

Materiality and KPIs

The five identified material issues have been integrated into the key measures of the [TAISEI VISION 2030] Achievement Plan and the Medium-Term Business Plan (2024-2026). We have established the following KPIs and targets for each material issue and are actively working to address sustainability challenges.

The Corporate Planning Division and the Sustainability Division monitor the progress of these initiatives and regularly report to the Sustainability Promotion Committee. If there is a risk of not achieving the KPI, the causes are analyzed, and corrective actions are taken to ensure achievement. These conditions are reviewed in advance by the Management Committee and the Sustainability Committee and regularly monitored by the Board.

| Materiality | What We Should Aim For | Sustainability Issues |
|---|--|--|
| <p>Issue for Clients/Society</p>  <p>Co-creation of new value to realize affluent lives</p> | <ul style="list-style-type: none"> To provide new values beyond our clients' imaginations by incorporating the social values required in the future into community development and infrastructure development through internal and external collaboration as well as open innovation. | <ul style="list-style-type: none"> Natural disaster Community development and infrastructure Economic growth and increased demand for infrastructure in emerging countries |
| <p>Issue for the Environment</p>  <p>Realization of a sustainable, environmentally friendly society</p> | <ul style="list-style-type: none"> To contribute to the realization of a sustainable and environmentally friendly society through our business by developing and promoting environmental technologies and services while recognizing the impacts of our business activities on and from the environment, and complying with environmental laws and regulations. | <ul style="list-style-type: none"> Natural disaster Carbon neutral (Decarbonized Society) <ul style="list-style-type: none"> Climate change Transition to renewable energy Circular economy (Recycling Oriented Society) Nature positive (Nature Co-Existing Society) |
| <p>Issue for Employees/Suppliers</p>  <p>Realization of a society and workplace environment where everyone can work lively</p> | <ul style="list-style-type: none"> To create an environment where everyone involved in the Group's business, including the employees in the Group and suppliers, can maximize their abilities in accordance with their own career plans. To respect the human rights of everyone involved in the Group's business. | <ul style="list-style-type: none"> Securing and utilizing diverse human capital Supply chain management Productivity, working environment, and well-being |
|  <p>Integrity and pride in manufacturing: Safety, Quality, and Technology</p> | <ul style="list-style-type: none"> To strive consistently to further improve our abilities, recognizing again that safety, quality, and technology are the starting points for customer satisfaction and the solution of social issues. | <ul style="list-style-type: none"> Occupational health and safety Quality Technology development / DX |
|  <p>Fair corporate activities that support trust: Compliance and Governance</p> | <ul style="list-style-type: none"> To thoroughly ensure compliance in order to increase our stakeholders' trust, and to maintain a governance system to maximize corporate value and prevent damage. | <ul style="list-style-type: none"> Governance, compliance, and risk management |

Review of Previous KPI: Worksite Implementation Rate of an 8-Day Site Closure per 4 Weeks

The Worksite implementation rate of the 8-day site closure per 4 weeks was a KPI in the Medium-Term Business Plan (2021-2023), with a target of 100% implementation in FY2023. However, we fell significantly short of this target, particularly at construction worksites. Correcting long working hours and securing holidays are important issues not only for the Group but also for the entire construction industry, including the supply chain, and the implementation of the 8-day site closure per 4 weeks is the most effective measure. We will continue to aim for 100% implementation, collaborating with our supply chain to improve productivity and implement efficient construction, including mechanization and automation. We will also collaborate with industry groups to gain clients understanding and work towards achieving this goal.

For other KPIs and results up to FY2023, please visit the Company's website.  Taisei Group's Materiality

| Major KPIs and Targets | | | |
|--|---|---|--|
| | FY2023 Results | FY2026 Targets | FY2030 Targets |
| Number of regional collaboration projects | 9 cases | 15 cases | 50 cases |
| ZEB ratio of design and build projects (ratio by area) ^{*1} | 40% | 70% | 100% |
| Customer satisfaction | Building Construction 82.8% Civil Engineering 98.3% | Building Construction 100% Civil Engineering 100% | Building Construction 100% Civil Engineering 100% |
| Total CO ₂ emissions and reduction rate (Scope 1 + 2) | 290,000 t-CO ₂ ^{*5} | -18% compared to FY2022 | -42% compared to FY2022 |
| Renewable energy generation capacity | 123GWh ^{*6} | 170GWh | 220GWh |
| Final disposal rate of construction waste | 2.8% | 3.0% | 3.0% or less |
| Number of projects contributing to Nature Positive | 50 cases | 50 cases | 50 or more cases |
| Engagement score | B 50.2 | BBB 55 | A 60 |
| Percentage of newly employed female graduates | 22% | 27% | 30% |
| Percentage of confirmation on supplier's sustainability activities | 54% | 100% | Group 100% |
| Implementation rate of 8-day site closure per 4 weeks | Building Construction 39% Civil Engineering 69.6% | Building Construction 100% Civil Engineering 100% | Building Construction 100% Civil Engineering 100% |
| Number of fatal accidents and serious accidents ^{*2} | 0 cases | 0 cases | 0 cases |
| Number of major quality-related problems ^{*2} | 0 cases | 0 cases | 0 cases |
| Number of major external awards ^{*3} | Building Construction 11 awards Civil Engineering 8 awards | Building Construction 12 awards Civil Engineering 6 awards | — — |
| Number of patent applications | 837 cases (3 years total) | 840 cases (3 years total) | 1,100 cases (4 years total) |
| Number of digital advanced usage site offices (Cumulative) ^{*4} | 290 worksites | 650 worksites | All worksites |
| Number of serious compliance violations ^{*2} | 1 cases | 0 cases | 0 cases |
| Number of serious security incidents ^{*2} | 0 cases | 0 cases | 0 cases |

*1: Common KPIs for the realization of a sustainable, environmentally friendly society. *2: Incidents and accidents that occur in the business activities of the Company that may cause serious loss to the management of the Company and its Group companies. *3: Architecture: BCS Award, Annual Architectural Design Commendation of Architectural Institute of Japan, Young Architect Award for Selected Architectural Designs of the Architectural Institute of Japan, Selected Works of the Architectural Institute of Japan, BELCA Award, The Institute of Electrical Installation Engineers Award (technical Category), Japan Illumination Award, Minister of the Environment Awards for Climate Action. Civil Engineering: JSCE Awards (Outstanding Civil Engineering Achievement Award, Innovative Technique Award, Tanaka Award), and Japan Federation of Construction Contractors, Doboku Prize. *4: Cumulative number of site offices with T-Basis[®] and T-Digital[®] Field installation. *5: Figures are for FY2022. *6: Including investment already determined.