

Sustainability Strategies

Sustainability Policies

The INFRONEER Group envisions becoming an integrated infrastructure service company that will contribute to society by working to solve social issues surrounding infrastructure services, grow its businesses, improve its corporate value, provide quality infrastructure services, and improve its social value. Society is facing a number of issues. Among them, those related to the environment (E) and society (S) are often linked together and should indeed be addressed in unison. Recognizing this, our Group will address issues in these two areas comprehensively within the scope of its business activities. To ensure that such activities are carried out effectively and meet the envisioned purpose of becoming an integrated infrastructure service company, we are establishing strong governance (G) based on high standards and an appropriate risk management framework. In other words, we believe our aim of becoming an integrated infrastructure service company through business activities will lead to achieving sustainability.

Given these circumstances, the Board of Directors on May 22, 2024, resolved to formulate an INFRONEER Group Sustainability Statement. Its purpose is to enhance the INFRONEER Group's long-term corporate value, and it is intended to be shared with various internal and external stakeholders. For details, see page 63.

Sustainability Committee

INFRONEER's Sustainability Committee has the objective of steering the company's sustainable development in response to risks and opportunities as well as social issues that may affect our corporate value over the medium to long term. Conclusions reached by the Committee are then reflected in the Group's management plans. The Committee is chaired by INFRONEER's Representative Executive Officer and President, with other seats filled by executive officers of the Company and officers in charge of CSR and the environment at each business company. The Committee meets semi-annually in principle and met four times in FY2023. Its activities are subject to the supervision of the Board of Directors, which receives an activity report from the Committee on a regular basis.

The key agenda items for FY2023 are as follows.



Sustainability Committee meeting

**Society**

**Diversity**

Formulate Group Diversity Policy  
▶ See page 75

**Respect for human rights**

Formulate human rights risk map  
▶ See page 73

**Environment**

**Decarbonization**

Set GX League targets and report on CO<sub>2</sub> emissions results

**Biodiversity**

Participate in the 30 by 30 Alliance for Biodiversity  
▶ See page 71

**Management strategy**

Formulate Sustainability Statement  
▶ See page 63

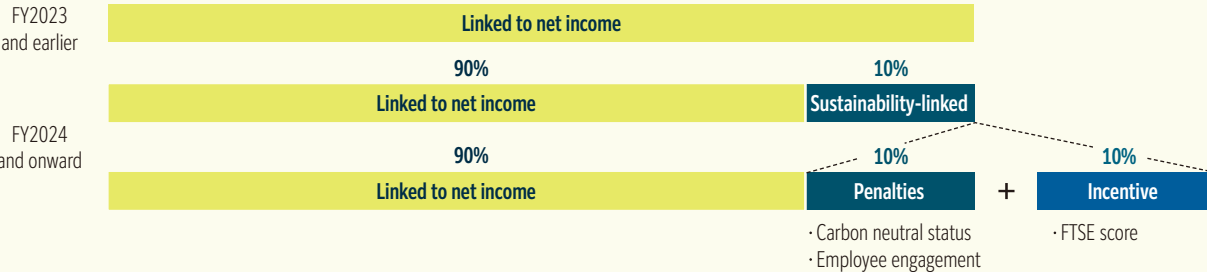
Link sustainability indicators to executive remuneration  
▶ See the diagram below.

**Social contributions**

Report on the results of "Dividends for the Earth" and revise the system  
▶ See page 62.

Case example Executive Remuneration

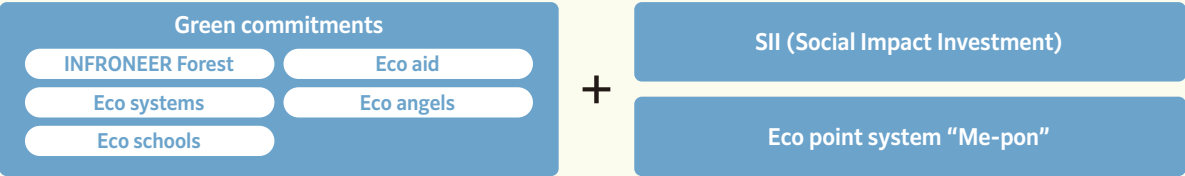
A resolution was passed at the Compensation Committee meeting held on March 18, 2024, to link sustainability indicators to executive remuneration. Three evaluation indicators—external evaluation (FTSE score), carbon neutrality, and employee engagement—will be reflected in such compensation. Sustainability-linked compensation will be reflected in FY2024 initiatives.



Case example Dividends for the Earth

Since we conduct our business activities while benefiting from the Earth's resources, we are undertaking various activities to provide "Dividends for the Earth" based on the idea of returning a portion of business profits to the Earth as an investor in the same way that dividends are paid out to shareholders. These "Dividends for the Earth" have been set at approximately 2% of consolidated net income.

Composition of "Dividends for the Earth"



Initiative for "Dividends for the Earth": forest maintenance activities in the INFRONEER Forest (MAEDA Forest)

The MAEDA Forest Fukui is a forest maintenance activity that has been ongoing for 13 years. The forest is located near the Masutani Dam constructed by MAEDA CORP., and the Fukui Office and NPOs cooperate in planting trees and cutting grass every year. The entire Group will continue promoting these activities.

▶ For more details on "Dividends for the Earth," visit our website at: <https://www.infroneer.com/jp/sustainability/dividend.html> (in Japanese)



Group photo at MAEDA Forest

Initiatives Important to the INFRONEER Group

We participate in the following initiatives and others to achieve a sustainable society through our business activities.

• United Nations Global Compact

• Task Force on Climate-related Financial Disclosures (TCFD)

• RE100

▶ For information on other initiatives, visit our website at: <https://www.infroneer.com/jp/sustainability/evaluation.html> (in Japanese)

External Evaluations

Through our sustainability initiatives, we have been included in the following four of the six ESG investment indices used by the Government Pension Investment Fund (GPIF), one of the world's largest pension fund management organizations.

Particularly noteworthy is the fact that we were newly added to the MSCI Japan ESG Select Leaders Index and the FTSE Blossom Japan Sector Relative Index in FY2023. We will be accelerating our sustainability efforts with the aim of becoming a constituent of the remaining indices as well.

Indices that include INFRONEER

**Composite indices**

FTSE Blossom Japan Sector Relative Index

MSCI Japan ESG Select Leaders Index

**E**  
Environmental

**S**  
Social

**G**  
Governance

**Themed indices**

S&P/JPX Carbon Efficient Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index

# Sustainability Statement

## Achieving Sustainability for All Stakeholders of the INFRONEER Group and Our Planet by Providing Optimal Infrastructure Services

In view of the ways in which society is changing, the INFRONEER Group has formulated the INFRONEER Group Sustainability Statement (IGSS). The IGSS is our compass, showing our vision for society and the social value we can deliver and guiding us along a path toward achieving them. It describes INFRONEER’s vision, mission, and value (VMV) for the future in specific terms.

As an integrated infrastructure service company, we provide a diverse range of services across the globe, which enables us to contribute to solving issues in various settings, create value, and achieve sustainability.

We know it is difficult to predict the future, which is why we depict a future vision for society and incorporate it into our medium- to long-term strategies.

But we cannot realize the kind of society INFRONEER envisions alone. We will therefore find more allies who support the IGSS and work together to take on challenges.

- 1

We strive to realize a symbiotic society where we can coexist with the planet and its people.
- 2

We strive to simultaneously pursue three types of social value, namely, “functional value,” “environmental value,” and “convivial value\*” in addition to economic value through a virtuous cycle of applying INFRONEER’s strengths.
- 3

We will enhance our execution capabilities by refining our growth drivers that bolster INFRONEER’s strengths to create social value.

\* Conviviality is a term that means “a state of festivity and liveliness.” It is a concept introduced by Austrian philosopher Ivan Illich (1926–2002). The term has the meaning of creating and enjoying together a society where people can express their inherent abilities in a creative manner through relationships with others and nature.

### INFRONEER's Vision for Society

As an integrated infrastructure service company, INFRONEER will provide optimal infrastructure services across the globe and work with its stakeholders to realize a symbiotic society like the following.

#### with the Earth

**A society in which there are no trade-offs between the global environment and economic activities and that is in harmony with nature**

It is a society that can achieve the goals of both environmental conservation and economic development at the same time, instead of sacrificing the environment in the pursuit of economic growth, and complements each other. By achieving harmony with nature, an abundant natural environment and economic opportunities can be provided to both present and future generations.

#### with Society

**A society where individual diversity is respected and personal well-being is achieved**

It is a society where people with diverse characteristics and values can enjoy good mental and physical health throughout their lives while acknowledging each other’s differences. We strive to create a society where people support and cooperate with each other to create more prosperous and healthy communities, which will lead to the sustainable development of society.

## INFRONEER's Growth Strategy and Vision for Society



### Social Value Created by INFRONEER

By operating businesses that contribute to the sustainable development of society, INFRONEER can deliver three types of value to society as a whole.

- Functional value that enables the safe, secure, and sustainable use of infrastructure**  
<Examples of social issues to be solved> Aging infrastructure, insufficient financial resources, energy supply instability (self-sufficiency rate, renewable energy adoption rate), shortage of workers
- Environmental value provided to communities through the circulation and development of natural resources**  
<Examples of social issues to be solved> Abnormal weather, stable energy supply, destruction of biodiversity, achievement of carbon neutrality
- Convivial value of respecting the joys of each other's lives and enjoying life together**  
<Examples of social issues to be solved> Declining birthrate and aging population, regional challenges, promotion of safe towns and comfortable living, diversity

### Growth Drivers to Create Social Value

INFRONEER's infrastructure service business creates new value for the future by taking an out-of-the-box approach. We believe infrastructure can play a part in transforming lifestyles and culture, depending on how it is managed and operated. INFRONEER strives to create “functional value,” “environmental value,” and “convivial value” by leveraging its strengths to achieve further growth.



Governance

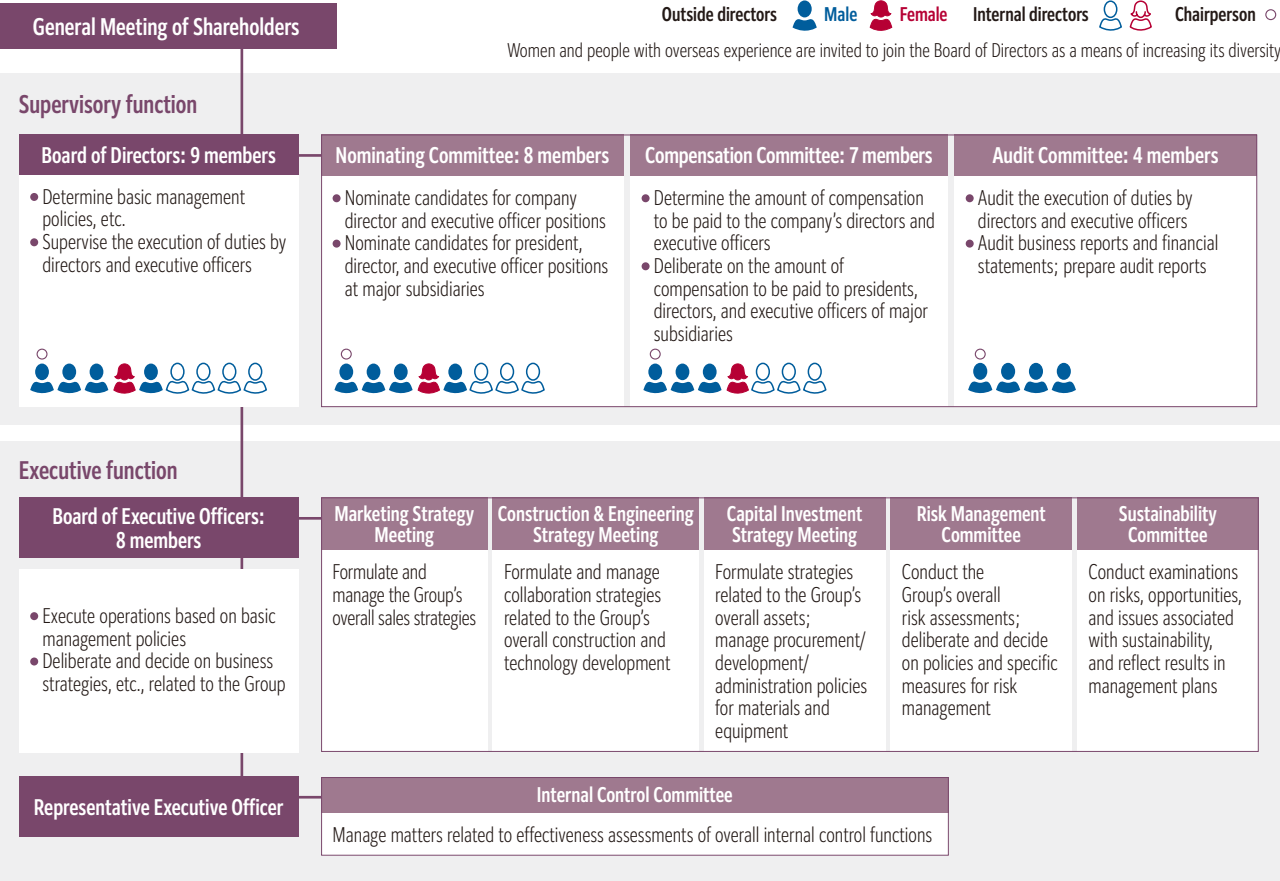
Basic Approach

INFRONEER respects the rights of all its stakeholders and ensures the fairness and transparency of management by clearly separating its supervisory function from the business execution function. At the same time, the Company promotes appropriate information disclosure and dialogue with stakeholders to maintain good, smooth relationships while building relationships of trust with them, with the objective of co-creating common benefits and long-term value and thereby contributing to generating social value.

Corporate Governance

- Major features of the Company's corporate governance structure are summarized as follows:
- Company with a nominating committee, etc.
  - Majority of the Board members composed of outside directors with sufficient independence and neutrality
  - Board of Directors chaired by an outside director
  - Majority of the members of the Nominating Committee, Compensation Committee, and Audit Committee each composed of outside directors
  - Nominating Committee, Compensation Committee, and Audit Committee each chaired by an outside director

Corporate governance structure



Evaluation of effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors as a whole every year in order to maintain and improve its functionality on an ongoing basis. In FY2023, to evaluate the effectiveness of the Board as a whole, a third-party service was employed to perform self-evaluation questionnaires of directors, and the results of responses analyzed by the service were used by the Board in making evaluations.

The results of the evaluation for FY2023 are summarized as follows: issues were identified concerning the appropriateness of the composition of the Board of Directors, including for the development of future management team members. Also, minor problems were pointed out in association with the advance provision and explanation of materials for each committee meeting. However, the effectiveness of the Board as a whole was confirmed to be sufficient in general. Going forward, we will address the issues identified by the recent evaluation to further improve the Board's supervisory and decision-making functions and enhance the corporate value of the Company.

► For details on evaluation processes and results, read our Corporate Governance Report, which is available at: <https://www.infroneer.com/jp/ir/governance/> (in Japanese)

System and policy for determining executive remuneration

The Company's Compensation Committee ensures a high degree of independence for making decisions in the executive remuneration system and follows the operating process established with particular emphasis on objectivity and transparency. The Committee verifies the validity of basic policies and compensation levels based on objective and sufficient information related to the recent status of establishing executive remuneration systems and related discussion trends, comparable systems of other companies, and other factors. It also collects and uses information and advice from external remuneration consultants for this purpose.

The Company's executive remuneration comprises base remuneration, performance-linked remuneration, and non-monetary remuneration. Performance-linked remuneration contains two types of incentives: the annual incentive linked to the single-year achievement of Company-wide performance goals; and the medium- to long-term incentive linked to the degree of achievement made over three business years against the performance targets set in the INFRONEER Medium-term Vision. Non-monetary remuneration consists of stock remuneration for the purpose of ensuring a shared interest with shareholders. The evaluation criteria for the annual incentive have been altered to include sustainability performance indicators, effective as of FY2024.

► For details of executive remuneration, etc., read our securities reports, which are available at: [https://www.infroneer.com/jp/ir/security\\_report/](https://www.infroneer.com/jp/ir/security_report/) (in Japanese)



Skill matrix

Name	Position in the company	Expected roles and expertise items									
		Company management M&A	Business strategy Industry insights	Financial Accounting	Sales Marketing	Internal control Risk management	Human resource training Development Labor management	Engineering R&D Quality / Safety	Global Overseas business management	IT DX	ESG Sustainability
Soji Maeda	Chairman of the Company Compensation Committee Member	●	●		●				●	●	
Kazunari Kibe	Director Representative Executive Officer, President and CEO Nominating Committee Member Compensation Committee Member	●	●		●		●	●		●	●
Yasuhiko Imaizumi	Director Nominating Committee Member Compensation Committee Member	●	●		●			●	●		
Masaaki Shioiri	Director Nominating Committee Member	●	●		●			●			
Keiichiro Hashimoto	Outside Director Chairperson of the Board of Directors Chairperson of the Audit Committee Nominating Committee Member	●	●	●		●			●	●	●
Seiichiro Yonekura	Outside Director Nominating Committee Member Compensation Committee Member Audit Committee Member		●				●		●		●
Koichi Moriya	Outside Director Chairperson of the Nominating Committee Compensation Committee Member Audit Committee Member	●			●	●	●		●	●	●
Rie Murayama	Outside Director Nominating Committee Member Compensation Committee Member		●	●	●				●		
Atsushi Takagi	Outside Director Chairperson of the Compensation Committee Nominating Committee Member Audit Committee Member		●	●		●			●		

Note: The above list does not represent the complete expertise of each officer.

Compliance

Anti-corruption

On April 1, 2023, INFRONEER established the Anti-Corruption Policy. Both in Japan and abroad, the prevention of corrupt practices including bribery of public officials, those to be treated as equivalent to public officials according to laws and regulations (including politicians and political organizations), and all stakeholders involved in the INFRONEER Group's corporate activities, giving and receiving excessive entertainment and gifts, collusive relationships, embezzlement, and trespassing is positioned as one of the most important issues in ensuring compliance. In our "Code of Ethics," we have committed ourselves not to conduct acts that are illegal or that could be misconstrued by society, and to maintain a healthy and appropriate relationship with public officials and political organizations. Also, we have signed the UN Global Compact and we support and affirm the principles related to anti-corruption.

► For the Anti-Corruption Policy, visit our website at: <https://www.infroneer.com/en/anti-corruption/>

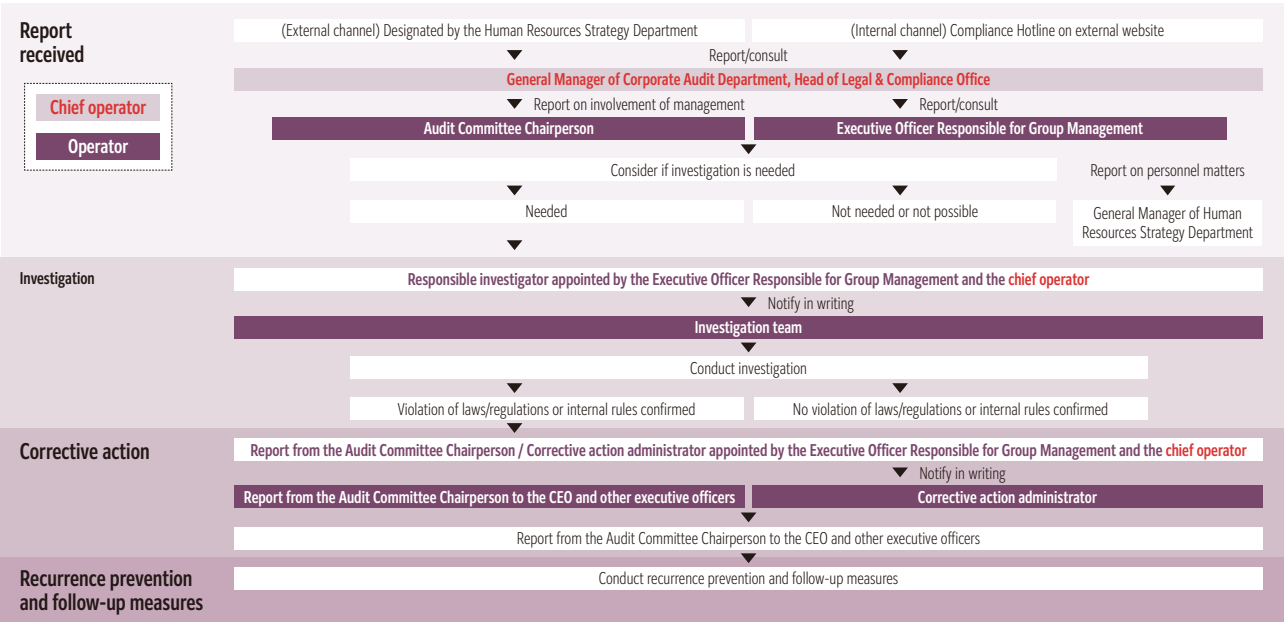
Whistle-blowing system

The Group has established a whistle-blowing system to identify any act that does or may constitute a legal violation through employees or officers noticing such an act and reporting to or seeking consultation with their supervisors or the department in charge of compliance (Corporate Audit Department, Legal & Compliance Office) as well as other whistle-blowers, in order to prevent or detect as early as possible an illegal act and address reported cases. Also, we take measures to prevent those who have reported or sought consultation and whistle-blowers from suffering disadvantages because of their actions.

In FY2023, a total of 52 cases were reported across the entire Group.

► For details on the whistle-blowing system, visit our website at: <https://www.infroneer.com/jp/sustainability/governance/compliance.html> (in Japanese)

Whistle-blowing system workflow (excerpt)



Transparency of taxes

The Group complies with tax laws and regulations and other related rules applicable in countries where Group companies operate business. At the same time, we aim to perform appropriate tax procedures in response to standards issued by international organizations and changes in tax administration policies. In order to ensure compliance with tax laws and regulations and other related rules, we provide opportunities for responsible employees to keep themselves updated on relevant information and assign them to appropriate positions while utilizing external expertise to achieve a fair level of tax payment. Although we consider using tax advantages and incentives within the scope of normal corporate activities, we will never pursue unfair tax avoidance schemes.

Moreover, we work to maintain proper relationships with the tax authorities, provide timely and appropriate tax information to them, and respond with integrity in an effort to ensure transparency in tax-related matters and form relationships of trust.

Prohibition of anti-competitive acts

Each business company has set out a bid rigging prevention policy in an effort to avoid the practice more effectively. The policies and provisions have been revised to require employees and officers to abide by highly effective bid rigging prevention rules. For example, we have clarified the rules governing leaving a meeting that apply when an employee suspects a bid rigging is being discussed at a meeting with another company in the same industry. We also fully implement compliance training.

► For details on compliance training, visit our website at: <https://www.infroneer.com/jp/sustainability/social/human-develop.html> (in Japanese)

Risk Management

Major potential risk factors associated with the Group's business development are examined and evaluated by the Risk Management Committee.

For example, the Risk Management Committee at each major subsidiary collects risk information, identifies risks, and deliberates on the effectiveness of countermeasures. Then, the results of these discussions at the Company and major subsidiaries are brought up together at INFRONEER's Risk Management Committee for a comprehensive review to identify risk factors, which are classified in terms of frequency and impact level. For those classified into high-risk areas, the Committee discusses specific steps to be taken to reduce risks and implements monitoring, evaluation, correction, and other processes by following a PDCA cycle to reduce the degree of risks.

Risk management system



In FY2024, our assessments identified "M&A" as a particularly critical risk factor among those in high-risk areas.

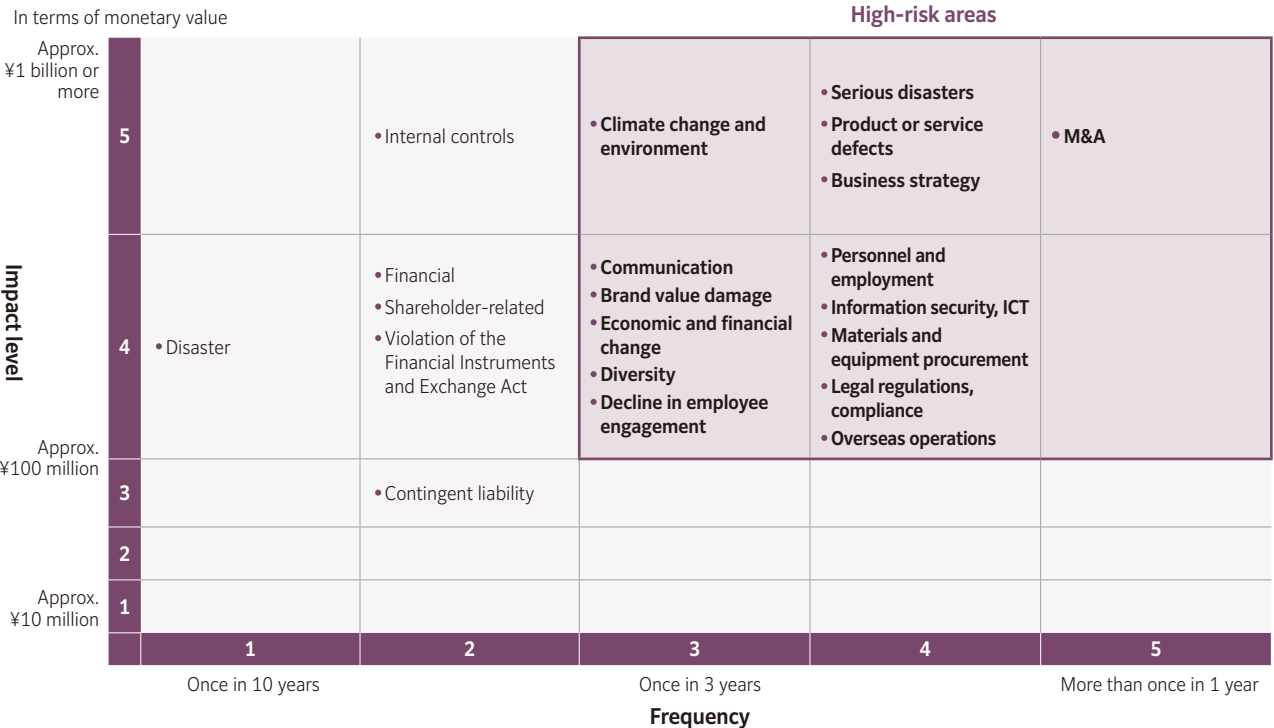
Aiming to establish itself as an infrastructure services provider in domestic and global markets, the Group is striving to expand its business domains. To this end, we pursue M&A as an effective means to reinforce weaker areas and functions. When developing M&A plans, we conduct research and prepare reviews in advance on market trends and the target company's financial standing and technical advantages. Despite such careful preparations, we still need to note the possibility of the plan failing to produce adequate effects as initially expected, which in turn could severely affect the Group's financial situation and business performance.

We adopted the International Financial Reporting Standards (IFRS) in the year ended March 31, 2024 on a voluntary basis. Although IFRS does not require straight-line amortization of goodwill, it should be noted that if the acquired company should underperform and show a sign of impairment loss, causing the recoverable value to fall below the book value of goodwill, the acquiring company would have to recognize an impairment loss on goodwill.

In order to address this risk, we conduct careful research and prepare reviews on various issues, such as the consistency with the Group's growth strategies, the synergistic effects to be created in the Group's the business domains, and business plans of the target company. We place overriding importance on the confirmed prospect of the target company fully understanding and strongly sympathizing with our growth strategies and heading in the same direction with shared eagerness. After the acquisition, we work on post-merger integration (PMI)\* and governance issues appropriately in a bid to minimize risks.

\* PMI is an integration process performed after an M&A deal is concluded in order to maximize the effect of integration.

Risk map





# Environment

## Basic Approach

The INFRONEER Group, as an integrated infrastructure service company, strives to deliver optimal infrastructure services around the world, with the aim of achieving the sustainability of all stakeholders of the Company and the Earth.

The environment must not be sacrificed in the process of pursuing economic growth. Rather, environmental conservation and economic development should be able to be pursued at the same time and in a mutually beneficial way. Aiming to create such a society, we are endeavoring to achieve harmony with nature and provide rich natural environments and economic opportunities to the present and future generations alike. Accordingly, we have been engaging in initiatives from a long-term perspective by addressing issues related to climate change, circular economy, biodiversity, pollution prevention, and water security. In addition, we are promoting activities through the Group's own "Dividends for the Earth."

## Environmental Management

The Group recognizes environmental challenges, such as climate change, as a key management issue. While viewing it as a major risk with a strong sense of threat, we also see it as an opportunity and implement concrete initiatives to solve issues and achieve sustainability in line with the INFRONEER Medium- to Long-term Vision.

In FY2023, the Sustainability Committee discussed matters such as the results and monitoring of the status of CO<sub>2</sub> emissions and the goal setting in the GX League, which are then reported to the Board of Directors. The relevant department (sustainability, CSR, environment) of each Group company reflects decisions made by the Committee in their respective policies and plans and promotes related activities.

Board of Directors

Sustainability Committee

Responsible departments in INFRONEER  
(Corporate Strategy Department,  
Human Resources Strategy Department, etc.)

Respective departments of each INFRONEER Group company

Report

Supervision and guidance

Report

Instruction

Report

Instruction

Report

## Environmental laws and regulations compliance status

In FY2023, we reported zero cases of violations of environmental laws and regulations.

► For more details, visit our website at: <https://www.infroneer.com/jp/sustainability/ESG-data.html#environment> (in Japanese)

## Climate Change

### Policies and philosophy regarding climate change

The Group recognizes climate change as one of the key management issues. We anticipate that the market for carbon neutral initiatives will expand more rapidly in the maintenance, management, repair, renewal and new construction infrastructure fields through public-private partnerships. We have set out a target value for CO<sub>2</sub> emissions at net zero by 2050. At the same time, we are strengthening our initiatives to tackle climate change while reducing and increasing the efficiency of energy usage. Also, we are preparing to apply for science-based targets (SBT) certification. The purpose of this application is to make more ambitious efforts to attain GHG emissions reduction targets set in conformity with the Paris Agreement's goal to be achieved by the end of this century, which is to keep the rise in global surface temperature to well below 2°C, preferably below 1.5°C, above pre-industrial levels.

### Climate-related information disclosure based on the TCFD Framework

We identify risks and opportunities and implement appropriate measures to reduce our emissions and enhance resilience while achieving business growth at the same time.

► For more details on climate-related information disclosure based on the TCFD Framework, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/climate.html> (in Japanese)

#### Governance

The Group recognizes climate change as one of the key management issues and a major risk. Our basic policies and issues related to climate change are regularly reviewed by the Sustainability Committee, and we have a structure in place to ensure proper oversight by the Board of Directors.

#### Targets and metrics

The Group has set the target of reducing GHG emissions by 40% by 2030 compared to FY2018 levels, aiming to achieve carbon neutrality by 2050. In FY2023, we promoted the introduction of "ecole\*<sup>1</sup>," proactive utilization of renewable energy resources (including

non-fossil fuel certificates), and other activities. As a result, we recorded around 2,740 kt-CO<sub>2</sub>\*<sup>2</sup> (down 280 kt-CO<sub>2</sub> year on year). With respect to GHG emissions reduction targets, we attained a 29% reduction for Scopes 1 and 2 combined and a 47% reduction for Scope 3 (Categories 1 and 11) compared to FY2018 levels.

We will enhance the function to perform embodied carbon assessments\*<sup>3</sup> as a measure to reduce emissions across the entire value chain. In the infrastructure management business, we aim to build a one-stop service platform to reduce environmental footprint by creating a mechanism for exchanging and sharing information among suppliers and stakeholders in the value chain to increase the effectiveness of GHG emissions reduction.

As of September 2024, we received a third-party verification for our FY2023 GHG emissions calculation reports.

\*<sup>1</sup> "ecole" is a low carbon (medium temperature) asphalt mixture using mechanical foamed technology \*<sup>2</sup> Total value for Scopes 1, 2, and 3 (Categories 1 and 11) \*<sup>3</sup> Embodied carbon assessments refer to total amount of CO<sub>2</sub> emissions from building structures and materials related to all stages of their life cycle.

#### Risk management and strategy

The identification of risks and opportunities is conducted chiefly by the responsible department at each business company, with the scope covering the entire Group. Identification results are brought together and analyzed in terms of financial impact by the Sustainability Promotion Office. Major risks and opportunities identified through this process are examined by the Sustainability Committee and then reported to the Board of Directors, which discusses measures to mitigate and control such risks as needed. Moreover, these results are shared with the Risk Management Committee at its quarterly meeting so that discussions on risks and their management will be conducted in the Group's overall risk management framework.

#### Premises for scenario analysis

Climate-related risks and opportunities can be grouped into two categories: risks related to the transition to a decarbonized society (policies and regulations) and risks related to the physical impacts of climate change (occurrence of natural disasters). We performed analyses for the two categories based on two scenarios, namely, the 1.5°C scenario (good progress) where good action is taken to mitigate climate change, and the 4°C scenario (slow progress) where little action is taken to combat climate change, maximizing physical risks. For each scenario, analyses were conducted on the premises defined in reference to future climate predictions published by various international institutions based on two timeframes of short- to medium-term (to 2030) and medium- to long-term (to 2050).

Results of the analyses have found that the Group's strategies, at present, will have no critical impacts with respect to both transition and physical risks.

## Financial impact assessment related to risks and opportunities and countermeasures

The results of the financial impact assessment related to major risks and opportunities identified by the scenario analyses are summarized in the table below. For risks and opportunities associated with procurement, wind and flood disasters, and outsourcing cost increases, relevant information is posted on our website.

Financial Impact	Positive	Negative
Large (¥10 billion or more)	↑↑↑	↓↓↓
Medium (¥5 to ¥10 billion)	↑↑	↓↓
Small (Less than ¥5 billion)	↑	↓

### — Risks and opportunities

Category		Risks/ opportunities	Event	Financial impact assessment (operating profit)				Counter- measures
				1.5°C scenario		4°C scenario		
				2030	2050	2030	2050	
Transition	Policies and regulations	Risks	Increased tax burden related to CO <sub>2</sub> emissions from business operations as a result of carbon taxes being introduced and raised	↓↓	↓↓↓	↓	↓	I
	Markets	Opportunities	Increased demand for ZEB, ZEH, energy-saving renovation, and wooden construction; expanded market of innovative construction machinery (EV, etc.)	↑	↑	—	—	III
Physical	Chronic	Risks	Increased costs of recruiting and outsourcing as a result of accelerating labor shortages due to deterioration of work environments	↓	↓↓	↓↓	↓↓↓	II, III
	Acute	Opportunities	Increased markets for building national resilience against disasters (including infrastructure maintenance, management, inspection, etc.)	↑↑	↑↑↑	↑↑	↑↑↑	III, IV

### — Countermeasures

Countermeasures		Details	Financial impact assessment (operating profit)			
			Risk reduction and recovery			
			1.5°C scenario		4°C scenario	
			2030	2050	2030	2050
I	Reduce CO <sub>2</sub> emissions from business operations	Reduce CO <sub>2</sub> emissions from production activities at each business company; especially, increase sales of low-carbon asphalt mixture, such as "ecole" (loss to be posted in 2030 due to the initial investment and depreciation), etc.	↓	↑↑↑	—	—
II	Implement decarbonization measures across the entire supply chain	Procure low-carbon materials in cooperation with suppliers; expand and diversify the supply chain to disperse risks; promote BCP, etc.	↑↑	↑↑↑	↑↑	↑↑↑
III	Respond to markets related to carbon neutrality and national resilience against disasters	Make proactive human and physical investments in decarbonization-related businesses; promote partially or fully unmanned work for more construction sites by utilizing ICT technologies, etc.	↑	↑	↑	↑
IV	Promote research related to decarbonized or low-carbon economy	Promote research and development to support decarbonized or low-carbon economy (cost of research and development investment to be turned into benefits from initiatives implemented)	↓	↓	—	—

Circular Economy

Policies and philosophy

A circular economy refers to a socioeconomic system that aims to keep creating new value while using and recycling resources (including products and parts) on a continuous basis. In May 2024, the ISO 59000 series, a set of international standards for the circular economy, was made available, which will likely spur related discussions.

The INFRONEER Group operates the comprehensive infrastructure business that handles the entire infrastructure life cycle ranging from planning and proposal to construction, operation, maintenance, and management. Taking advantage of this business format, we reduce resource input and alleviate or avoid environmental impacts as an initiative to promote environmentally friendly design through the product life cycle.

For the operation, maintenance, and management of public facilities, we work to extend the service life of such structures by implementing well-planned inspection and maintenance programs.

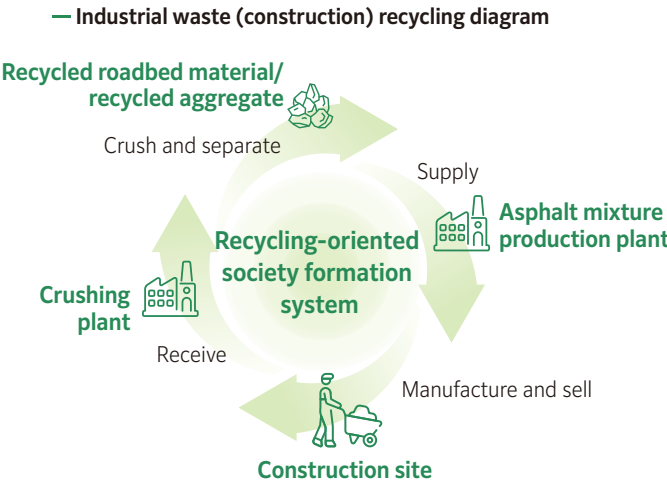
Goals

The Group participated in the Circular Partners in December 2023 and became the first in the industry to join the Circular Economy Association and the Blue Plastics Salon in May 2024. Using opportunities given by these partnership platforms, we will engage in discussions with related parties and set goals for circular economy initiatives, aiming to announce them by the end of FY2024.

Recycling construction by-products and long-term resource recycling initiatives

MAEDA ROAD accepts debris, mainly asphalt clumps and concrete clumps, that are waste material from our construction sites, and processes them for recycling. Approximately 3 million tons of recycled aggregate are sold as a recycled roadbed construction material. At the same time, we are promoting initiatives to diminish the usage of natural resources and develop petroleum substitutes.

For more details on circular economy, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/circular-economy.html> (in Japanese)



Biodiversity

Policies and philosophy

Aiming to help accomplish the goals of nature positivity—a concept of conducting efforts to help nature recover, such as halting and reversing biodiversity loss—the Group is committed to “building a society that is conscious of protecting our environment,” including biodiversity conservation, which is defined as one of its material issues.

The Group is committed to conserving biodiversity and the sustainable use of resources in all business domains, including procurement, construction, operation, and renewal, to increase social and community safety, security, and sustainability. In addition, we are introducing green infrastructure that uses the functions of the natural environment to solve various issues in society.

Goals

The Group will endeavor to alleviate the impacts caused by its business on biodiversity and contribute to biodiversity conservation through businesses and environmental conservation social contribution activities. Also, we will continue to support activities conducive to biodiversity conservation and maintenance of ecosystem services through its original program, “Dividends for the Earth.”

Initiatives

In November 2023, the Group participated in the 30by30 Alliance for Biodiversity, a platform hosted by Japan’s Ministry of the Environment. Its goal is to contribute to achieving the global target of designating at least 30% of the Earth’s land and sea area as protected areas by 2030. As part of the related activities, we are preparing to have the biotope created in MAEDA CORP’s ICI Center certified as a Natural Symbiosis Site and registered for OECM\*.

\* Short for Other Effective area-based Conservation Measures, OECM refers to land or areas where biodiversity is being conserved through management and protection efforts by companies and individuals, and which are not registered as national nature conservation areas.

For other projects related to biodiversity, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/living.html> (in Japanese)

For timeline of our past biodiversity actions, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/biodiversity.html> (in Japanese)

For details on the ICI Center, visit their website at: <https://www.ici-center.jp/en/>

Pollution Prevention

Policies and philosophy

The Group appropriately manages hazardous substances in all stages of its operations, such as civil engineering, building construction, road civil engineering, crushing stones, mixture manufacturing, and construction machinery manufacturing, in compliance with applicable laws and regulations. Major issues under management are related to monitoring the usage of PRTR-listed\* chemical substances; proper processing of wastewater to be discharged; and prevention of soil contamination and alleviating and avoiding negative impacts in case of contamination. Recognizing that inappropriate management poses reputational risks that can result in a lost business opportunity, we will ensure appropriate management on a constant basis.

\* Short for Pollutant Release and Transfer Register, PRTR refers to a system in which businesses handling chemical substances potentially hazardous to human health and ecosystems are required to estimate the amounts of such substances released into the environment (atmosphere, water, soil) and transferred in waste and report the data to the government. The national government then compiles the submitted data and estimates the release and transfer amounts and makes the results public.

Related Projects

Aquatic PFOS/PFOA adsorption treatment system

MAEDA CORP. has developed a water treatment system to remove PFOS and PFOA (organofluorine compounds) from wastewater and has been engaging in treatment activities. The system, composed of two types of units, each for the clarifier and ion-exchange resin, is suitable for transportation on a general-purpose vehicle. The clarifier unit removes free-floating substances and the ion-exchange resin unit removes PFOS and PFOA.

Water treatment system installed

For details on pollution prevention and other projects, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/pollution.html> (in Japanese)

Water Security

Policies and philosophy

The Group undertakes water supply and sewerage system projects as part of its infrastructure business and recognizes the conservation of water resources as an important environmental issue. As such, we are committed to securing safe water resources—a factor in ensuring local residents’ sense of security—by increasing water usage efficiency, recycling water through proper treatment, and reducing water usage. In July 2024, we formulated the INFRONEER Group Sustainability Procurement Policy and the INFRONEER Group Sustainability Procurement Guidelines. We have requested cooperating companies and business partners to manage water resources appropriately and are working to build a collaborative structure.

Goals

In all its business operations, the Group will work to reduce water usage and promote appropriate management of water sources while managing the discharge (or release) of wastewater by presenting its characteristics as needed and conducting monitoring, control, and treatment. For this purpose, we will implement water consumption and intake reduction plans, collect and analyze data, and consider standardization based on the analysis findings.

Related Projects

Water loss prevention

MAEDA CORP. takes part in the Osaka City Industrial Water Supply Specified Management Business. The project involves conducting measures to prevent major water leaks (unwanted water loss), installing water leak sensors, and a monitored maintenance system that uses satellite image analysis technology. In FY2023, no major water leaks were recorded. In the Miura City Public Sewerage (for East Area Treatment District) Management Business, we set voluntary standards that are higher than the legal standards for managing the quality of water to be released into public waters.

The management values we set for major indicators are: 15 mg/l for COD\*1 against the legal value of 25 mg/l; 10 mg/l for SS\*2 against a legal 40 mg/l; and 6.0–8.0 for pH against the legal range of 5.8–8.6. In FY2023, all our measurements satisfied the voluntary standards for each indicator.

\*1 Short for Chemical Oxygen Demand, COD is an indicator for water pollution levels used chiefly for lake and sea water.

\*2 Short for Suspended Solids, SS refers to insoluble particles less than 2 mm in diameter suspended in water.

For other projects related to water security, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/water.html> (in Japanese)



Society

Basic Approach

The INFRONEER Group recognizes that investments in human capital are the starting point for improving corporate value, because our human resources are the driving force for maximizing added value. To realize our vision of becoming an integrated infrastructure service company, we are proactively promoting investments so that we can not only continuously nurture and assign value-creating human capital that will embrace challenges and engage in co-creation with a sense of ownership but also improve corporate value. In addition, aiming to take on the challenge of building future infrastructure together with all our partners, we have been promoting initiatives throughout the entire supply chain by establishing a human rights policy, a bedrock for solid business operations, while pursuing diversity and ensuring occupational health and safety.

Human Rights and Labor

Policies and philosophy regarding human rights

We have established the INFRONEER Group's Human Rights Policy (the "Policy") and will act accordingly in all the processes of business operations while fulfilling our responsibility of "respecting the intrinsic rights of humans." The Group will provide all our officers and employees with appropriate training and education to ensure that the Policy is observed fully by the Group and all business partners and implemented effectively in all corporate activities. At the same time, we will identify and assess negative impacts on human rights and implement measures to prevent and reduce such risks in a bid to increase stakeholders' trust in the Group. Furthermore, we will regularly disclose information on our activities to respect human rights through the Company's website, integrated report, and other tools.

Human rights initiatives

We conducted human rights due diligence to identify and assess negative impacts on human rights, and based on the findings, we created the INFRONEER Group Human Rights Risk Map, which was approved at a Sustainability Committee meeting held in March 2024. The mapped high-risk factors associated with human rights at the Group and measures to be taken to prevent and reduce such risks are compiled in the following table. Going forward, the Sustainability Committee will evaluate the effectiveness of these measures under the supervision of the Board of Directors. As a remediation measure for all stakeholders, we have set up a whistle-blowing channel to receive human rights-related consultation and reports from inside and outside the Group.

High-risk factors associated with human rights		Measures to prevent and reduce risks
Accidents <span>E</span> <span>S</span>		<span>E</span> Provide safety training and education <span>S</span> Provide safety education
Harassment <span>E</span> <span>S</span>		<span>E</span> Provide training and education and conduct fact-finding questionnaire surveys <span>S</span> Monitor and evaluate the implementation status related to transactions
Environmental issues (all stakeholders)		<span>E</span> Provide training and education <span>S</span> Monitor and evaluate the implementation status related to transactions; perform on-site sample fact-finding surveys
Overtime work <span>E</span>		<span>E</span> Manage working hours using digital attendance sheets; promote other workstyle reforms
Physical and mental health management <span>E</span>		<span>E</span> Provide training and education and conduct fact-finding questionnaire surveys
Personal information and privacy <span>S</span> <span>C</span>		<span>E</span> Provide training and education; Require submission of a written pledge <span>S</span> <span>C</span> Set up whistle-blowing channel

► For more details on our human rights-related initiatives, promotion structure, and human rights risk map, visit our website at: <https://www.infroneer.com/jp/sustainability/social/human-rights.html> (in Japanese)

Supply Chain Management

Policies and philosophy regarding sustainability procurement

In July 2024, the Group established the INFRONEER Group Sustainability Procurement Policy and the INFRONEER Group Sustainability Procurement Guidelines. These help us build amicable relationships with our direct and indirect business partners based on mutual respect and a strong sense of partnership while working together with the entire supply chain to create added value. The Guidelines describe the Group's sustainability policies and initiatives so that all its business partners can understand the details in addition to relevant standards with which we expect them to comply.

► For more details on our Sustainability Procurement Policy and Sustainability Procurement Guidelines, visit our website at: <https://www.infroneer.com/en/news-article/2024/10/07/917.html>

Labor Standards

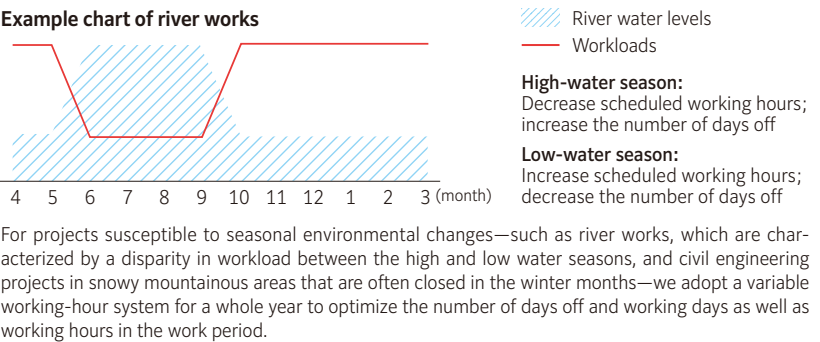
Basic approach toward labor standards

The INFRONEER Group's Human Rights Policy states: "Working hours and wages: Respect the principle of equal pay for equal work, pay appropriate wages above the minimum wage and the living wage, and form responsible labor practices through proper working hour management." The issue has become particularly important in Japan recently, as tightened overtime limits were applied to the construction sector starting in April 2024, posing a pressing challenge for the industry to reduce overtime. At the Group, we are carrying out various measures to address this challenge, such as expanding personnel and technical support using engineering work centers of branches and companies responsible for supervising site safety and health, promoting efficient operation of morning and evening sessions and other meetings, and optimizing work patterns.

Promoting flexible five-day work week

With the previous work pattern, in which all workers in principle worked every weekday and got every other Saturday off, it was difficult to allow every worker to get two days off every week. To address this situation, we have developed a flexible work shift system that enables a work pattern with two days off in a week across the board, without compromising the quality of work by ensuring adequate information sharing and smooth work handover between workers. This system is operated in a flexible way to make arrangements as needed according to the situation at each worksite, including for the attendance of the entire workforce on a specified day.

Variable working-hour system in accordance with the specifics of the work



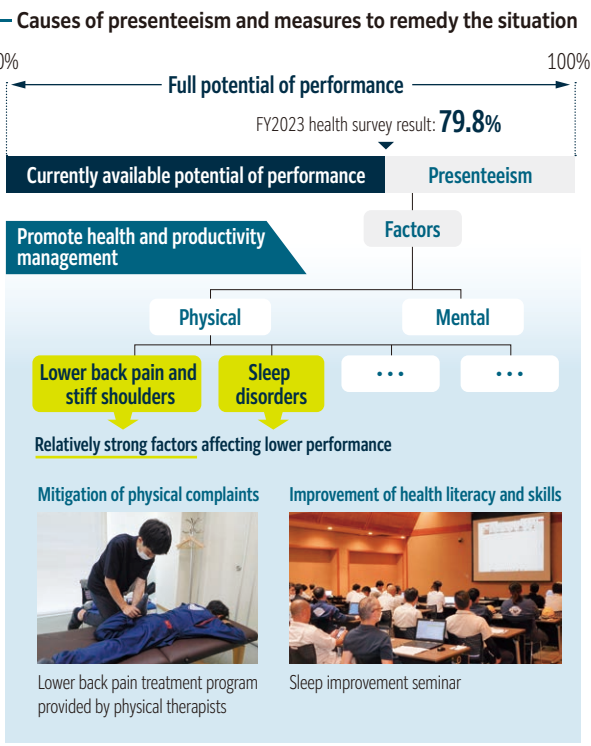
Health and Safety

Formulating the Health & Productivity Management Policy and addressing health issues

Group companies have carried out various activities to address health and productivity management issues based on the related policies and approaches. Recently, however, we are facing an aging population with a declining birthrate and increasingly serious labor shortages. We have recognized that it is essential to take steps to enhance the health of employees, all partners, and those supporting our business in order to fulfill our mission to "challenge the status quo of existing infrastructure businesses and deliver the most suitable service globally with innovative ideas." For this reason, we formulated the Group Health & Productivity Management Policy in December 2023. In September 2023, we performed the Group employee health survey. Using survey results, we are implementing health promotion programs based on different characteristics by business company and work type in order to improve work performance and productivity, thereby reducing presenteeism\*. At the same time, we are working to address health issues found to be relatively strong factors affecting lower performance, such as lower back pain, stiff shoulders, and sleep disorders. We strive to improve employees' health literacy by providing lower back pain treatment programs conducted by physical therapists and sleep improvement seminars.

\* Presenteeism is a situation in which employees come to work but have reduced productivity levels due to health problems.

► For Group Health & Productivity Management Policy, visit our website at: [https://www.infroneer.com/jp/blog\\_assets/attachments/711/20231211\\_2.pdf](https://www.infroneer.com/jp/blog_assets/attachments/711/20231211_2.pdf) (in Japanese)



Local Communities

Revitalize the community and support partners

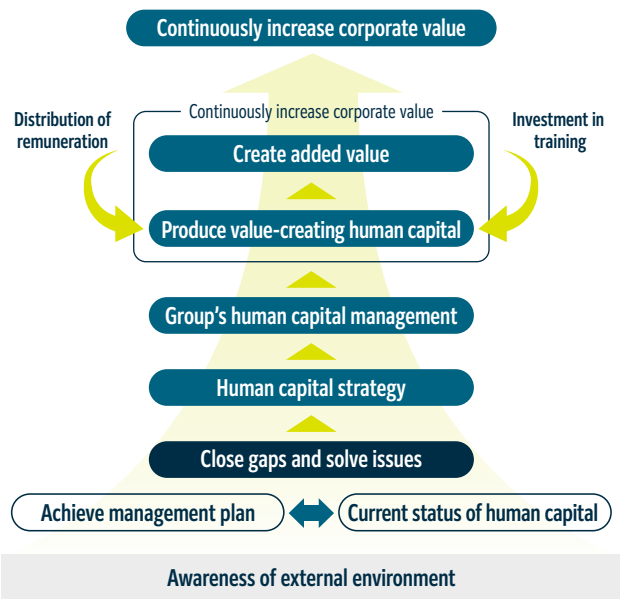
We will work to resolve social issues and promote regional revitalization by participating in public-private partnership projects such as concession projects and others, and we will introduce initiatives that will contribute to improving the stability and productivity of the management of cooperating companies, who are our partners nationwide and who are indispensable in sustaining growth in our company. From FY2023, MAEDA CORP. has started to budget for supporting cooperating companies, chiefly in areas related to human resources development, establishment of construction structures, and development of technical capabilities for improving productivity, to accelerate efforts for these purposes.

Human Capital Strategy

Policies and approach to human resources

The INFRONEER Group's human capital strategy is based on the following concept: Establish a cycle for maximizing added value and increasing corporate value in the medium to long term by continuously producing value-creating human capital—which is essential to achieving management plans—and allocating and investing the earnings gained through added value generated by such personnel to further enhance human capital. The Group's business companies engage in different business domains and carry out their own personnel initiatives suited to the specific characteristics of their business. Meanwhile, INFRONEER's Human Resources Strategy Department takes a holistic approach to overseeing the Group and works to integrate certain aspects of human resources development from the perspective of achieving overall synergy while providing support to the activities of each business company.

Overall view of the INFRONEER Group's human capital strategy



Overall view of the Group human capital strategy

Based on the INFRONEER<sup>^</sup> (INFRONEER Caret) and the growth drivers described in the INFRONEER Group Sustainability Statement (IGSS), we have set the definitions of the required individual and organizational capabilities. We are implementing key initiatives to enhance human capital by simultaneously boosting individual and organizational capabilities to effectively address the Group's management and business issues.

For the Sustainability Statement, see page 63.

Conceptual view of required human capital		Human capital management	Strategy pillar	Specific measures
Value-creating human capital	Challenges	Recruitment	Strengthen competitiveness in acquiring human resources	Ensure diversity in recruitment branding
	Sense of ownership	Training	Invest in strategic training of human resources	Train managers and executives systematically Improve basic skills of entire Group
		Assignment	Assign human resources optimally	Group talent management*
	Co-creation	Evaluations and remuneration	Pursue ease of work and value of work	Improve engagement Establish Group human resources system

\* Talent management is a method that manages information such as employee abilities, qualities, and experience values centrally; it is useful for the strategic development and allocation of human resources

Producing human resources required by the INFRONEER Group (Enhancing individual capabilities)

The concept of human resources required by the Group is described as value-creating human resources that will embrace challenges and engage in co-creation with a sense of ownership while aiming to realize a society defined in our VMV and IGSS. More specifically, officers and employees act on their own initiative to solve issues in view of total optimization and with a sense of ownership, take on challenges to achieve rule changes unbound by preconceptions, and pursue co-creation of value in partnership with stakeholders involved in developing markets for integrated infrastructure services. We are working to acquire and develop value-creating human capital with the above-described mindsets and capacity of action and assign them appropriately to encourage employees to fulfill their potential and promote their professional growth.

Implementing the Diversity, Equity & Inclusion (DE&I) Policy (Enhancing organizational capabilities)

In order to realize a symbiotic society defined in the IGSS, we need to continuously take on challenges to resolve difficult issues by encouraging out-of-the-box thinking. For this purpose, it is essential to establish a corporate culture that enables various individual participants in co-creation activities to fully bring into play their diverse abilities to generate innovative and creative ideas. Based on this recognition, we decided to promote DE&I as part of our key management strategies and formulated the Diversity, Equity & Inclusion Policy in FY2023. Going forward, we will increase training opportunities on this subject within the Group in an effort to develop an organizational culture that joins forces with diverse partners to solve various social issues.

For details on DE&I, visit our website at: <https://www.infroneer.com/jp/sustainability/social/human-develop.html> (in Japanese)

Initiatives based on human capital strategy

Based on the INFRONEER<sup>^</sup> (INFRONEER Caret) and the growth drivers described in the IGSS, we have set the definitions of the required individual and organizational capabilities. We are implementing key initiatives to enhance human capital by simultaneously boosting individual and organizational capabilities to effectively address the Group's management and business issues.

Strengthening competitiveness in acquiring human resources

We have been utilizing social media and recruitment tools since FY2023 as a means to acquire the diverse workforce that is essential to realizing our vision of becoming an integrated infrastructure service company. More specifically, we continuously distribute information on the real, thrilling work life of INFRONEER believers challenging the status quo in a bid to convey the appeal of the Group to the target base. In addition, we are expanding recruiting channels to target potential mid-career hires by launching programs for career registration, referral recruitment\*, and direct searches. We also approach good candidates who sufficiently meet our requirements.

\* Referral recruitment is a practice by which companies ask current employees to recommend candidates from among their acquaintances.

Enhance competitiveness in acquiring human resources for the entire Group



Strategic investment in human resources development

In an effort to enhance the performance of value-creating human capital, we are increasing off-site skill-building opportunities, including offering internal courses to address growth-specific issues corresponding to each job level and sending employees to external cross-industrial exchange sessions. Starting from FY2023, we are holding a Group-wide joint welcoming ceremony and orientation sessions for new employees in order to help them develop the mindsets of INFRONEER believers and increase a sense of belonging within the Group. In addition, we provide personnel engaged in strategic businesses with opportunities to broaden their work experience by transferring them to venture companies and government agencies. Going forward, we are planning to formulate the Group's common human resource development systems, with a focus on producing professionals with management perspectives and specialist knowledge.

Major training themes

Off-site learning (training)	• Keys to demonstrating and embracing diversity as a building block of co-creation • Mindset for addressing social challenges: how to think and act • Broadening perspective and building thinking skills through liberal arts-style learning
Practical experience (external transfer)	• Approach to social implementation of advanced schemes and technologies • Paradigm shift in thinking to challenge the status quo; co-creation partnership formation



Group-wide joint welcoming ceremony and orientation sessions

For documentary video of the welcoming ceremony, visit the following website at: [https://www.youtube.com/watch?v=\\_FKjweX9PUM](https://www.youtube.com/watch?v=_FKjweX9PUM) (in Japanese)

Optimal human resources assignment

In order to ensure optimal personnel assignment in a timely manner for implementing management strategies, it is urgent to create an appropriate talent management framework to enable the visualization of personnel information and efficient personnel mobilization in the entire Group. Based on this awareness, the Nominating Committee has initiated talent reviews of candidate executives. We have also taken steps to raise Group-wide physical recognition of personnel by transferring employees from business companies to INFRONEER. At the same time, we have started to work on resolving issues associated with internal systems for intra-Group personnel relocations.

Pursue ease of work and value of work

We are working on various issues with a focus on improving employee engagement and promoting diversity. The aim is to encourage employees to empathize with the management philosophy, business strategies, and goals and to motivate them to maximize their potential and take on challenges to improve the corporate value of the Group as a whole.

We have continuously been promoting activities to increase the ease of work and value of work. We have set key subjects to address based on the common and specific issues of business companies identified through Group-wide liaison meetings and the engagement survey\* that has been conducted throughout the Group on an ongoing basis since the founding of the Company.

\* To encourage the management team's commitment to improving employee engagement, the engagement indicator has been incorporated into the criteria for calculating executive remuneration of the Company from FY2024.

Group common key subjects	Measures	Aims
Group-wide sense of togetherness	Hold company philosophy dissemination sessions (2023-)	Inspire a sense of ownership regarding the Group vision and code of conduct
Attachment to and pride in the Company	Introduce Employee Stock Ownership Plan (2024-)	Improve employees' interest in the Group's business performance and motivation to contribute to it
Relationships between employees at different job levels and in different organizations	Provide DE&I training (2024-)	Promote good teamwork activities by taking advantage of the diverse workforce