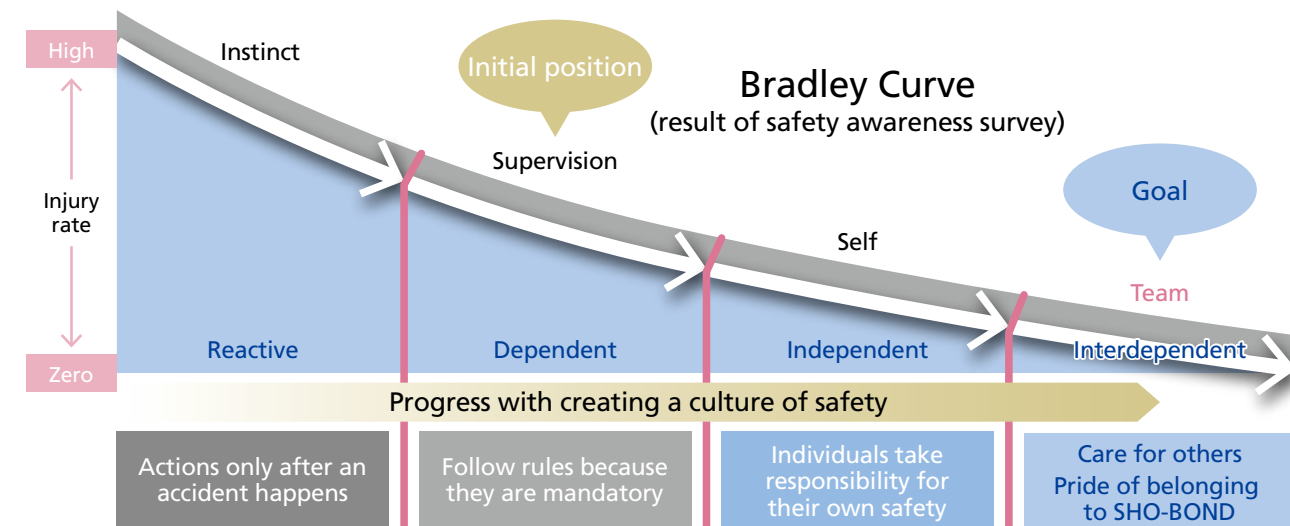
Basic Views

In addition to complying with laws and regulations related to occupational health and safety, the SHO-BOND Group aims to create a comfortable working environment in which everyone strives to eliminate occupational accidents, while maintaining and improving their health, based on the philosophy that “respect for human life and safe construction take precedence over everything else.”

Health and safety management is one of the most important management issues of the Group. In recent years, orders for large-scale construction have expanded, and the number of high-difficulty construction projects such as expressways has been increasing. Completing these projects with no accidents demands a high level of safety skills along with a strong commitment to safety among everyone at the Group and partner companies. Based on this stance, we have established the following Health and Safety Policy for the three years ending in June 2024. In addition, the president of SHO-BOND directed in January 2020 the start of the Initiatives for Creating a SHO-BOND Culture of Safety.

Initiatives for Creating a SHO-BOND Culture of Safety

Our goal is to raise the SHO-BOND culture of safety from a “dependent” structure, where supervisors oversee safety measures, to an “independent” and “interdependent” structure in which individuals act independently and promote safety among themselves. We believe these changes will establish accident-free workplace environments where people can do their jobs with even greater safety and confidence. To accomplish these goals, we are taking actions based on the Initiatives for Creating a SHO-BOND Culture of Safety.



Health and Safety Policy

1. We will achieve a safety culture at an even higher level.
2. We will establish a health and safety management system.
3. We will ensure the accurate implementation of risk assessments.
4. We will carry out measures for the reduction of occupational accidents involving third parties and severe workplace accidents.
5. We will execute thoroughgoing health and safety education toward our own employees and the staff of our partner companies.
6. We will ensure thorough preventive measures for occupational diseases.
7. We will promote work style reforms for the prevention of health disorders caused by overwork.
8. We will thoroughly ensure the prevention of property damage accidents.

Key Initiatives Based on the Health and Safety Policy

Priority Actions in FY2022 and FY2023

1. Promote the Initiatives for Creating a SHO-BOND Culture of Safety
2. Promote initiatives to motivate people involved in construction projects, such as commending our employees and partner companies for their outstanding performance in health and safety management
3. Promote digital transformation and other methods for more effective and efficient health and safety management activities

Priority Actions in FY2024

1. Ensure that a series of measures are taken, from the identification of risk factors that can cause serious accidents to the implementation of mitigation measures and confirmation of their implementation
2. Health and safety officers perform daily workplace patrols and nip accidents in the bud
3. Create comfortable and smart workplaces and construction sites

Targets and Accomplishments

The Group has set “zero fatal accidents” and “a lost time injury (LTI) frequency rate of no more than 0.7” as KPIs related to health and safety. In FY2023, we achieved zero fatal accidents and the workplace accident frequency rate and severity rate were both zero. Both KPIs were below the average of Japan’s general construction sector for the third consecutive year.

	Targets	FY2022 results	FY2023 results
Number of fatal accidents	0	0	0
Lost time injury (LTI) frequency rate*	Maximum of 0.7	0.67	0.00

* Lost work time of 4 or more days

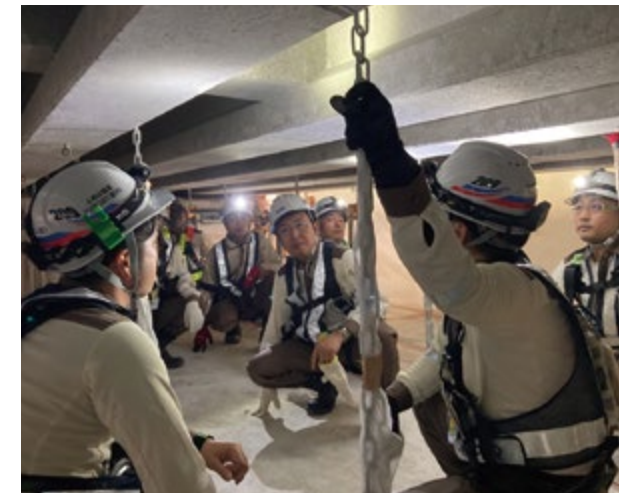
Health and Safety Management System

SHO-BOND has a health and safety management system in which everyone from the president to supervisors at all levels has clearly defined roles, responsibilities, and authority. This structure is used to perform well-planned health and safety management activities at all business sites.

We conduct health and safety patrols at construction sites to improve the level of health and safety. In FY2023, the president, regional and branch office general managers, and other senior managers performed 3,791 patrols, which is an average of 1.5 patrols per month at each construction site.

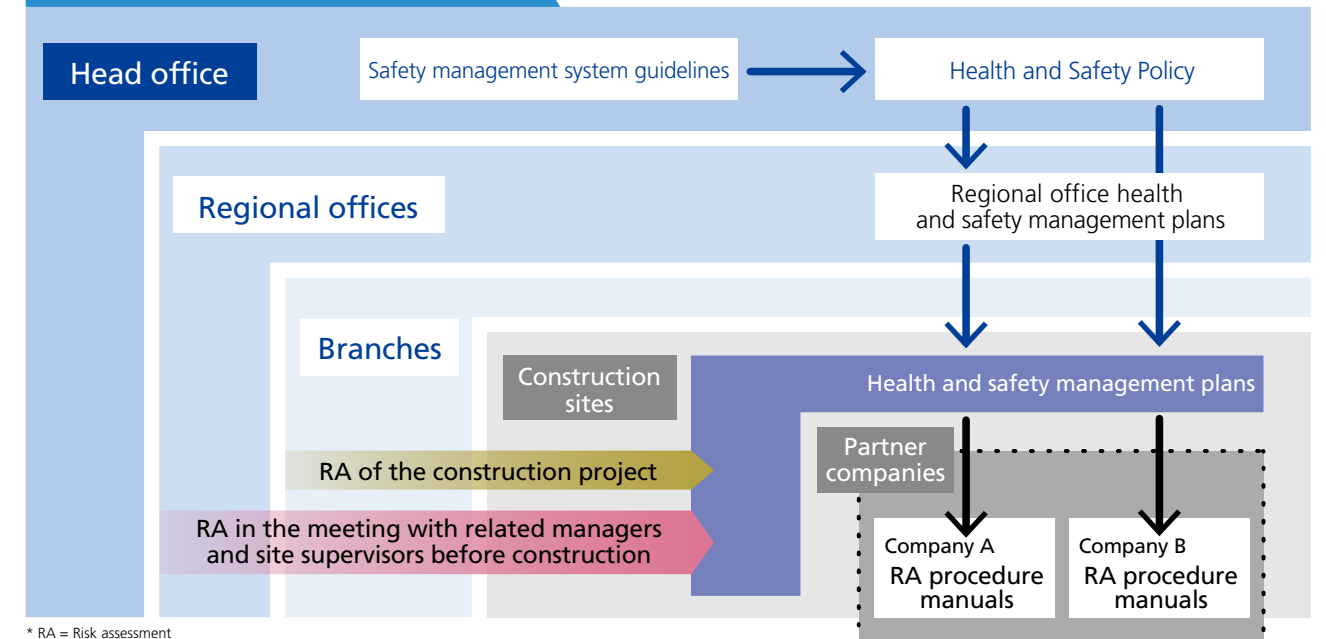
Basic Responsibilities

President	Determine the basic principles and set goals for health and safety management
General Managers of Regional Offices	Set and publicize annual safety and health management plans for the regional office based on the SHO-BOND Health and Safety Policy
Branch Managers and Site Supervisors	Make and publicize the policy, and set goals for construction health and safety Create, implement, and improve construction health and safety management plans
Partner companies	Create risk assessment procedure manuals



Health and safety patrols by the company president

Health and Safety Management Organization Chart



* RA = Risk assessment

Major Activities

Health and Safety Training

The Group provides safety training programs to employees of the Construction Department, Marketing and Sales Department, and Engineering Department in July every year. The July 2023 program included reports about workplace accidents and property damage caused by accidents during FY2023 and priority actions for the next fiscal year. We also provided special education as well as health and safety training by SHO-BOND instructors to our engineers and 350 employees from 65 partner companies in FY2023.

Training under the Initiatives for Creating a SHO-BOND Culture of Safety Roadmap

Felt leadership training for new senior executives and managers takes place at the Group, with the support of the external consultants. In FY2024, felt leadership training will be expanded to managers of partner companies and younger employees of SHO-BOND.

This training aims to equip employees with the leadership skills to demonstrate their strong commitment to safety through their actions so that an improvement of awareness will spread to the people around them, creating a comfortable environment and organization, and fostering a culture of safety.



Construction Site Health and Safety Patrols by Administrative Personnel

Health and safety patrols are also performed by employees in administrative departments, who do not have construction site jobs. Some people go to the construction site for the first time through these patrols. It is expected to raise awareness of health and safety throughout the Group while improving the level of safety and health on sites since they can see construction sites from a viewpoint unlike that of construction personnel, which creates synergies for further health and safety improvements.

Many office workers who visit construction sites are surprised to see that these locations are not dangerous nor dirty. They are pleased to see the positive atmosphere of these workplaces and impressed with the numerous health and safety measures that even people with no construction experience can notice.



Digital Transformation (DX) of Health and Safety Activities

The Group promotes DX in health and safety activities to improve effectiveness and reduce on-site workers' workloads. To accomplish these goals, we formed a Safety DX Promotion Working Team. While identifying areas for improvement in current health and safety activities, we are working on specific initiatives to promote DX, such as setting targets.

Using web conferences, chat tools, and other methods, we are implementing initiatives such as early resolution promptly by checking the status of work and sharing problems through real-time communications between regional and branch offices and construction sites.



Emergency Relief Training with Fire Departments and Rescue Units

As part of on-site safety activities, we conducted joint rescue and evacuation drills with the local fire department and external emergency response organizations.

We aim to enhance the understanding of health and safety activities among construction workers through real experiences of the whole process, including checking the contact list and evacuation sites, providing first aid for people requiring help, requesting emergency services, and conducting ambulance activities in case of an emergency. We also hope that each individual will develop their own safe behavior, thinking, and value through such activities.



Somatosensory Health and Safety Education at the Tsukuba Training Center

The Tsukuba Training Center has a full range of facilities for conducting effective health and safety education. To foster an awareness of health and safety, including risk perception, judgment criteria, and beliefs, we conduct employee training at the time of joining the company and when they are promoted to a higher level. In addition, we also provide hands-on education on health and safety to partner companies and overseas trainees, using actual training bridges and scaffolding, as well as VR and other hands-on equipment.



VR systems are used (right) to generate realistic views of accidents (left).



Training inside the scaffolding on the actual training bridge

Recreating Accidents with Mannequins

In the accident simulation area, actual accidents are reproduced using mannequins to show the potential causes of accidents and their severe consequences.

There is a training corner where employees can learn how to recognize unsafe locations and unsafe behavior on scaffolding. We also make it possible to intuitively learn about the dangers of disasters by checking unsafe situations in which accidents have occurred, such as accidents caused by vehicles for high lift work and accidents in which people injured their hands and feet while using a power tool.



Trial Dangle with a Torso Belt and Body Harness

Repairing and reinforcing bridges involves numerous tasks at elevated heights, such as erecting and dismantling scaffolding. For the sake of safety, it is inevitable to equip safety belts or harnesses for fall prevention. Therefore, ensuring everyone on-site using this safety equipment properly is essential for health and safety management. During training, participants are suspended by torso belts and body harnesses, so that they can tell the difference of the burden on their body, and learn how to help themselves relieve the burden they are taking by using a supplementary leg support attachment while waiting for help.



Training participants are suspended by a harness (left) and torso belt (right).

Simulating Falls with Mannequins

What would happen if people fell without wearing a safety belt or if the support rail for the harness hook was improperly placed? To demonstrate such accidents, we use mannequins weighing the same as typical workers. Experiencing the forceful shock firsthand, individuals learn to appreciate the gravity of occupational accidents and the importance of proper use of safety belts.



Corporate Governance



Sound governance and measures for more improvements

Basic Views

The SHO-BOND Group positions corporate governance as one of the highest management priorities to realize our corporate philosophy "With a sense of mission of 'Inheriting and passing on social infrastructure to the next generation in good condition,' we will contribute to the realization of a safe and affluent society by utilizing our advanced technological development capability as a leading company in the structure maintenance business."

By fulfilling our social responsibility as a company that specializes in the maintenance business, we will work together with our shareholders and all other stakeholders to achieve sustainable growth and enhance our corporate value over the medium to long term. In addition, we will aim for highly sound and transparent management by developing and promoting a corporate governance system that enables swift and decisive decision-making.

Progress in Strengthening Corporate Governance

We transitioned to the holding company system ahead of our industry peers and later became a company with an Audit and Supervisory Committee to strengthen corporate governance. We will continue maintaining a proper governance system while keeping a close eye on social circumstances.

Date	Event
January 2008	Transitioned to the holding company system
September 2015	Transitioned to a company with an Audit and Supervisory Committee and shortened directors' term of office to one year
September 2017	Increased the number of Outside Directors to three
July 2018	Started evaluating the effectiveness of the Board of Directors
November 2018	Established the Nomination and Remuneration Advisory Committee
August 2022	Established the Sustainability Committee

Executive Committee

The President and Representative Director presides over the Executive Committee as a body to assist his decision-making in management. This committee consists of directors outside the Audit and Supervisory Committee and senior executives nominated by the President, including the executives of SHO-BOND subsidiaries. As a rule, the committee meets twice every month and meets at other times as needed in order to reach decisions quickly. (Number of meetings in FY2023: 23 times)

Internal Committees

Major committees related to business execution include the Risk Management Committee, Sustainability Committee, Internal Control Committee, and Asset Management Committee. Important management issues are continuously discussed by theme at these committees and submitted and reported to the Executive Committee as needed.

providing oversight and advice from an independent standpoint drawing on their respective knowledge and experience. None of the three Outside Directors have personal, capital, or business relationships or any other special interests with the Company. In addition, the standards for Independent Outside Directors in the Company's Corporate Governance Guidelines comply with the independence standards of financial instruments exchanges. We seek to provide the Outside Directors with information in an efficient and in-depth manner so that they can fully understand the Group and exercise their abilities to the fullest. In promoting smooth communication, relevant executive officers directly give explanations to the outside directors as needed when they make inquiries.

Dialogue with Shareholders and Investors

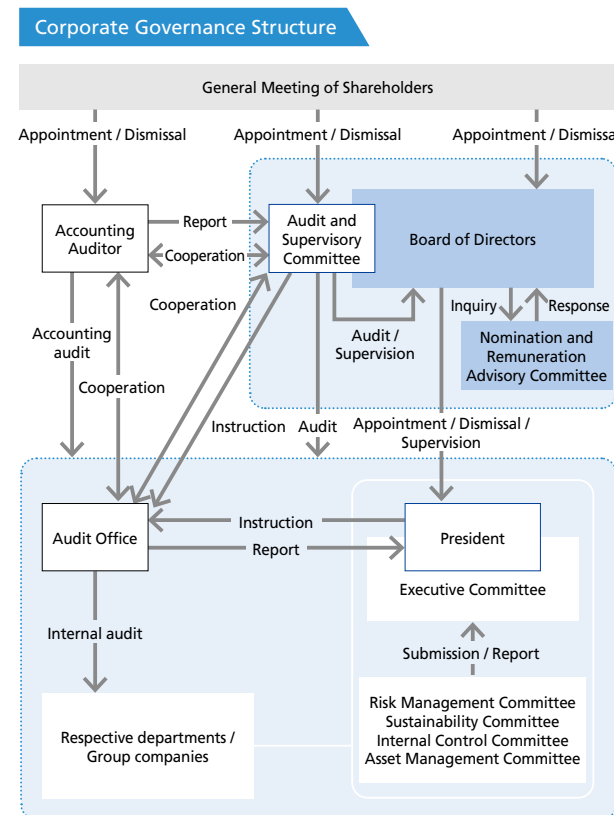
The Group places importance on information disclosure and dialogue with shareholders, institutional investors, analysts, and other interested parties. For institutional investors, we hold an information meeting about financial results twice a year as well as one-to-one meetings held every quarter. In addition to such one-to-one meetings more than 100 times a year, we hold a small meeting attended by the President after announcing the full-year financial results. For individual shareholders, we hold information meetings in Tokyo and Osaka in March every year after transitioning to the holding company system in 2008. Dialogues are consistent with the spirit of fair disclosure, and care is exercised to prevent the disclosure of insider information. The Executive Committee and the Board of Directors periodically receive feedback concerning the opinions and concerns of shareholders, which help achieve sustainable growth.

The basic policy for investor relations is to provide accurate, fair, and timely information about our management strategies, business activities, financial conditions, and other items. The purpose is to build long-term relationships rooted in trust and receive a proper evaluation from all stakeholders. This policy is posted on our website.

Activity	Frequency (FY2023)
Information meetings for individual shareholders*	2 times
Information meeting for institutional investors (attended by President and Chief Financial Officer)	2 times
One-to-one meetings	114 times

* The meetings are held in Tokyo and Osaka in March every year.

Overview of Corporate Governance System



Board of Directors

The Board of Directors has eight members including four directors who are members of the Audit and Supervisory Committee. The directors discuss and reach decisions about important matters involving management as prescribed by laws and regulations and the rules for the Board of Directors. As a rule, the board meets once every month and meets at other times as needed in order to reach decisions quickly. (Number of meetings in FY2023: 13 times)

Audit and Supervisory Committee

SHO-BOND is a company with an Audit and Supervisory Committee. The Audit and Supervisory Committee has four members, of whom three are Outside Directors. As a rule, the committee meets once every month and meets at other times as needed. The Audit and Supervisory Committee, as an independent body, audits and supervises the performance of directors who are not members of the Audit and Supervisory Committee. The committee also prepares audit reports and reaches decisions on other stipulated matters based on laws and regulations, the Articles of Incorporation, and Audit and Supervisory Committee rules and audit standards. The Audit and Supervisory Committee works with the accounting auditor and the Audit Office to perform audits efficiently. (Number of meetings in FY2023: 12 times)

Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee has four members: three Outside Directors and the President and Representative Director. This committee is actively involved in the formation and execution of the succession plan for the President and has adequate discussions on directors' nomination and remuneration while giving opinions and advice to the Board of Directors. (Number of meetings in FY2023: 4 times)

Method of Evaluating Effectiveness of the Board of Directors

To evaluate the effectiveness of the Board of Directors, a third-party external adviser is invited every other year for objectivity considerations. The evaluation is performed by asking all directors, including members of the Audit and Supervisory Committee, to complete questionnaires, which will be analyzed and reviewed by the Board of Directors. The issues recognized here will be approached and reviewed with self-analysis and evaluation in the next year.

Summary of Evaluation Results

For the fiscal year ended in June 2023, we confirmed the effectiveness of the Board of Directors as a result of the evaluation based on the self-analysis, after implementing the action plan formulated based on the results of the questionnaire conducted by an external advisor in the previous fiscal year.

To address one of the issues in the action plan, which was offering continuous training for executives, we held three directors' study sessions to improve their knowledge and abilities. We will continue to improve the effectiveness of the Board of Directors by providing further opportunities for dialogue, such as lunch meetings between outside directors and senior managers, and providing more training for executives.

SHO-BOND's Outside Directors

The Company elects three Outside Directors who are Audit and Supervisory Committee members.

Mr. Satoru Miura has knowledge and experience as a certified public accountant as well as a corporate accounting advisor. Mr. Akira Hongo has knowledge and experience as an attorney as well as a corporate consulting attorney. Ms. Reiko Kuwano has considerable academic expertise and experience in the field of civil engineering as a professor at the University of Tokyo. The three of them play a role in ensuring the properness of the business execution of the Company by

Details of Compensation for Directors (and Other Officers)

At the Board of Directors, the Company resolved the policy regarding the details of the compensation, etc. for each Director (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter "Directors"), and the details of such are as follows:

As the Company is a holding company that is in charge of supervising Group companies, the compensation for the Company's Directors comprises basic compensation only. Furthermore, the payment of basic compensation shall be monthly fixed compensation in cash.

The Company's Directors concurrently serve as Directors of subsidiaries. Compensation is determined by proportionately taking into consideration the weight of the business of both the Company and its subsidiaries, and multiplying it by the monthly compensation of subsidiaries.

Furthermore, bonuses, which are paid depending on financial results, are paid by the subsidiaries to which the Directors belong.

In determining compensation, etc., the President and Representative Director prepares a compensation proposal, including the portion to be paid by subsidiaries, that is determined at a Board of Directors meeting after consulting the Nomination and Remuneration Advisory Committee, which comprises the Company's Outside Directors and the President and Representative Director.

Cross-shareholdings

As a rule, the Company does not purchase or hold the stock of suppliers and other business partners, with the exception of cases where purchasing and holding stock helps conduct business operations efficiently, maintain and strengthen business relationships, thereby contributing to the medium- to long-term growth of its corporate value. Stock holdings of other companies are examined individually by taking into consideration qualitative and quantitative benefits and risk factors, including holding purposes, the number of transactions with these companies, their operating environment, results of operations and financial position, dividend yields as a return of investments and stock price fluctuation risks. Stock holdings are reduced when there is little need to continue owning the stock in accordance with the current Medium-term Business Plan. Voting decisions concerning the stock of other companies are based on the goals of increasing shareholder value and contributing to the long-term growth of the corporate value of them.

Internal Control

The SHO-BOND Group has a system of internal controls for ensuring that all business operations are conducted properly in accordance with the Companies Act and Ordinance for Enforcement of the Companies Act. In addition, the Board of Directors has established The Basic Policy for Constructing an Internal Control System that has the goals of efficient business activities, reliable reports, strict compliance with laws and regulations, and other items.

We are taking various measures, including the establishment of an Internal Control Committee and a department in charge of promoting internal control in FY2019, in order to further strengthen internal control within the Group and permanently ensure a favorable control environment.

Total amount of compensation, etc. for the fiscal year ended June 30, 2023 (Million yen unless otherwise stated)

Category	Number of Directors (persons)	Amount	Total amount of remuneration by type: Basic remuneration
Directors (excluding Directors serving as Audit and Supervisory Committee Members) [of which, Outside Directors]	5 [-]	85 [-]	85 [-]
Directors (Audit and Supervisory Committee Members) [of which, Outside Directors]	4 [3]	41 [21]	41 [21]
Total	9 [3]	127 [21]	127 [21]

Directors



Tatsuya Kishimoto
President and Representative Director

April 2001 Joined SHO-BOND CORPORATION
April 2011 Director and Executive Officer, and General Manager of Kinki Regional Office
July 2012 Senior Managing Director and General Manager of Kinki Regional Office
September 2012 Director of the Company
April 2013 Senior Managing Director and General Manager of Marketing and Sales Division of SHO-BOND CORPORATION
April 2015 Executive Vice President and Director
April 2017 President and Representative Director (current position)
September 2017 President and Representative Director of the Company (current position)



Yasuhiro Sekiguchi
Managing Director
Chief Financial Officer
Corporate Administration

April 1989 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
May 2014 General Manager of Strategic Investment Division
July 2017 Joined SHO-BOND CORPORATION
December 2017 Director, Deputy General Manager of Corporate Administration Division, and General Manager of Corporate Planning Department
September 2018 Director and General Manager of Corporate Planning Department of the Company
April 2020 Managing Director, Deputy General Manager of Corporate Administration Division, and General Manager of Corporate Planning Department of SHO-BOND CORPORATION
September 2022 Managing Director, General Manager of Corporate Administration Division, General Manager of Corporate Planning Department, and General Manager of ESG Promotion Office, Corporate Planning Department
September 2023 Managing Director, General Manager of Corporate Administration Division of SHO-BOND CORPORATION (current position)
Managing Director of Corporate Administration and General Manager of Corporate Planning Department of the Company (current position)



Shigeru Naraoka
Director
Sales Management

May 1989 Joined SHO-BOND CORPORATION
July 2012 Director and Executive Officer, and General Manager of Chubu Regional Office
July 2016 Director and General Manager of Sales Management Department of SHO-BOND MATERIAL CO., LTD.
April 2017 Director and General Manager of Marketing and Sales Department, Marketing and Sales Division of SHO-BOND CORPORATION
April 2018 President and Representative Director of SHO-BOND MATERIAL CO., LTD. (current position)
April 2019 Director and General Manager of Sales Management Department, Marketing and Sales Division of SHO-BOND CORPORATION
September 2019 Director and General Manager of Sales Management Department of the Company
September 2023 Director of Sales Management (current position)



Takayasu Shimada
Director
Business Strategies

April 1992 Joined SHO-BOND CORPORATION
April 2017 Executive Officer and General Manager of Chubu Regional Office
April 2020 Director and General Manager of Chubu Regional Office
April 2021 Director and General Manager of Shutoken Hokuriku Regional Office
April 2023 Director, General Manager of Marketing and Sales Division, and General Manager of DX Promotion Office
September 2023 Managing Director, General Manager of Marketing and Sales Division, and General Manager of DX Promotion Office of SHO-BOND CORPORATION (current position)
Director of Business Strategies of the Company (current position)



Shunya Tojo
Director and Full-time Audit and Supervisory Committee Member

November 1990 Joined SHO-BOND CORPORATION
July 2012 Director and General Manager of Administration and Human Resources Department of SHO-BOND CORPORATION
April 2014 Managing Director, General Manager of Corporate Planning Division, and General Manager of Administration and Human Resources Department
September 2015 Director, General Manager of General Affairs Department, and General Manager of Compliance Department
September 2017 Managing Director, General Manager of Corporate Administration Division, and General Manager of Administration and Human Resources Department of SHO-BOND CORPORATION
April 2019 Director and General Manager of Public Relations Department of the Company
Senior Managing Director, General Manager of Corporate Administration Division, and General Manager of Administration and Human Resources Department of SHO-BOND CORPORATION
September 2022 Director and General Manager of General Affairs Department of the Company
Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)



Satoru Miura
Outside Director
Audit and Supervisory Committee Member

April 1981 Registered as certified public accountant (to present)
June 1990 Established Miura C.P. A. Office (to present)
February 2015 Outside Corporate Auditor of NODA CORPORATION (current position)
March 2015 Corporate Auditor of Toukei Computer Co., Ltd.
March 2017 Outside Director (Audit and Supervisory Committee Member)
September 2017 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)
September 2021 Auditor of SHO-BOND CORPORATION



Akira Hongo
Outside Director
Audit and Supervisory Committee Member

April 1988 Registered as attorney at law (to present)
April 1995 Established Hongo sogo Law Office (to present)
April 2010 Professor of Keio University Law School (current position)
September 2017 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)



Reiko Kuwano
Outside Director
Audit and Supervisory Committee Member

April 1989 Joined TAISEI CORPORATION
March 1999 Research Associate of the University of Tokyo
October 2001 Senior Researcher of Public Works Research Institute
April 2006 Associate Professor, Institute of Industrial Science of the University of Tokyo
July 2013 Professor (current position)
September 2017 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

Knowledge, experience, skills, etc. of each Director (skill matrix)

No.	Name	Inside/Outside	Corporate management	Finance/Accounting	HR	Legal affairs/Compliance/Risk management	Global	Technology / R&D
1	Tatsuya Kishimoto	Inside	●		●	●		●
2	Yasuhiro Sekiguchi	Inside	●	●		●	●	
3	Shigeru Naraoka	Inside	●				●	●
4	Takayasu Shimada	Inside	●		●	●		
5	Shunya Tojo	Inside	●		●	●		
6	Satoru Miura	Outside	●	●		●		
7	Akira Hongo	Outside			●	●		
8	Reiko Kuwano	Outside					●	●

* The table is not indicative of all the expertise and experience possessed by the Directors.

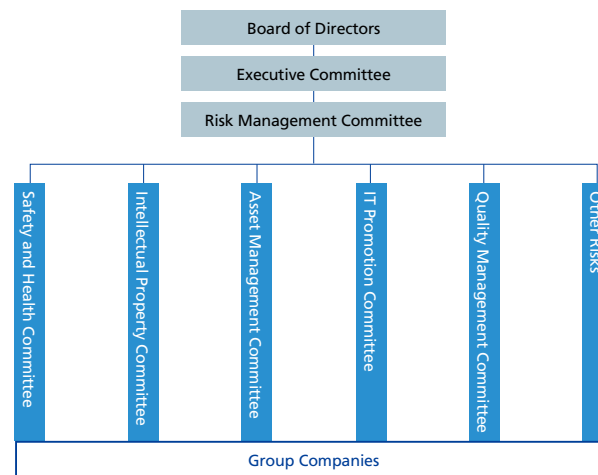
Risk Management

Risk Management Framework

The Group has risk management rules and a Risk Management Committee to guide events that can have a major impact on business activities and reduce exposure to these risk factors. Risk management also includes measures to minimize damage and losses if a crisis occurs and to prevent incidents from happening again.

The Risk Management Committee plays a central role in risk management at the Group. The Committee chaired by President and Representative Director meets once a quarter as a general rule. The Committee puts together individual risks discussed in other internal committees to (1) identify risks and implement preventive measures, (2) act as an emergency response headquarters when a crisis may occur, and (3) develop actions to prevent incidents from happening again across the Group. The Committee periodically evaluates risk factors according to the established process, and constantly reexamines the risk management process itself to reflect current changes in the social and business environment.

Risk Management Framework Chart



Information Security Measures

With the acceleration of DX and changes in the usage environment of information systems, information security risk has been increasing these days, such as the growing sophistication of external cyberattacks. In the construction industry in particular, ensuring information security is an urgent issue as construction site offices are exposed to major information security risks. We therefore raise awareness of these risks among employees by taking such measures as having all employees including the executive officers complete e-learning courses, conducting a phishing drill, and distributing awareness posters to our construction sites across Japan. Going forward, we will prevent unauthorized access from outside the Group and computer viruses by sequentially taking more defensive and detective network security measures.

Business Continuity Plan

The Group has a business continuity plan (BCP) to address disaster risk such as a great earthquake. We strive to improve our capability to continue business operations based on the BCP on a regular basis to avoid the disruption of key operations as much as possible in the event of a major disaster and to return to normal operations early if disrupted.

We periodically conduct an evacuation drill and first aid training on the assumption that a great earthquake has occurred. We also conduct a drill of responding to a safety confirmation email and have each site regularly check the items of an emergency kit. We will continue to upgrade the BCP and expand the scope of areas covered by it to reduce disaster risk.

Risk Management Process

Process	Explanation
① Risk identification	Business risk factors of the SHO-BOND Group are divided into Risk Categories and specific potential problems are identified for each risk factor. Magnitude of risk is defined as "the impact of an incident" multiplied by "the probability of the incident happening."
② Risk analysis and monitoring	Studies to determine numerical and other indicators for individual risk factors and the methods for monitoring them. Monitoring for changes in "the impact of an incident" and "the probability of the incident happening." Estimates of changes in risk exposure by using a qualitative analysis of changes in regulations, amendments to laws, government financial policies and other items that are difficult to measure numerically.
③ Risk control	Prepare lists of business tasks that every business unit performs periodically in order to measure and monitor risk factors. Next, check to confirm that risk factors are being controlled by these business tasks.
④ Risk evaluation	By using the reports from business units, the executive in charge of risk management assesses the magnitude of every risk factor and submits a report to the Risk Management Committee. The Risk Management Committee determines priorities concerning the magnitude and categories of risk factors and discusses methods for the efficient management of risk.
⑤ Responses to incidents	Emergency response manuals to be prepared for incidents. Perform studies concerning crisis management activities, such as direct responses to incidents, crisis management meetings, reports to government offices and agencies, public announcements about emergencies, and other responses to incidents.

Compliance

Basic Concept for Compliance

The SHO-BOND Group believes that a sound compliance framework is vital to conducting business activities that meet high standards of social responsibility and are capable of sustainable growth. The SHO-BOND Group Code of Conduct enables all employees to do their jobs based on a thorough understanding of socially acceptable behavior, laws and regulations, internal rules and other guidelines.

All employees at the Group are dedicated to the achievement of the action principles "Corporate Credo" and the Corporate Philosophy by using a broad range of activities for earning the trust of society and all stakeholders.

Compliance Promotion Framework

The Group implements a compliance program. The SHO-BOND Group Code of Conduct clearly states the rules of behavior that its employees are expected to follow. We also have a compliance manual to ensure that all employees are aware of the importance of compliance.

In addition, we have close cooperation among Group companies by establishing a Compliance Office responsible for compliance matters and assigning a compliance leader to each site.

Further, we provide education and training to all employees of the Group to raise compliance awareness.

Compliance Training

The Group provides compliance education as part of training for new employees and follow-up training* provided each year. In the training, we give a general compliance lecture and urge employees to observe the SHO-BOND Group Code of Conduct. We also ensure that employees are aware of the Construction Business Act that must be observed as a construction company.

We seek to create an employee-friendly work environment by periodically having all employees do a self-check and providing them with e-learning to prevent all forms of harassment.

* Follow-up training is targeted at employees for their second year and those who have just got promoted.

Whistleblowing Contact Points

The Group has internal and external contact points for whistleblowers to report any kind of violation they detect, regardless of its agent (individual or organization) and the type of regulations violated (applicable laws, the rules of employment, the SHO-BOND Group Code of Conduct, etc.). The purpose is to investigate and eradicate such violations as soon as we can.

We pay due care so that whistleblowers will remain anonymous as a general rule and will not suffer any disadvantages.

Establishment of Anti-bribery Policy

The Group has sought to maintain sound business practices. In August 2022, we established an Anti-bribery Policy to clarify our anti-corruption philosophy from a sustainability perspective. Based on the SHO-BOND Group Code of Conduct, we will continue to uphold high ethical standards to prevent bribery, and continue to ensure fair and sound relationships with our customers and all other stakeholders.

The SHO-BOND Group Code of Conduct

Social mission

- Earn customer satisfaction and trust**
We will fulfill all of our contractual obligations with customers and, based on sound communications with customers, provide the best possible construction services and products by making proper and timely decisions.
- Provide outstanding technologies and quality**
We will constantly develop new technologies and aim for even higher quality.

Take responsibility for your actions

- Perform sales activities properly**
We refuse to engage in collusion, bribes, dumping and other improper activities for receiving orders and will never accept any invitation to participate in these types of activities. We will work closely with project owners and prime contractors in order to receive orders in a fair manner and to clearly define contract terms.
- Remain focused on suitable construction operations and safety**
At all projects, we will establish a framework for compliance with the Construction Business Act and other construction laws and regulations, preventing accidents, and facilitating mutual understanding and cooperation with partner companies and suppliers.

- Ensure that accounting procedures and disclosure activities are proper**
We will establish and adhere to fair and appropriate procedures for accounting activities to ensure the reliability of financial reports and disclose information required by our stakeholders.

- Eliminate antisocial forces**
We refuse to respond to improper requests from antisocial forces and will never have any relationship with antisocial forces.

- Maintain a sound crisis management framework**
We have an organizational crisis management framework in order to respond immediately to a natural disaster, cyberattack, terrorism or other crisis.

Unify the workplace

- Contribute to maintaining a pleasant and productive workplace environment**
We will maintain healthy and safe workplace environments through measures to improve employment terms and other working conditions.
- Show respect for human rights**
We will never allow discrimination or other improper treatment of our employees regarding employment and compensation based on their nationality, gender, beliefs or other personal characteristics.
- Play a role in placing the right people in the right jobs**
We will perform fair and appropriate performance evaluations and provide compensation and training with the goal of enabling our employees to fully utilize their capabilities.

Contribute to society

- Participate in community involvement**
We will increase opportunities for communications with communities in order to participate in many programs for contributing to society.
- Be part of environmental conservation activities**
We will reduce the environmental impact of our construction projects through many activities in order to combat global warming, conserve energy and protect the environment in other ways.