

ID&E Holdings
Sustainability Report 2024

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Editorial Policy

Report Objectives

This report has been edited to introduce the ID&E Group's sustainability philosophy, goals, and initiatives, with the aim of enhancing communication with stakeholders and improving the content of our efforts.

Target Organisations

ID&E Holdings Co., Ltd., Nippon Koei Co., Ltd., Nippon Koei Urban Space Co., Ltd., BDP Holdings Limited (a UK-based architectural design company), Nippon Koei Energy Solutions Co., Ltd., Nippon Koei Business Partners Co., Ltd., and other Group companies.

Target Period

In principle, this report covers the fiscal year ending June 2024 (from 1 July 2023 to 30 June 2024 and described as FY2024/06 or FY2024 in this report), with some information outside this period also included. Group's fiscal year starts from July and ends in June following year.

Terminology Used in This Report

Integrated Design & Engineering Holdings Co., Ltd.-ID&E, Nippon Koei Co., Ltd.- Nippon Koei, Nippon Koei Urban Space Co., Ltd.- Nippon Koei Urban Space, BDP Holdings Ltd.-BDP, Nippon Koei Energy Solutions Co., Ltd.- Nippon Koei Energy Solutions, Nippon Koei Business Partners Co., Ltd.- Nippon Koei Business Partners

Main Group Companies

Nippon Koei, Nippon Koei Urban Space, BDP, Nippon Koei Energy Solutions, Nippon Koei Business Partners

Guidelines Referenced

- GRI (Global Reporting Initiative) Sustainability Reporting Standards
- TCFD (Task Force on Climate-related Financial Disclosures) Recommendations
- SASB (Sustainability Accounting Standards Board) Standards
- Ministry of Economy, Trade and Industry's "Value Creation Guidance"
- ISO26000
- Ministry of the Environment's "Environmental Reporting Guidelines 2018"
- Cabinet Secretariat's "Guidelines for Visualising Human Capital"
- ESRS (European Sustainability Reporting Standards)

Disclaimer

This report contains both past and present facts about ID&E Holdings Co., Ltd., as well as forward-looking statements based on plans, forecasts, and management strategies as of the publication date. Please note that various factors, such as changes in the business environment, may entail possibility to differ from the forecast of future business outcome and event.

Publication Date

November 2024 (Japanese), January 2025 (English).

ID&E Group's Main Segments

Consulting Business

Infrastructure construction and maintenance and various projects providing a foundation for comfortable lifestyles



Main Subsidiaries

Nippon Koei Co., Ltd. / Nippon Civic Consulting Engineers Co., Ltd. / Geoplan Namtech Inc. / Koei Research & Consulting Inc. / Nippon Koei Latin America-Caribbean Co., Ltd. / NIPPON KOEI LAC, INC. / NIPPON KOEI LATIN AMERICA CARIBBEAN, MEXICO S.DE R.L. DE C.V. / NIPPON KOEI LAC DO BRASIL LTDA. / NIPPON KOEI MOZAMBIQUE, LTDA. / NIPPON KOEI INDIA PVT. LTD. / NIPPON KOEI BANGLADESH LTD. / NIPPON KOEI VIETNAM INTERNATIONAL CO., LTD. / PHILKOEI INTERNATIONAL, INC. / PT. INDOKOEI INTERNATIONAL / MYANMAR KOEI INTERNATIONAL LTD. / KOEI AFRICA COMPANY LIMITED / PT. CIKAENGAN TIRTA ENERGI / NIPPON KOEI MOBILITY SDN. BHD. / PT. IKI- TOYO

Urban & Spatial Development Business

Meeting urban development demand around the world with both architectural design and civil engineering services



Main Subsidiaries

Nippon Koei Urban Space Co., Ltd. / Tamano Ecost Co., Ltd. / Kisho Kurokawa Architect & Associates Co., Ltd. / Nakaze Kamp Co., Ltd. / BDP Holdings Ltd. and its subsidiaries (Total 50 companies)

Energy Business

Helping Japan and other countries meet electric power demand



Main Subsidiaries

Nippon Koei Energy Solutions Co., Ltd. / KOEI SYSTEM INC. / KOEI Energy Co., Ltd. / NIPPON KOEI ENERGY EUROPE B.V. / RNK UK INVESTMENTS LIMITED / TOLLCUX INVESTMENTS LIMITED / TOLLCUX FINANCE LIMITED / TOLLGATE ENERGY STORAGE LIMITED / CUXTON ENERGY STORAGE LIMITED / RUIEN ENERGY STORAGE NV

Business Management

Achieving the mission and enhancing corporate value of the entire ID&E Group



Main Subsidiaries

Nippon Koei Business Partners Co., Ltd. / Nikki Corporation / Aichi-Tamano Information System Co., Ltd. / Ei Koei Co., Ltd.

Top Message



"The ID&E Group is committed to sustainability management for the Benefit of Society and Enterprise Value."

Shinya Hiroaki

Director and Representative Executive President

Evolution of Sustainability Strategy with the Business Model

The DNA of the ID&E Group traces back to its founder, Kubota Yutaka, who was involved in power development projects on the Korean Peninsula before World War II, some of the largest in the world at that time. Since its founding in 1946, for nearly 80 years, the Group has expanded operations to over 160 countries and regions, engaging in nation-building and human development projects directly impacting the lives, well-being, and prosperity of people. Driven by the management philosophy of "act with integrity and contribute to society through technology and engineering" ID&E has grown to be an industry leader by developing infrastructure that serves as the foundation for people's lives around the world. Nearly all of them are aligned with the pursuit of "achieving a sustainable society while simultaneously creating sustainable corporate value," a fact we take pride in.

However, the ID&E Group recognises there is no room for complacency. First, the world is at a historic turning point. Social division and inequality, frequent conflicts and terrorism, climate change, and associated extreme weather and natural disasters are intertwined, creating new crises that generate significant uncertainty for people's lives and business activities globally. The challenges of sustainability are widespread, deep-rooted and complex, and will shape our shared future. Secondly, the ID&E business model has encountered situations where it has failed to meet the interconnectedness of challenges, having in the past provided solutions for individual

Top Message

projects in specific sectors. More recently, with the increasing scale and complexity of projects, such as "sustainable urban development," there is a growing need for more comprehensive proposals based on holistic approaches. In July 2023, ID&E adopted a holding company structure as a step towards ensuring sustainable growth. By strengthening self-sufficient activities and fostering collaboration across the Consulting, Urban & Spatial Development, and Energy segments, we aim to enhance group management from a medium- to long-term perspective, raising overall corporate value. We are also focused on transforming our business portfolio to balance long-term growth strategies with increased profitability. Although our client base has traditionally leaned heavily towards the public sector, we are now pursuing an optimal balance between public and private sector engagements to create sustainable corporate value. Our business model is evolving from a "contract-based model" to a "co-creation model" where we develop solutions alongside our clients, and further to a "sustainable model" that enhances societal sustainability. In all of these strategies, sustainability initiatives are key starting points. Thus, in our new mid-term management plan, commencing in July 2024, we have defined new materialities linked to social challenges and the initiatives needed to address them, positioning sustainability at the core of our corporate strategy. We have also strengthened our organisational framework by establishing a Sustainability Promotion Operations within ID&E Holdings.

Sustainability with a Human Focus: A Challenge for a Better Future

In today's corporate landscape, sustainability-related risks can become existential for businesses. Recognising this, the ID&E Group is committed to greater accountability regarding corporate sustainability, in addition to its contributions to the environment and society through its business activities. On critical issues such as climate change, biodiversity, human rights, and human capital management, we will disclose risks and opportunities to all stakeholders, enhancing transparency and in so doing reinforce trust in the ID&E Group. Consulting and engineering, the Group's core businesses, are driven by "people"—the true source of competitive advantage. To engage effectively in nation-building and human development worldwide alongside sustainable enterprise value creation, we need talented individuals who possess not only technical expertise and insights but also creativity and trustworthiness. With this in mind, our mid-term management plan prioritises "Leveraging the strong ID&E brand through development of human resources, development of leading-edge technologies and strengthening of quality control." We are also developing a group-wide talent strategy linked to our corporate strategy. Our key pillars for enhancing human capital are "Development of human resources," "Diversity, Equity, and Inclusion," and "Well-being." By advancing these, we aim to ensure that every employee across the Group, conscious of their professional role, can experience growth,



realise their full potential, and take pride in contributing to long-term value creation.

A Mission to Serve: Personal Reflections

Since joining the company, I have had the opportunity to participate in various consulting projects across different regions. ID&E's mission, "Make the World a Better Place," is realised through a comprehensive approach, engaging with each project earnestly, and making continuous, sincere efforts to improve the future for those who live there. ID&E will continue to pursue this mission by refining our expertise and leveraging our accumulated technical capabilities to become one of the global leaders and the undisputed No. 1 in Japan.

2 Sustainability at the ID&E Group

Based on our management philosophy of “Acting with sincerity and contributing to society through technology,” the ID&E Group places sustainability at the core of our management and is working to address environmental and social issues.

By utilizing our diverse technological capabilities and providing sustainable solutions with an eye to future generations, we aim to achieve our mission of “making the world a better place.”

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2.1 Sustainability Policy and Basic Approach

Approach / Policy

The ID&E Group formulated the Sustainability Foundational Policy in 2022. This fundamental policy solidified the company's commitment to addressing the social impacts and societal demands associated with its business activities, while contributing to the development of a sustainable society through its operations. The ID&E Group's management philosophy, "Act with integrity & contribute to society through technology and engineering," forms the foundation of our stance on sustainability. By positioning sustainability at the core of our management, we confront environmental and social issues head-on, aiming to create positive societal impact through our business activities, with each employee carrying a strong sense of responsibility, actively working towards realising a sustainable society with sincerity. In our long-term management strategy, we have positioned the Medium-Term Management Plan up to FY2024/06 as a "Transformation," during which we have been laying the foundation for sustainability management. From FY 2025/06 to FY2027/06, we will expand and establish this foundation across the entire Group in the "Expansion phase." We aim to increase the transparency of our sustainability initiatives and become a corporate group trusted by all stakeholders. By integrating the insights gained through sustainability management with the experience and technology we have cultivated thus far, we will enter various business markets related to sustainability challenges and establish ourselves as a service provider or operator. By providing sustainable solutions that look to the next generation, we will achieve our mission to "Make the World a Better Place."

Sustainability Foundational Policy

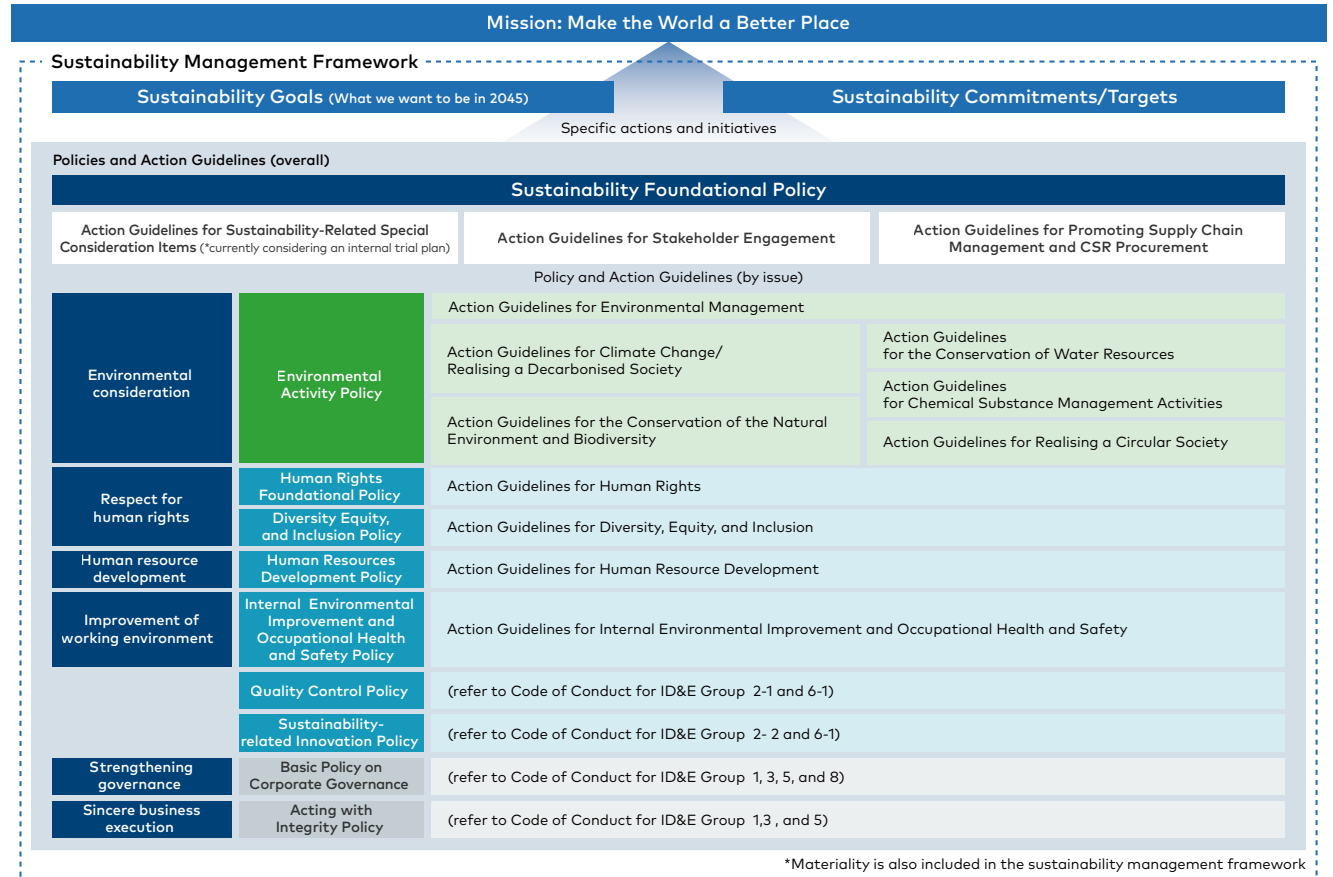
The Management Philosophy of the ID&E Group is "Act with integrity and contribute to society through technology and engineering." Based on this management philosophy, the ID&E Group promotes sustainability management in order to establish trust with stakeholders and contribute to the development of a sustainable society under fair and transparent corporate management based on values shared within the Group. Sustainability encompasses multiple perspectives, and we promote the following activities from the viewpoint of contributing to create social value through our business, in addition to the viewpoint of responding to the impact on society and social needs in the promotion of our corporate business.

Contribute to society through business activities		We will proactively promote commercialization of efforts to solve social issues and contribute to the development of a sustainable society through business activities to support optimal infrastructure development according to the needs of the times.
Environment	Environmental consideration	We will strive to create a richer social environment that harmonises the natural environment and the living environment by emphasizing climate change response, transition to a resource-recycling society and the need for biodiversity.
Social	Respect for human rights	Through the supply chain, we recognise diversity, respond to human rights risks related to race, nationality, gender, ideology, beliefs and social status, etc., and strive not to assist human rights violations.
	Human resource development	We will develop human resources who have expertise to meet customer needs and can globally play an active role, and will maintain fair and impartial employment relationships so that employees can play an active role.
	Improvement of working environment	We will support not only the safety of employees but also proactive health promotion, and will strive to develop an environment that is worth working in where they can actually feel comfort and richness.
Governance	Strengthening governance	We will comply with the policies for corporate governance and ensure transparency of management through complete communication with stakeholders to increase the degree of reliability.
	Sincere business execution	We will comply with corporate ethics including laws and ordinances and social norms and carry out fair transactions with all the business partners by respecting mutual positions.

Sustainability Management Framework

The goal of our Group is to achieve sustainability management that is not merely ticking boxes but has substance and is effective. We believe that sustainability management involves not only pursuing short-term profits but also ensures long-term growth and continuous progress while coexisting with various stakeholders. To realise this, we formulated the "Sustainability Management Framework" (Framework) in 2024. The Framework systematically outlines the decision-making structure for the ID&E Group's sustainability management practices and aims to promote unified efforts across the Group. The Framework is composed of the "Sustainability Goals," which present our vision for 2045, the "Sustainability Commitments/Targets," which serve as milestones towards achieving those goals, and the policies and action guidelines for each key issue. These components will be reviewed flexibly and continuously improved upon in response to changing societal factors.

In line with these policies and action guidelines, our Group will implement effective measures by formulating action plans and monitoring the progress of sustainability management initiatives at each Group company. The operational status of the Sustainability Management Framework will be regularly reviewed in the Sustainability Promotion Council and reported to the Board of Executive Officers and the Board of Directors.



2.1 Sustainability Policy and Basic Approach

ID&E Holdings Sustainability Goals (What we want to be in 2045)

For many years, the ID&E Holdings Group (ID&E Group) has been working on upgrading social capital and resolving social issues in Japan and overseas that have a direct connection to the lives of people, livelihoods, and happiness, in order to "Make the World a Better Place."

The world is now facing a historic turning point. There are many crises that are intertwined in a complex manner, such as social fragmentation and disparities, frequent conflicts and terrorist attacks, climate change, and resulting in intensified damage from extreme weather events and natural disasters, and this in turn creates new crises and leads to great uncertainty in the environments and societies that surround people's lives and corporate activities. Ever since its founding, the ID&E Group has been carrying out activities under the management philosophy of "Act with integrity and contribute to society through technology and engineering." At this historic turning point, we have positioned "Sustainability" as the foundation of our management.

At this period of great uncertainty, our aim to become a "professional group for the creation of a sustainable environment and society," that is selected more than ever before by the world, by mobilizing all of our diverse technologies and making use of our Group's "integrated strength." In addition, we seek to create with our stakeholders a world where people and various living creatures live in harmony on the earth together.

Supplementary explanation:

Background of setting 2045 as our target year: At present, many countries and regions are aiming for 2050 as their target year for achieving net zero, including decarbonisation. In view of the fact that Nippon Koei, the main body of the ID&E Group, will celebrate its 100th anniversary in 2046, the target year for achieving the ID&E Group's sustainability goals has been set as 2045.

Sustainability Commitments/Targets

■ Sustainability Targets

- We will fulfil our accountability for sustainability management pursued by the ID&E Group and become a trusted corporate group
- By challenging new social issues through co-creation, we will provide solutions that contribute to the realisation of a comfortably livable global environment.
- We will contribute to the development of a sustainable society and increase our corporate value by respecting human rights and promoting human capital management.
- We will continue to engage in dialogue and collaboration with stakeholders, fostering mutual understanding and aiding in improving our corporate management.

2.1 Sustainability Policy and Basic Approach

■ Sustainability Target

Item	2030 Targets	2045 Targets	Relevance to Materiality
	Group Goals	Group Goals	
Energy	<p><u>Equipment introduction and technology construction for environment-friendly energy infrastructure</u></p> <ul style="list-style-type: none"> Introduce and provide a stable supply of energy-efficient renewable / next-generation energy infrastructure equipment <ul style="list-style-type: none"> R&D related expenses and investment amount: 15% of annual sales <p><u>Contributing to a decarbonised society by expanding renewable energy business</u></p> <ul style="list-style-type: none"> Contribution to a decarbonised society through the expansion of renewable energy businesses <ul style="list-style-type: none"> Cumulative revenue from renewable energy promotion: 43 billion yen Annual sales volume of RE100-compliant power supply business: 100 GWh 	<p><u>Achievement of "ID&E RE100"</u></p> <ul style="list-style-type: none"> Achieve "ID&E RE100" by covering all power required by all locations (**) of the ID&E Group with renewable energy or through the purchase of environmental certificates to achieve net-zero emissions. 	2.Cultivating a beautiful and habitable planet
Nature and biodiversity response	<p><u>Contributing to achievement of the Kunming-Montreal Global Biodiversity Framework 2030 Mission</u></p> <ul style="list-style-type: none"> Contribute to achieving the 23 global targets of the "Kunming-Montreal Global Biodiversity Framework 2030 Mission" by accelerating nature-positive efforts through the expansion and promotion of projects and services related to biodiversity conservation and creation. <ul style="list-style-type: none"> Area contributed to ecosystem maintenance and restoration (cumulative) <ul style="list-style-type: none"> Direct contribution: 5 ha, Indirect contribution: 100,000 ha Disclosure of results of biodiversity impact assessments and risk predictions. 	<p><u>Contributing to achievement of the Kunming-Montreal Global Biodiversity Framework 2050 Vision</u></p> <ul style="list-style-type: none"> Contribute to achieving the four long-term goals of the "Kunming-Montreal Global Biodiversity Framework 2050 Vision" by reducing the impact of business activities on nature and biodiversity and accelerating nature-positive efforts through public-private collaboration. 	2.Cultivating a beautiful and habitable planet
Climate change and decarbonisation	<p><u>Set greenhouse gas reduction targets based on SBT (Science-Based Targets) standards</u></p> <ul style="list-style-type: none"> Set greenhouse gas (Scope 1, 2) emissions reduction targets at a level consistent with SBT <ul style="list-style-type: none"> 42% reduction compared to FY2023/06 <p><u>Contribution to Carbon neutrality (**)</u></p> <ul style="list-style-type: none"> Reduce Scope 1 and 2 greenhouse gas-equivalent emissions from the entire ID&E Group (*) to net zero by CO₂ absorption and fixation, emission reduction, etc., including purchase of credits <p><u>Contribution to carbon-positive outcomes through business activities</u></p> <ul style="list-style-type: none"> Contribute to CO₂ emission reduction by expanding current businesses, such as promoting smart cities, supporting the introduction of renewable/ next-generation energy solutions, supporting forest conservation/regeneration, etc. Increase proposals that solve issues through the dual approach of mitigation measures, such as promoting energy conservation and utilizing renewable/ next-generation energy solutions, and adaptation measures including disaster mitigation and prevention Increase proposals for services that contribute to the transition to a decarbonised society through the use of carbon pricing mechanisms <ul style="list-style-type: none"> Contribution to greenhouse gas emissions reduction (cumulative) <ul style="list-style-type: none"> Direct contribution: 36,000 tCO₂, Indirect contribution: 1,000,000 tCO₂ 	<p><u>Contribution to Carbon neutrality (**)</u></p> <ul style="list-style-type: none"> Reduce Scope 1, 2 and 3 greenhouse gas-equivalent emissions across the entire ID&E Group (*), including the supply chain, to net zero by carbon absorption and fixation, emission reduction, etc. including purchase of credits 	2.Cultivating a beautiful and habitable planet

2.1 Sustainability Policy and Basic Approach

■ Sustainability Target

Item	2030 Targets	2045 Targets	Relevance to Materiality
	Group Goals	Group Goals	
Technology and service quality	<p><u>Ensuring the quality of technologies and services from the standpoint of sustainable development</u></p> <ul style="list-style-type: none"> Establish quality control mechanisms that take into account sustainability issues such as the global environment and occupational health and safety Research and development related to the development and space creation of The Good City project <ul style="list-style-type: none"> Related sales: 42 billion yen R&D and investment cost: 0.9% of related sales <p><u>Creation of enterprise value through provision of innovation that transforms efforts to address sustainability issues into drivers of corporate growth</u></p> <ul style="list-style-type: none"> Sales revenue from sustainability challenge response business: Cumulative 44 billion yen <p><u>Cross-functional development and utilisation of cutting-edge technologies, including AI</u></p> <ul style="list-style-type: none"> Annual R&D and investment amount: 1 billion yen 	<p><u>Establishing quality management and business development based on sustainability</u></p> <p>Continuously reinforcing quality management based on sustainability issues, leveraging efforts on sustainability challenges as a driving force, and establishing our position as a top-tier consulting and engineering firm globally.</p>	<p>2. Cultivating a beautiful and habitable planet</p> <p>3. Innovating to address the challenges of the modern world</p>
Human rights	<p><u>Reliable response to human rights issues, including human rights due diligence.</u></p> <ul style="list-style-type: none"> Identify human rights risks and violations, and implement remedial measures and information disclosure <p><u>Establishment of a system to address human rights issues and monitoring system</u></p> <ul style="list-style-type: none"> Establish the necessary internal system structures to address human rights issues, and establish a system to implement effective monitoring 	<p><u>Establishment and embedding of human rights due diligence</u></p> <p>Ensure consistent and reliable implementation of human rights due diligence across the entire ID&E Group (*), establishing a global reputation as a group of companies that prioritises respect for human rights.</p>	<p>1. Building a more equitable society</p>

2.1 Sustainability Policy and Basic Approach

■ Sustainability Target

Item		2030 Targets	2045 Targets	Relevance to Materiality
		Group Goals	Group Goals	
Human capital	Realisation of Diversity, equity and inclusion	<p><u>Establishment of a system to promote diversity, equity and inclusion</u></p> <ul style="list-style-type: none"> Establish a diversity, equity, and inclusion (DE&I) promotion contact point, along with an implementation framework, and a verification and improvement cycle for DE&I measures. 	<p><u>Establishment of monitoring for promoting diversity, equity, and inclusion (DE&I).</u></p> <ul style="list-style-type: none"> Implementation of the PDCA (Plan-Do-Check-Act) cycle for DE&I initiatives, ensuring continuous improvement. 	4. Building a global team with diverse perspectives
	Occupational health and safety/ Wellbeing management	<p><u>Establishment of a monitoring system for occupational accident response</u></p> <ul style="list-style-type: none"> Determine the number of occupational accidents, investigate the causes, implement safety measures, and disclose the information. <p><u>Promotion of health management measures</u></p> <ul style="list-style-type: none"> Establish a health monitoring and health education system with an emphasis on disease prevention, and gradually expand support for health management to Group's business locations worldwide (***) as well as business partners 	<p><u>Entrenchment of a monitoring system for occupational accident response</u></p> <ul style="list-style-type: none"> Implement a PDCA cycle to determine the number of occupational accidents, investigate the causes, implement safety measures and disclose the information. <p><u>Embedding of health management initiatives and deployment of measures using digital technology</u></p> <ul style="list-style-type: none"> Establish a health monitoring and health education system with a focus on disease prevention and implement a PDCA cycle of health management at Group's business locations worldwide (***) as well as business partners. Additionally, implement measures to maintain and improve health using advanced technologies such as AI in order to extend healthy life expectancy. 	4. Building a global team with diverse perspectives
	Human resources development	<p><u>Active investment in the "ideal human resource image" (***) sought by the ID&E Group</u></p> <ul style="list-style-type: none"> Invest in the development of employees with global perspectives and enhanced DX and management skills <ul style="list-style-type: none"> Increase the number of participants in training for management talent development by 360 by FY2024/06 Increase the number of participants in training for global talent development by 600 by FY2024/06. Increase the number of participants in training for digital transformation talent development by 600 by FY2024/06 Establish and embed a talent development system through the ID&E Global Academy (**) Increase the number of users of the ID&E Global Academy from ID&E Group's business locations worldwide (***) (To be quantified at a future date) 	<p><u>Group-wide deployment of a talent development system and provision to external parties</u></p> <ul style="list-style-type: none"> Invest in the development of employees with global perspectives and enhanced DX and management skills Establish and commence a corporate university developed from the ID&E Global Academy to enhance collaboration with stakeholders by utilizing the expertise and know-how of the ID&E Group. 	4. Building a global team with diverse perspectives

*1: All main consolidated group subsidiaries listed on ID&E Holdings official website. Overseas Network | About Us | ID&E Holdings

*2: The ID&E Group defines "achieving carbon neutrality at the ID&E Group" as achieving the target of "net zero emissions" set forth in the text.

*3: The ideal human resource image for global human resources, management human resources and DX human resources listed in the same target, as described in the Human Resources Development Action Guidelines

*4: ID&E Global Academy refers to the platform for human resources development aimed at providing training and knowledge management inside and outside the ID&E Group.

Note: Targets will be reviewed as appropriate in light of the circumstances surrounding the Group.

2.1 Sustainability Policy and Basic Approach

As a global company, the ID&E Group is collectively working towards achieving its targets. However, for human capital-related indicators, specific laws and regulations that apply uniquely to each country or region necessitate additional measures. Accordingly, in addition to the globally established targets mentioned earlier, we have set targets based on Japanese laws and guidelines.

■ Sustainability Targets for Human Capital Development in Japan

Item	2030 Targets	2045 Targets	Relevance to Materiality
	Japan-focused Goals	Japan-focused Goals	
Realisation of Diversity, equity and inclusion (DE&I)	<ul style="list-style-type: none"> ◆ In all main Japan-based consolidated subsidiaries (***) 1. Ratio of women in managerial positions: 15% or higher 2. Gender pays gap 80% 3. Ratio of foreigners in managerial positions: 1% or higher 4. Highly skilled foreign talent ratio: 3.5% 5. Ratio of mid-career hires to managerial positions: successfully maintained at 30% 6. Legally mandated employment rate for persons with a disability: 3.0% 7. Male childcares leave take-up rate: 85% or higher 	<ul style="list-style-type: none"> ◆ In all Japan-based companies (***) 1. Ratio of women in managerial positions: 30% or higher 2. Eradication of the gender pay gap 3. Ratio of foreigners in managerial positions: 5% or higher 4. Ratio of mid-career hires to managerial positions: successfully maintained at 30% 5. In addition to stable achievement of the legally mandated employment rate for persons with a disability, expansion of the scope of application to special subsidiary companies, and increase of the number of Group companies and departments where persons with a disability are employed 6. Male childcares leave take-up rate: 100% 	4. Building a global team with diverse perspectives
Occupational health and safety/Wellbeing management	<ul style="list-style-type: none"> ◆ Continued recognition of all Japan-based companies (***) as a Certified Health and Productivity Management Outstanding Organization (White 500) <ul style="list-style-type: none"> – Annual health check-up participation rate: 58.3% – Absenteeism(***) 2.3 days – Presenteeism (***) 84.9% – Work engagement score (***) 3.3 points ◆ Implement advanced technologies such as AI (for hygiene environment monitoring, etc.) to enhance workplace health and safety management systems 	<ul style="list-style-type: none"> ◆ Continued recognition of all Japan-based companies (***) as a Certified Health and Productivity Management Outstanding Organization (White 500) ◆ Establish a system to monitor workplace safety conditions in real time through the introduction and updating of advanced technologies such as AI 	4. Building a global team with diverse perspectives
Human resources development	<ul style="list-style-type: none"> ◆ Gradually increase the number of holders of internally recommended qualifications in all Japan-based companies (***) <ul style="list-style-type: none"> – Number of certified engineers: 2,400 – Number of new doctoral degrees acquired (using the internal support system): Increase by 5 people from FY2024/06 ◆ Quantify educational efforts by identifying the training costs per person/month in all Japan-based companies (***) and increase them as necessary 	<ul style="list-style-type: none"> ◆ Increase the number of holders of internally recommended qualifications in all Japan-based companies (***) ◆ Increase education and training costs per person/month in all Japan-based companies 	4. Building a global team with diverse perspectives

(**) ID&E Holdings Co., Ltd. and main Group companies in Japan (as of the end of FY2024/06 : Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, Nippon Koei Business Partners)

(**) Main Japan-based locations of all consolidated subsidiaries within the Group listed on the official website of ID&E Holdings: [Overseas Network | About Us | ID&E Holdings \(id-and-e-hd.co.jp\)](#)

(**) Absenteeism: The number of days of leave taken in a year due to illness.

Presenteeism: An evaluation of one's work performance over the past four weeks, assuming 100% performance when there are no illnesses or injuries.

Work Engagement: A state characterized by vigor, dedication, and absorption in one's work.

-All terms are cited from the Ministry of Economy, Trade and Industry's "Health Management Guidelines.

Note: Targets will be reviewed as appropriate in light of the circumstances surrounding the Group.

2.1 Sustainability Policy and Basic Approach

The Baluchaung Hydropower Plant Project: The Origin of Our Group's Overseas Business

The Baluchaung Hydropower Plant Project was the first overseas project awarded to Nippon Koei, commissioned by the Government of Burma (now Myanmar) in 1954. It marked the starting point of our Group's overseas business, contributing to society through technology-driven initiatives.

This project also represented Japan's first post-war reparations (1954-) and is recognised as one of the earliest examples of Japan's Official Development Assistance (ODA) to developing countries, which began in 1954.

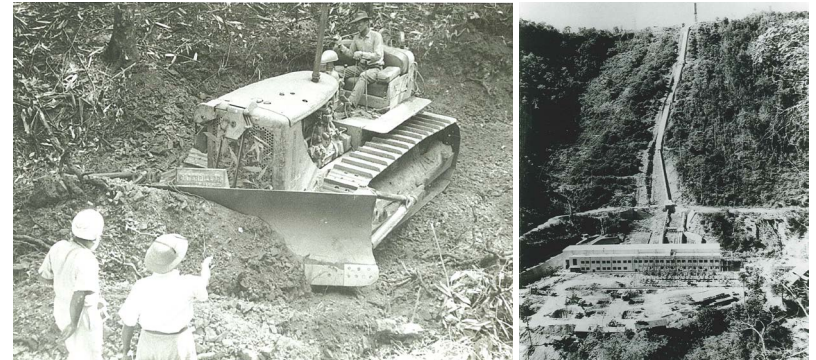
In 1953, during an overseas inspection tour, our founder, Kubota Yutaka, visited Burma, where he learned about the country's hydropower development plans. Kubota's proposal, showcasing superior investigative capabilities and vision compared to those of the United States and the United Kingdom, earned high acclaim and led to the project being awarded to Nippon Koei.

Our Group oversaw the entire project, including planning, design, and construction supervision. Furthermore, we took full responsibility for securing funding and negotiating with the governments of both countries, making this a landmark project for our Group.

Since the completion of the Baluchaung No.2 Hydropower Plant in 1960, the Baluchaung Hydropower Plants have played a crucial role in Myanmar's power supply. In 2024, the year marking the 70th anniversary of Japan's international cooperation, the plant continues to contribute to Myanmar's electricity supply.



View of the Baluchaung No.2 Hydropower Plant



Construction Scene of the Baluchaung No.2 Hydropower Plant

2.2 Structure

For the ID&E Group, sustainability is inseparable from management, and we are working to build a structure where leadership can be effectively demonstrated by top management. In July 2023, the holding company ID&E Holdings was established, and under the supervision of the Board of Directors, the "Sustainability Promotion Council," chaired by the Representative Executive President of ID&E, was established. In July 2024, in order to enhance the function of formulating and promoting group-wide sustainability management strategies, the "Sustainability Promotion Division" was newly established as a dedicated unit within ID&E Holdings. Under this structure, the ID&E Group is steadily progressing through the "expansion phase" of its sustainability management.

Sustainability Management Promotion Structure

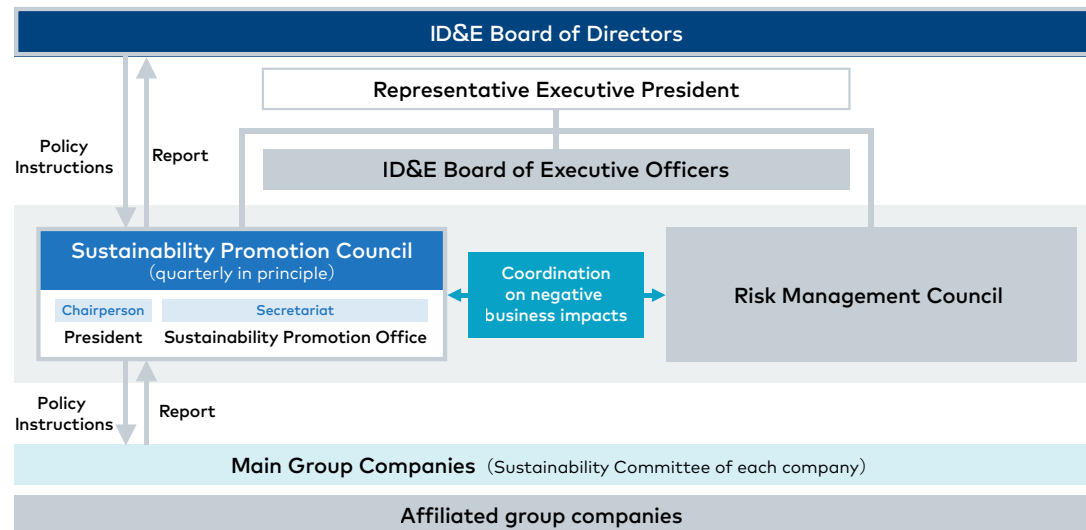
The "Sustainability Promotion Council" serves as the control tower for the Group's sustainability management, overseeing governance, the planning and promotion of strategies, the management of sustainability-related risks and opportunities, and accountability to stakeholders across the Group. This Council is chaired by the Representative Executive President of ID&E Holdings, with Directors participating as advisers and observers. The Council members include the presidents of Main Group Companies as well as the heads of each operation within ID&E Holdings. Depending on the agenda, relevant parties and external experts are invited to attend. The activities of the Council are regularly presented and reported to the Board of Executive Officers and the Board of Directors.

In each main Group company, a "Sustainability Promotion Committee" works in coordination with the "Sustainability Promotion Council," with designated personnel assigned to promote sustainability management within each of the group companies. To advance sustainability for the entire Group, ID & E Sustainability Promotion Council closely collaborates and work together with the secretariats of these committees and representatives from each Group company. In order to deepen the specialised discussions

related to specific sustainability issues, such as human rights, ID&E Sustainability Promotion Council has established a "Specialised Committee" under the Council. Through the Specialised Committee, the Sustainability Promotion Council is building a closely coordinated

structure with other key councils and committees within ID&E, such as the "Risk Management Council" and the "Human Capital Strategy Council." This coordination aims to further strengthen and enhance the quality of the Group's sustainability management.

■ ID&E Group's Sustainability Structure



2.2 Structure

Sustainability Promotion Council

In July 2023, with the establishment of ID&E Holdings Ltd., our Group took a fresh start, focusing on the clarification of our sustainability management policies and the proactive disclosure of information regarding critical sustainability issues. Through active discussions within the Sustainability Promotion Council, we have systematically addressed every key challenge. On the other hand, in order to achieve the ultimate goal of creating a sustainable society and sustainable corporate value creation, it is essential that the outcomes of FY2024/06 are integrated across the entire Group and lead to concrete actions. Going forward, the Sustainability Promotion Council will continue to take the lead in driving sustainability management across the entire Group.

■ Main Discussions of the Sustainability Promotion Council for FY2024/06.

1st Meeting	<ul style="list-style-type: none"> ● Review of FY2023/06 ● Implementation Plan for FY2024/06
2nd Meeting	<ul style="list-style-type: none"> ● Information Disclosure based on the TCFD Recommendations ● Sustainability Report ● Sustainability Management Framework
3rd Meeting	<ul style="list-style-type: none"> ● Sustainability Management Framework ● Information Disclosure based on the TCFD Recommendations ● Progress on TNFD Response ● Human Rights Due Diligence
4th Meeting	<ul style="list-style-type: none"> ● Sustainability Management Framework ● Progress and Challenges for FY2024/06
5th Meeting	<ul style="list-style-type: none"> ● Progress and Next Steps for FY2024/06 ● GHG Quantification Platform ● Progress on TNFD Response ● Report on the Implementation of Human Rights Due Diligence and Future Actions ● Disclosure of Human Capital Information ● Support for signing of the United Nations Global Compact by group companies

■ FY2025/06. Priority Issue

The Sustainability Promotion Office, under the Sustainability Promotion Operations has set nine priority issue to promote sustainability across the entire Group.

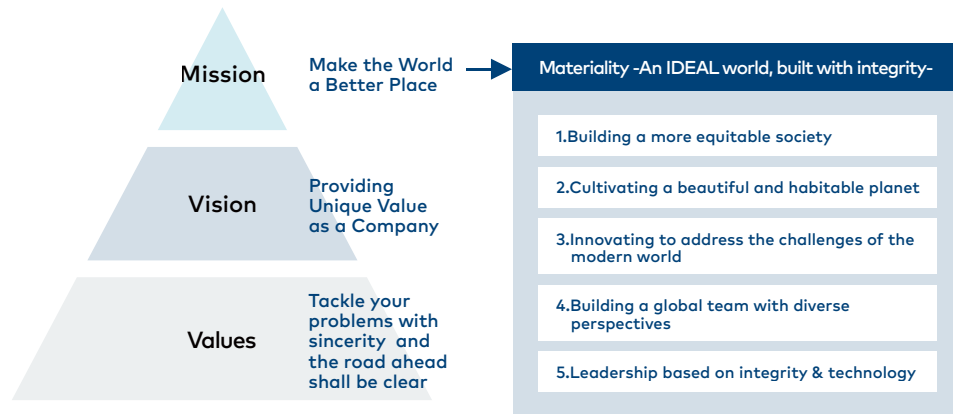
Priority Issue	
1	Strengthening the Sustainability Promotion Council's management planning promotion function
2	Dissemination and implementation of the Sustainability Management Framework (SMF)
3	Improving the quality of responses to climate change
4	Addressing biodiversity
5	Compliance with the Guiding Principles on Business and Human Rights
6	Establishment and operation of risk management process
7	Support for the full-scale development of related businesses
8	Promoting understanding among all stakeholders
9	Establishment of a related information reporting system

2.3 Materiality

There are numerous social challenges around the world, and technological advancements continue to bring about significant changes. In 2021, the ID&E Group announced its material issues, driven by the mission to build a sustainable society in an era of uncertainty. In 2024, we updated our materiality, anticipating the dynamic shifts in society and business, while listening to the voices of our stakeholders. Centered on this new materiality, we will place sustainability at the core of our management, with every employee committed to earnestly and conscientiously working towards the realisation of a sustainable society.

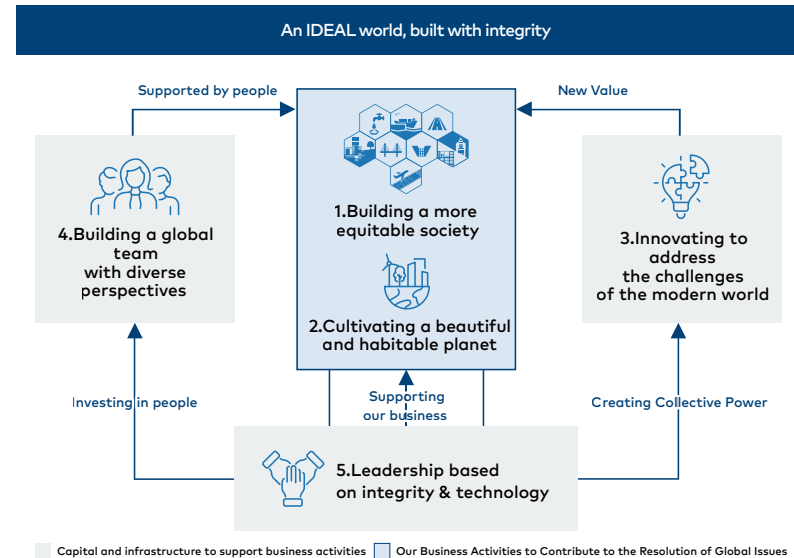
The Five Key Materiality Issue

Our Group has established a mission, vision, and values to ensure sustainable growth while widely sharing our goals with internal and external stakeholders. To achieve our mission, we have identified five key materiality issues that we must prioritise by leveraging our strengths. By deepening our collaboration with stakeholders and addressing these issues, we aim to contribute to solving various social challenges and shaping the future we envision.



The Interrelationship Between Materiality Issues

Among the five identified materiality issues, #1 and #2 represent our Group's "business activities" that contribute to solving global social challenges, while #3, #4, and #5 represent the "capital and infrastructure" that support these activities. These areas, representing both "business activities" and "capital and foundations," are interrelated and generate synergistic effects.












2.3 Materiality

Materiality issues and Targets

For each materiality issue, we have set initiatives, monitoring indicators, and performance target. Moving forward, we will steadily advance these initiatives, disclose our achievements, and engage in ongoing dialogue with stakeholders.

				Main Initiatives	Indicators	Target(FY2030)	Related SDGs	Risks and Opportunities				
								Risks and Opportunities				
								Opportunities				
1.	Building a more equitable society	1-1	Contributing to society's sustainable development through all our global activities	① Business growth driven by the needs of each global region	Revenue(Total) Japan Asia UK, Europe, Middle East, Africa Americas	¥ 250 billion ¥ 125 billion ¥ 65 billion ¥ 45 billion ¥ 15 billion		<ul style="list-style-type: none"> Declining quality of public services, reduced investment in infrastructure, and delayed maintenance due to regional economic stagnation and political instability. Global resource shortages and rising procurement costs due to conflicts and political upheavals Deterioration of working conditions for employees, deterioration of living conditions and loss of livelihood of local residents, delay or cancellation of infrastructure development projects, and loss of trust from stakeholders due to lack of consideration for human rights during infrastructure development projects 	<ul style="list-style-type: none"> More business opportunities in urban development driven by social needs of developing and emerging countries Reduction of social disparities and fostering of engineering talent through infrastructure projects in developing and emerging countries Increased new business opportunities due to rapid progress in DX and GX technologies Early resolution of issues faced by stakeholders by incorporating human rights responses (assessment, due diligence) into our own business 			
				② Consideration for human rights in the Group's business activities (Infrastructure development, human resource development, etc.)	Status of Human Rights Impact Assessment Study Status of response to identified risks	Solid implementation Solid implementation						
	1-2	Building a disaster-resilient future through integrated technologies and expertise	① Engagement in disaster-resilient community building, recovery, and reconstruction projects	Disaster prevention and mitigation related revenue (including revenue of recovery and reconstruction-related businesses)	¥ 16 billion		<ul style="list-style-type: none"> Revised design standards, higher maintenance costs, and delays in construction plans due to more severe and frequent natural disasters and extreme weather events Decrease in disaster prevention/mitigation projects and delay in restoration/reconstruction due to lack of government funding and political instability 	<ul style="list-style-type: none"> Increasing need for technologies to address natural disaster resilience, mitigation and recovery Increasing demand for technologies to understand and address water resource risks associated with climate change Growing need for resilience-based urban planning to cope with severe disasters 				
			② Technological development related to disaster prevention and mitigation	R&D expenditures and investments	3.2% of related revenue							
2.	2-1	Building a sustainable society through safe and stable energy supply	Promotion of renewable energy use* *Expansion of RE100 power supply business, expansion of storage battery business in Japan and Asia, promotion of regional microgrids, and renewal and augmentation of the power system, etc.	① Revenue related to the promotion of renewable energy RE100 Power Supply Business Electricity sales volume	¥ 43 billion 100GWh per year		<ul style="list-style-type: none"> Fluctuating energy prices and rising procurement costs of renewable energy Loss of business opportunities due to failure to reduce energy-related GHG emissions 	<ul style="list-style-type: none"> Growing support for a transition to renewable energy, leading to increased business opportunities Market expansion, technological innovation, and business opportunities in energy efficiency and renewable energy Progress in technologies for the practical application of next-generation energy sources that reduce environmental impact while improving operating costs 				
				② R&D and investment in renewable energy and next-generation energy	R&D expenditures and investments				15% of related revenue			
		2-2	Creating places where people and nature thrive together in harmony and happiness	① Promotion of The Good City Project* *Improvements to urban living environments, redevelopment of cities and local areas, introduction of sustainable design for public buildings	Revenue related to the Good City Project				¥ 42 billion		<ul style="list-style-type: none"> Environmental and human rights issues, loss of business opportunities, and loss of credibility among stakeholders due to lack of support for technologies and services that contribute to a circular regional economy and sustainability. 	<ul style="list-style-type: none"> Increased social demand for green buildings, zero-carbon cities, green infrastructure, etc. Increased business opportunities and funding driven by certification programmes for sustainable design, construction, operation, and community development
				② R&D related to habitable spaces Full-scale entry into sustainability-related businesses* * Decarbonisation, biodiversity, waste, human rights, well-being, etc.	R&D expenditures and investments				0.9% of related revenue			
	2-3	Addressing climate change and ecosystem recovery through smart solutions	② Nature-positive contributions (ecosystem maintenance and restoration projects, etc.)	Revenue for businesses that aim to address sustainability issues	¥ 44 billion		<ul style="list-style-type: none"> Increased fuel costs and other energy procurement costs due to internalisation of carbon pricing Loss of credibility among stakeholders due to the continuation of projects with high GHG emissions Potential loss of biodiversity due to large infrastructure projects Health-related impacts on local residents and destruction of local ecosystems linked to the generation of waste and use of hazardous chemicals by the company's own operations 	<ul style="list-style-type: none"> Monitoring and evaluation of natural capital considerations for early mitigation of potential environmental risks Increasing demand for solutions aimed at decarbonising society, such as GHG reduction Increasing demand for circular economy solutions Growing investor interest in businesses that assess and address biodiversity risks 				
				Total area of ecosystems benefiting from maintenance and restoration	Direct contribution: 5 ha Indirect contribution: 100,000 ha				Quantitative information disclosure for five major operating companies that account for more than 70% of sales			
			Status of response to TNFD recommendations for ID&E Group business operations	Status of response to identified impacts	Ensuring Responses to Identified Risks and Opportunities							
			③ Carbon-positive contributions (GHG reductions, carbon credit and offsetting-related businesses, etc.)	Contribution to GHG reduction through business activities	Direct Contribution: 36,000 (tCo2) Indirect Contribution: 1,000,000 (tCo2)							
④ Reduction of GHG emissions of the ID&E Group (TCFD compliant)	GHG (Scope 1 and 2) emissions of the ID&E Group (five major operating companies accounting for more than 70% of revenue)	42% decrease compared to FY2023										

2.3 Materiality

			Main Initiatives	Indicators	Target(FY2030)	Related SDGs	Risks and Opportunities			
							Risks	Opportunities		
3.	Innovating to address the challenges of the modern world	3-1	Creating value for our clients through our Group's unique integrated capabilities	① Entry into new markets and creation of new businesses through segment cooperation	Related revenue	¥ 10 billion	 	<ul style="list-style-type: none"> Inefficient market strategies in each segment, stifled innovation, and inefficient resource use due to increasingly complex social issues Difficulties faced by the Group around innovation and fundraising due to the complexity of social issues and technological development 	<ul style="list-style-type: none"> Increased opportunities for effective market strategies, technological innovation, and more efficient use of resources driven by collaboration among the three business segments Collaboration with external partners to create new value, expand business, and increase funding opportunities Strengthening of organisational and operational foundations through collaboration among Group companies and development of sustainable corporate activities Creation of Group-wide value creation and risk response through development of IT technologies, including Group-wide generative AI 	
		3-2	Building value through cross-industry collaboration	① Entry into new markets and creation of new businesses through cooperation, alliances and group inclusion of companies from different industries						
		3-3	Accelerating value through our market-leading research and development	① Group-wide development and utilisation of AI and other cutting-edge technologies	R&D expenditures and investments	¥ 1 billion				
4.	Building a global team with diverse perspectives	4-1	Promoting a culture of wellbeing for our people	① Realisation of DE&I focused management	Percentage of female managers	15%	  	<ul style="list-style-type: none"> Increasing labour costs due to intensified competition for talent Difficulties attracting talent and decline in corporate reputation due to delays in responding to diversification of employees Loss of human capital due to lower employee engagement with the company 	<ul style="list-style-type: none"> Creation of an environment conducive to innovation by promoting talents from a diversity of backgrounds Increase employment opportunities for a diverse workforce 	
				② Promotion of well-being focused management	Gender wage gap	80%				
		4-2	Creating opportunities for growth and career development of our people	① Developing talents who embody the ID&E Group's corporate philosophy	Highly-skilled foreign professionals	3.5%				Increase of 360 people from the end of FY2024
				② Monitoring and data-utilisation of various indicators aimed at improving employee engagement	Percentage of employees with disabilities	2.0%				
			Percentage of male employees taking childcare leave	85%	Increase of 600 people from the end of FY2024					
			Findings of health checkups	58%		1 time/year				
			Absenteeism	2.3 days	5 measures/year					
			Presenteeism	85%		5 measures/year				
			Work engagement	3.3	5 measures/year					
			Number of surveys conducted to support career development	1 time/year		5 measures/year				
			Exchange and collaboration beyond company limits	Number of exchange and collaboration measures implemented, such as: -Dispatch of employees between Group companies -Support for personnel exchange such as secondment and training -Support for collaborative research and co-creation projects with other companies or research institutions -Support for studying abroad at domestic and international universities -Encouragement of participation in academic societies and similar organisations	5 measures/year		<ul style="list-style-type: none"> Insufficient talent development leads to loss of growth opportunities and competitiveness of the company, and lack of skilled employees leads to lower customer satisfaction 	<ul style="list-style-type: none"> Improved retention rate and potential to attract new talent due to development of human resources and respect for diversity Higher job satisfaction among employees due to human resource development, leading to improved company reputation and growth 		
5.	Leadership based on integrity & technology	5-1	Fostering trust with society through our organisational culture of acting with integrity	① Permeation of corporate philosophy and thorough compliance	Implementation rate in compliance training	100%	   	<ul style="list-style-type: none"> Growing demand for corporate governance initiatives due to heightened global compliance awareness Growing data security threats due to increase in cyber-attacks and social engineering, reputational damage from cyber-security breaches and information leaks, and losses from legal proceedings 	<ul style="list-style-type: none"> Strengthened customer trust by developing a culture of ethics through employee training, effective governance structures, and internal controls Improved customer trust and satisfaction and enhanced brand image due to information security 	
				② Ensuring information security	Awareness of internal consultation channels for compliance	100%				
		5-2	Trusted quality, though innovative technology and a respect for the planet	① Providing high-quality services	Dissemination of Code of Conduct for ID&E Group to new hires	100%				Solid implementation
					Status of ongoing NIST SP 800 compliance	Solid implementation				
			Number of customer awards	-	Increase of 5 people from the end of FY2024					
			Number of professional engineers	2,400 people		<ul style="list-style-type: none"> Pressure to lower project costs and demand for inferior products and services in areas where low-cost, low-quality products and services are prioritised Poor quality in the design and construction phases, resulting in a loss of infrastructure functionality Financial losses due to defects and safety-related reworking and legal proceedings related to defects 	<ul style="list-style-type: none"> Sustainable expansion of the company through the development of new technologies and the maintenance and improvement of existing technologies Establishment of the ID&E brand through quality improvement, expansion of orders, and development of new service areas and customers 			
5-3	Actively engaging with society and stakeholders to respond to their needs		① Promoting mutual understanding with external stakeholders	Number of new PhDs obtained#	Increase of 5 people from the end of FY2024					
			② Implementation of the Action Guidelines for Stakeholder Engagement	#Number of people who obtained their degrees through in-house programmes		Solid implementation				
			Number of dialogues with external stakeholders	Solid implementation	All consolidated Group companies					
			Number of Group companies preparing and implementing action plans based on the Action Guidelines	All consolidated Group companies		<ul style="list-style-type: none"> Lack of dialogue with stakeholders leads to poor corporate decision-making, failure to spot market needs, and deterioration of corporate reputation 	<ul style="list-style-type: none"> Proper information disclosure earns trust of stakeholders Improved transparency leads to stronger collaboration with stakeholders 			

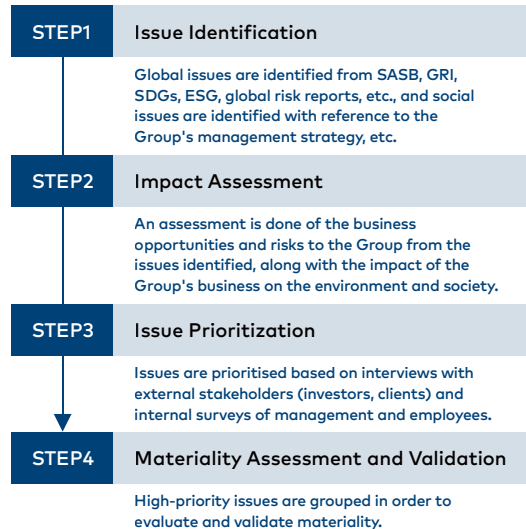
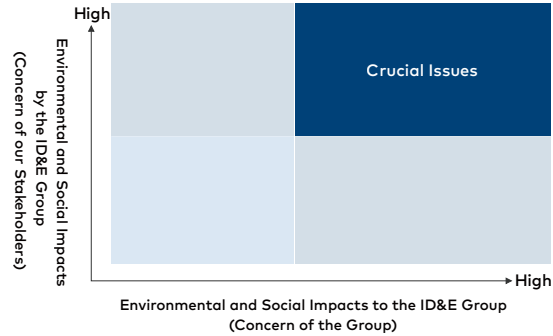
※ Rate: \$1 = ¥160.755, £1 = ¥203.195 (As of end-June 2024)

2.3 Materiality

Identification Process

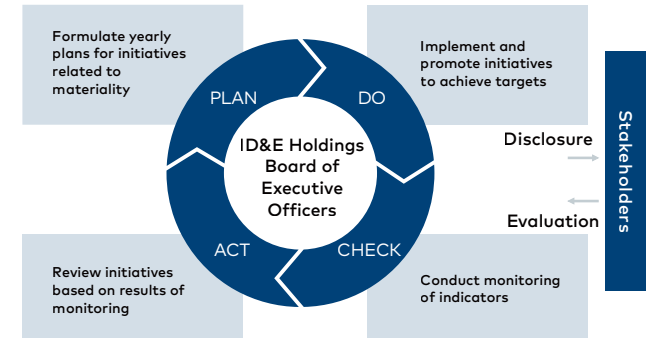
In identifying materiality issues, we incorporated perspectives on the external environment surrounding the company and on future trends, while extracting key issues to achieve our "Mission."

In determining the key themes, we applied the concept of double materiality, evaluating issues based on two axes: "Impact on the environment and society (stakeholder relevance interest level)" and "Impact of the environment and society on our Group (relevance interest level to our Group)." We then consolidated and reorganised high-priority items into five categories, which represent our Group's materiality issues.



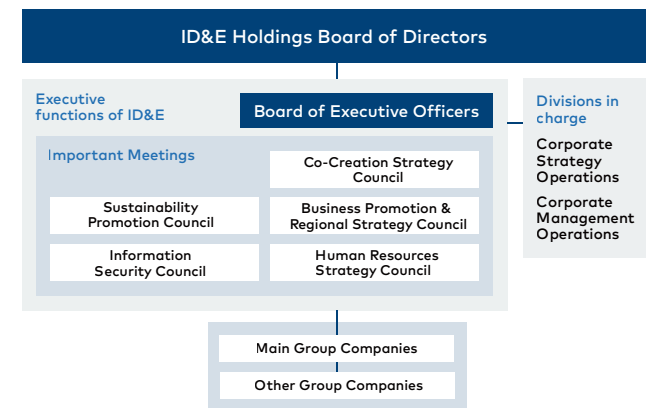
Implementation Process

Based on the PDCA (Plan-Do-Check-Act) cycle, we will regularly monitor the progress of our materialities and develop improvement measures when issues are identified. We will also promptly respond promptly to internal and external environmental changes and revise our initiatives and targets.



Structure

Under the supervision of the Board of Directors, the Board of Executive Officers will review, decide, and monitor matters related to materiality.



2.4 Stakeholder Engagement

Approach/Policy

For the ID&E Group, stakeholder engagement is key to fostering mutual understanding and responding to societal needs, which we have identified as part of our materiality. Rooted in sincerity and technology, our group management is committed to expanding the scope of dialogue and collaboration with stakeholders, in line with the guidelines established under our sustainability management framework.

ID&E Holdings Action Guidelines for Stakeholder Engagement

The ID&E Holdings Group (the ID&E Group) will address the following matters in line with our Sustainability Commitments and our Sustainability Foundational Policy.

1. Emphasis on Dialogue and Collaboration with Stakeholders

We will work with stakeholders (customers, employees, shareholders, suppliers, local residents, NGOs, governmental organizations, etc.) in an appropriate manner to identify and resolve social issues that need to be addressed, based on our understanding of current and future expectations and demands towards the ID&E Group. We will also reaffirm that fostering partnerships and networks among stakeholders will have a positive impact on our corporate activities, and we will take proactive actions and strive for mutual understanding.

2. Identification of Stakeholders

The following relevant parties have been identified as stakeholders in light of their "degree of influence on the organization," which denotes

influence on an organization's decision-making, and the "degree of dependence on the organization," which indicates dependence on an organization's business activities, products, and services, etc. In addition to these relevant parties, the ID&E Group also identifies relevant parties that have legal, commercial, sales, and ethical responsibilities, as well as relevant parties who could become aware of new perceptions and opportunities, as stakeholders according to the "degree of influence and dependence."

- Customers
- Shareholders and investors
- Business Partners (*1)
- Employees and their families
- Government/Local Authorities/Industry Associations
- Local Communities
- Academic and Research Institutions
- Beneficiaries (*2)

(*1) Companies as well as individuals that are participating in or collaborating with related businesses of the Group. (*2) People other than the relevant parties listed that directly or indirectly benefit from corporate activities and results.

3. Initiatives for Stakeholder-desired Engagement

We will continue to build relationships and communicate with stakeholders based on our understanding of their standpoints, as well as their expectations and demands towards the ID&E Group, as described in the preceding paragraph. We will also deepen the collaboration with each stakeholder by understanding the type of engagement they desire and by utilizing a variety of communication methods.

4. Disclosure of Information on Relations with Stakeholders

We will regularly disclose information on relationships with stakeholders, while monitoring the status of communications and making continuous improvements and revisions, in order to achieve the stakeholder engagement that the ID&E Group should aim for.

Initiatives and Achievements

Stakeholder engagement has led to the creation of new solutions for building a sustainable society, which in turn stimulates further stakeholder engagement.

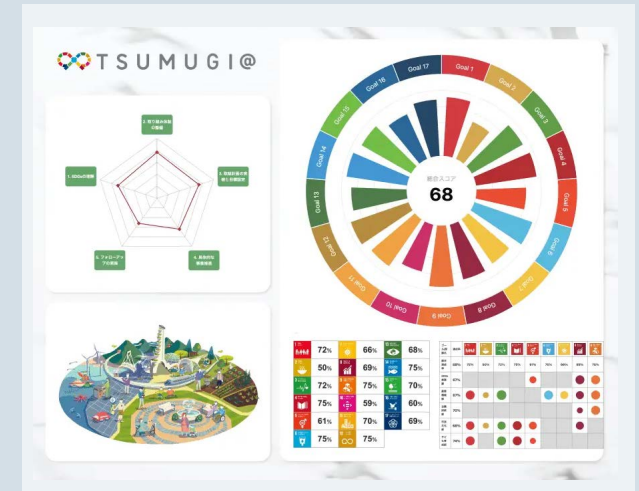
2.4 Stakeholder Engagement

KIBOH2030, TSUMUGI@: SDGs Engagement Assessment and Visualisation Tools

Our Group played a key role in developing the tools "KIBOH2030" and "TSUMUGI@," which are designed to support efforts to achieve the Sustainable Development Goals (SDGs). These tools were developed through dialogue with stakeholders. They not only enhance stakeholder engagement within our Group but also promote engagement among those using them and their stakeholders, expanding the circle of communication towards a sustainable society. "KIBOH2030" is aimed at diagnosing the current SDG initiatives of small and medium-sized enterprises (SMEs), including regional financial institutions, helping them assess their progress and reduce the time and effort needed to identify areas for improvement. "TSUMUGI@" is an SDG diagnostic tool for municipalities, helping local governments visualise their SDG efforts and develop concrete action plans for a sustainable future. Through these tools, our Group seeks to broaden the scope of stakeholder engagement that contributes to achieving the SDGs.



Diagnostic Tool for Small and Medium-sized Enterprises: "KIBOH2030"



Diagnostic Tool for Local Governments: "TSUMUGI@"

2.5 Supply Chain Management

Approach/Policy

To achieve a sustainable society, it is essential for not only our Group but the entire supply chain to work together in addressing environmental conservation, respect for human rights, labour safety, and information security measures. The ID&E Group has established the "Action Guidelines for Promoting Supply Chain Management and CSR Procurement" to share fundamental values with various stakeholders within the supply chain and deepen partnerships.

ID&E Holdings Action Guidelines for Promoting Supply Chain Management and CSR Procurement

The ID&E Holdings Group (the ID&E Group) recognises the importance of building fair and appropriate relationships with stakeholders engaged with the supply chain and procurement in accordance with our Sustainability Foundational Policy, and will work on the following listed matters.

1. Compliance with Laws, Regulations and Equivalent Social Norms, and Respect for International Norms

We will comply with laws and regulations related to our business, build sound business relationships with our business partners, and proactively strive to correct inappropriate transactions and business practices. In addition, we will also respect international norms related to our business and strive to build transparent and sound business relationships in order to appropriately accomplish our responsibilities as a global company.

2. Consideration for the Global Environment

We will aim to work with our business partners to reduce our impact on the global environment and to protect the environment by selecting globally environmentally friendly suppliers and trying hard to give priority to procurement.

3. Respect for Human Rights and Consideration for Working Environments and Workplace Safety

Based on the ID&E Group's Basic Policy on Human Rights and its Action Guidelines, we respect human rights throughout the supply chain and promote procurement that takes into consideration management of Health, Safety and Environment (HSE).

4. Strict Control of Information

(1) Information assets acquired in the procurement process will be strictly managed based on the ID&E Group Basic Policy on Information Security.
(2) We will make every effort to ensure information security and improve the reliability of the entire supply chain.
(3) Every officer and employee will strive to ensure the safety and reliability of information assets and earn the trust of stakeholders.

5. Efforts to Promote CSR Procurement in the Entire Supply Chain

In cooperation with our business partners that constitute our supply chain, we will build a procurement system that raises understanding of our Action Guidelines and promote procurement based on Corporate Social Responsibility (CSR procurement) throughout our supply chain.

Analysis of Business Structure Across the Entire Supply Chain

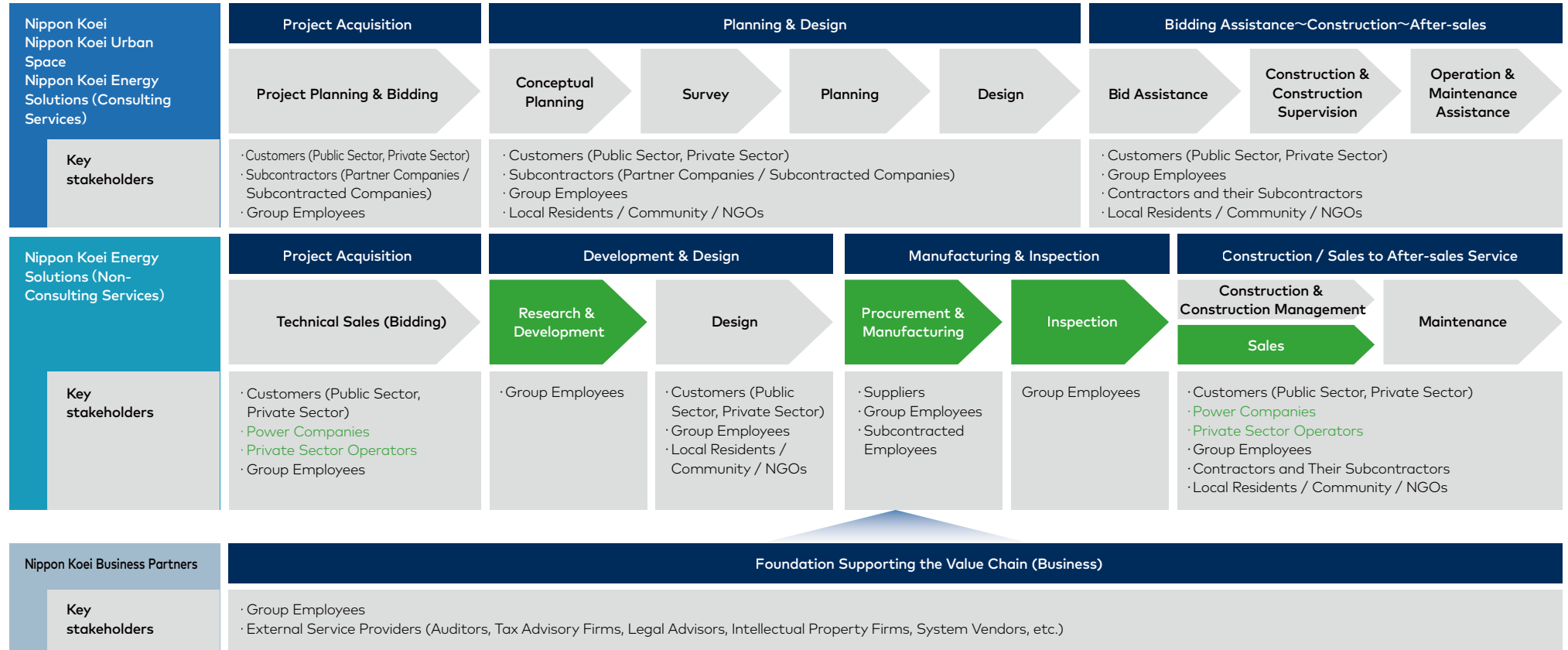
To identify stakeholders within the supply chain, our Group has conducted an analysis of its business structure, which has been organized as shown in the following diagram. In the consulting business, partner companies involved in the early stages of planning and promotion, and contractors and their subcontractors during the implementation stage, serve as key stakeholders.

In the energy business, the operation of hydropower plants, as well as the manufacturing of turbines, generators, and various transformer devices, involves collaboration with power companies, suppliers, and other stakeholders.

Based on this analysis, our Group is committed to working with all stakeholders in our supply chain to strengthen efforts toward environmental protection, respect for human rights, labour safety, and the promotion of CSR in procurement. Particularly regarding human rights within the supply chain, our Group will ensure the steady implementation of human rights due diligence based on our Group's "Human Rights Foundational Policy" and "Action Guidelines for Human Rights." For more information, please refer to section 4.1 on Human Rights.

2.5 Supply Chain Management

The overall structure of the business, including suppliers, was analysed across the Value Chain, organising rights holders and stakeholders.



➡ Energy Sector-specific Processes

Green text: Energy Sector-specific Stakeholders

2.5 Supply Chain Management

Initiatives

Regular Meetings of the "Health and Safety Committee" Including Partner Companies

At Nippon Koei Energy Solutions, the "Health and Safety Promotion Committee" is held monthly, including partner companies as well. During these meetings, "best practices" and "near-miss or close-call incidents" from various sites are shared in detail, using diagrams and photographs. These are then communicated during morning meetings and displayed at the worksites to raise safety risk awareness. Additionally, the committee selects a monthly safety slogan to reinforce safety consciousness.



The "Health and Safety Committee" Including Partner Companies.

Participation in Supply Chain Management Initiatives

1. Global Compact Network Japan's "Supply Chain Working Group"

Since June 2019, the ID&E Group has been a participant in the United Nations Global Compact, and it is also a member of the local network, "Global Compact Network Japan." The Group participates in the "Supply Chain Working Group," where member companies and organisations exchange views, share information, and discuss solutions related to supply chain management, aiming to strengthen their efforts in this area.

2. Partnership Building Declaration

In June 2023, Nippon Koei expressed its agreement with the "Partnership Building Declaration" advocated by the Japanese Government's Cabinet Office and the Small and Medium Enterprise Agency, committing to fostering collaboration and mutual prosperity with its business partners. Nippon Koei declared its intention to build new partnerships from the standpoint of the "procuring party."

The declaration clearly commits to: (1) pricing methods, (2) payment terms, such as promissory notes, (3) intellectual property and know-how, and (4) ensuring that work style

reforms do not place undue burdens on partners. The company places particular emphasis on compliance with the Subcontract Act, promoting thorough awareness within the company and continuing efforts to build strong partnerships with its business partners.



Partnership Building Declaration

3 Environment

Since its establishment, the ID&E Group has been committed to contributing to the development of a sustainable society by undertaking numerous projects and initiatives aimed at improving and creating a better "natural environment" as well as "social environment."

In alignment with various policies and action guidelines in the environment domain, we will continue to advance sustainability management. Among the wide-ranging environment fields, this report covers the following topics:

3.1 Environmental Management	P27
3.2 Climate Change / Realisation of a Decarbonised Society	P31
3.3 Biodiversity Conservation and Natural Capital	P41
3.4 Resource Circulation	P45
3.5 Water Resource Conservation / Pollution Prevention	P48
3.6 Consideration for the Environment in Services and Products	P54

3. Environment

Since its founding, the ID&E Group has aimed to contribute to the development of a sustainable society, engaging in numerous businesses and projects focused on the improvement and creation of both the “natural environment” and the “social environment.” In the new prioritised issues representing our materiality announced in August 2024, we reaffirmed our commitment to environmental action by designating “Cultivating a beautiful and habitable planet” as a key business focus. We will continue to promote sustainability management in the environmental sector in accordance with the “ID&E Holdings Environmental Activity Policy” and the associated action guidelines.

ID&E Holdings Environmental Activity Policy

The ID&E Holdings Group (the ID&E Group) has set an Environmental Activity Policy with the recognition that addressing global environmental issues is a core issue in the sustainability management of the ID&E Group, as we aim to achieve both “contribution to the development of a sustainable society” and “creation of corporate values for the ID&E Group.”

1. ID&E Group’s Basic Stance on Environmental Issues

The ID&E Group will sincerely fulfil its accountability for the Group’s environmental management through compliance with environment-related laws and regulations, reduction of the environmental impact with regard to corporate activities, improvement of the knowledge and awareness of officers and employees needed for environmental consideration, and dialogue and disclosure of information with stakeholders in relation to environmental issues.

Furthermore, we will utilise our experience, technologies, human resources, and networks that over many years have contributed to the development of environment-related social capital around the world to take on the challenge of the development of businesses that are conducive to the realisation of a sustainable global environment even more actively than before with technology as our main pillar.

2. Priority Issues Concerning Environmental Activities

The ID&E Group has positioned the following six themes that are of great concern for society as having a significant impact on the sustainable global environment as environmental issues to be addressed with priority.

- Environmental management
- Climate change/realising a decarbonised society
- Natural environment/biodiversity preservation
- Realisation of a circular society
- Conservation of water resources
- Management of chemical substances

Based on the “ID&E Holdings Environmental Activity Policy,” we have formulated the following action guidelines for prioritizing environmental issues.

- Action Guidelines for Environmental Management
- Action Guidelines for Climate Change/ Realising a Decarbonised Society
- Action Guidelines for the Conservation of the Natural Environment and Biodiversity
- Action Guidelines for Realising a Circular Society
- Action Guidelines for the Conservation of Water Resources
- Action Guidelines for Chemical Substance Management

3.1 Environmental Management

Approach/Policy

For the ID&E Group, which upholds the management philosophy of "Act with integrity and contribute to society through technology and engineering" "Environmental Management" is, along with "Quality Management," a core issue that supports ID&E's sustainability management. Our Group aims to balance environmental conservation and footprint reduction with the provision of high-quality services, and we strive to achieve sustainable and effective "Environmental Management" in accordance with the "Action Guidelines for Environmental Management."

ID&E Holdings Action Guidelines for Environmental Management

The ID&E Holdings Group (the ID&E Group), taking into account the Group's Environmental Activity Policy, has set its Environmental Management Action Guidelines as a common guideline for the environmental activities of the ID&E Group from the point of view of sustainability management.

1. Foundational Recognition

With the awareness that we are a group acting globally, we strive to develop and provide technological services and products that are in harmony with society and nature, and contribute to the conservation and betterment of a sustainable global environment while deepening our partnerships with relevant countries, organizations, and the public with an understanding of international norms and the environment regulations of each country.

2. Linkage with Environmental Management Systems

Environmental management systems are a mechanism that has a high affinity with the specific implementation of sustainability management in the environmental field, and therefore, we will build a mutually complementary relationship between sustainability management and environmental management systems and fulfil our accountability in relation to corporate management and environmental conservation efforts.

3. Environmental and Social Considerations

When ID&E Group companies are involved in projects in Japan or overseas, we will proactively propose to our clients and business partners detailed consideration and environmental conservation measures in accordance with the local natural and social environment, and aim to reduce the environmental impact of our projects.

4. Fostering Trusting Relationships with Stakeholders

The ID&E Group will come to a mutual understanding of environmental issues with stakeholders in relation to the Group's environmental activities, disclose policies, action plans, objectives, data, etc., in relation to efforts on these issues, and strive to build relationships of trust with stakeholders.

5. Raising Environmental Awareness

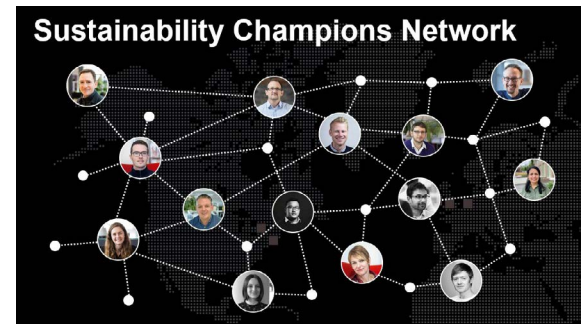
We will provide all officers and employees with opportunities for environmental training to raise their awareness. In addition, we will also proactively conduct environmental management activities in our daily work and daily activities as a global member that is supporting the future of the earth.

6. Comprehensive Approach to Environmental Issues

Recent environmental issues have greatly expanded, such as climate change countermeasures, biodiversity conservation, the formation of a recycling society, and consideration for society and culture, and all of these are both multilayered and intertwined. The ID&E Group understands that each of these environmental issues has a reciprocal impact, and that measures have to be taken to ensure that efforts to resolve each issue have a synergy effect with each other.

Management

Our Group operates a "Quality and Environmental Management System" and many Group companies comply with ISO9001 and/or ISO14001. This is to ensure not only the quality of our business activities but also to actively address environmental considerations. By responding with integrity to the risks and opportunities related to quality and the environment that arise from our business activities, we aim to improve quality, enhance customer satisfaction, and fulfil our social responsibility through environmental awareness. In order to achieve continuous reduction in environmental impact within the "Quality and Environmental Management System," we are raising awareness by linking our business activities with the SDGs and visualising our environmental achievements. BDP has also developed a network of Sustainability Champions that work with project teams to set and monitor project-specific sustainability goals.



3.1 Environmental Management

Activities and Achievements

(1) Raising Environmental Awareness

Various programmes are being implemented within our Group companies to enhance employees' environmental awareness. The most notable examples include:

- ID&E: Environmental education programmes are being implemented for employees within the Group through the ID&E Global Academy. For details, please refer to section 4.2 on Human Capital Management.
- BDP: "Sustainability in Action" is a monthly communication sent to all staff, covering a wide range of sustainability and environmental topics. "BDP Life" is also a quarterly forum where management and employee representatives discuss issues related to the company and how to address them. At regular times throughout the year, environmental issues are presented and discussed.
- Nippon Koei Energy Solutions: The Yokohama Technical Centre conducted a lights-off event within the office floors as part of Earth Day activities on April 22nd.
- NIPPON KOEI LAC. INC. (NKLAC): NKLAC promotes the best practices sharing, which give positive impact toward waste management, energy efficiency and carbon dioxide emission among Group companies and affiliated foothold. Online lecture and online training concerning the quantitation of GHG have also been designed and conducted from its offices in Colombia and Panama.

(2) Comprehensive Initiatives

Complex environmental issues, such as climate change, biodiversity, and waste management, require a holistic

approach rather than discrete responses. Our Group provides various solutions aimed at addressing these interconnected challenges.

Smart Eco Industrial Park 3D Data Platform

At the Long Duc Industrial Park in Vietnam, our Group is advancing the "Smart Eco Industrial Park 3D Data Platform." This initiative involves the integration of solar power generation system, battery storage system,

and an Energy Management System (EMS) into a virtual power plant (VPP), and the construction of a cross-sector data platform. This supports maximisation of renewable energy, improved energy efficiency, productivity enhancement, and reduced environmental impact, aiming to achieve smart industrial park operations.

Overview of the sector-wide data platform



The cross-sector data platform collects and analyses all real-time data within the industrial park using 3D modelling. This enables real-time monitoring and future simulation of the park's operations, supporting decision-making for park management. Our Group is contributing to comprehensive responses to environmental challenges through initiatives such as the Smart Eco Industrial Park at Long Duc. These experiences also support the expansion of the smart city business and provide a new model for sustainable urban development.

3.1 Environmental Management

Hikone Castle Green Slow Mobility Social Experiment

Nippon Koei Urban Space supported the implementation of the "Hikone Castle Green Slow Mobility Social Experiment." The aim of this project is to reduce the entry of private vehicles around Hikone Castle, alleviate congestion, promote environmental preservation in the surrounding area, and boost tourism. Nippon Koei Urban Space has continuously supported the planning, evaluation, and management of this social experiment. In the social experiment involving "Green Slow Mobility," a low-carbon, sustainable, and environmentally-friendly transportation service was trialled, using electric vehicles (EV buses) that travel at speeds under 20 km/h. These initiatives contribute to reducing CO₂ emissions, protecting biodiversity, and revitalising the local economy.

The data obtained through the social experiment will serve as important indicators for future environmental policies and urban planning.

This initiative provides a valuable case study, demonstrating the positive environmental impact that can serve as a reference for other regions.



Bus in trial operation

The Good City

Our Group has launched "The Good City" initiative to realise our mission of "Making the World a Better Place."

Urban areas accommodate 56% of the world's population, generate 85% of its Gross Domestic Product (GDP) but are also responsible for 70% of its CO₂ emissions. Too many cities are congested and polluted, they are car dependent with ineffective public transport, and they fail to provide good housing and quality of life to all their residents.

However, cities also hold the key to solving many of the issues we face. Instead of focusing narrowly on technical aspects like smart cities, our Group takes a holistic, cross-sectoral approach to provide comprehensive solutions that address urban challenges in a one-stop service.

Cities vary hugely in their size, function, culture and geography but they all face the following ten issues even if the solutions may not always be the same. In "Good City," we have defined our views on each of these issues and our ideal vision for them.

Nippon Koei, BDP and other members of ID&E Group have extensive expertise in urban and consulting services and working with cities across the world and independent experts to explore the crucial issues facing cities. As



Issues of cities as defined by "The Good City"

part of "The Good City" initiative, we have also launched "The City Observatory", which focuses on cities around the world and research best practices for creating good cities. The initial programme is working with 10 cities.

3.1 Environmental Management

■ Details of the “10 issues” for cities as defined by “The Good City”

Issues of cities	Our views	Five ‘Good City’ Solutions	
1. Bringing people together	The primary function of cities is to bring people together. In a world of social media and online meetings, face-to-face contact still matters.	<ul style="list-style-type: none"> • Understanding urbanism • Walkable neighbourhoods • Encouraging a mix of uses 	<ul style="list-style-type: none"> • Welcoming public realm • Sustainable density
2. Getting around	The Good City needs to move people around efficiently. A city is too big for all of this to be done via walking and cycling, the Good City needs efficient public transport and a plan for cars.	<ul style="list-style-type: none"> • Future urban mobility • Development around transit stops • Multi-modal transfer 	<ul style="list-style-type: none"> • Minimising car use • Street for everyone
3. Well designed	Every aspect of the Good City is designed; from its strategic and neighbourhood plans, to its buildings, transport systems, infrastructure, public realm, lighting, street furniture and interiors.	<ul style="list-style-type: none"> • Well planned • Quality master plans • Beautiful buildings 	<ul style="list-style-type: none"> • Respect for heritage • Welcoming and safe public realm
4. Clean and non-polluting	The scale and intensity of cities puts strain on natural systems as well as impacting on public health. The Good City should have clean air and rivers and be efficient at disposing its waste.	<ul style="list-style-type: none"> • Waste to energy • Clean air strategies • Recycling systems 	<ul style="list-style-type: none"> • Water supply systems • Sanitation systems
5. Zero carbon	Cities accommodate 56% of the world’s population but are responsible for 70% of its CO2 emissions. The Good City must therefore be zero carbon ready.	<ul style="list-style-type: none"> • Decarbonisation of power generation • Smart energy networks 	<ul style="list-style-type: none"> • Energy efficiency buildings • Energy storage • City digital twins
6. Quality of life	The primary role of the Good City is to provide its people with a good place to live in communities that are diverse and supportive, healthy and safe.	<ul style="list-style-type: none"> • Quality Housing • Better healthcare and education • Inclusive design 	<ul style="list-style-type: none"> • Empowering communities • Play and recreation
7. Nature based solutions	The Good City is a green city providing healthier, more biodiverse, climate resilient, equitable places to live and work that contribute to a sustainable city.	<ul style="list-style-type: none"> • Biodiversity net gain • Cooling effects • Flood alleviation 	<ul style="list-style-type: none"> • River regeneration • Planning, policy and design guides
8. Resilient	In a changing world the Good City must be resilient, able to cope with both gradual change and extreme events caused by climate change or other natural or human-made disasters.	<ul style="list-style-type: none"> • Disaster prevention • Flood risk assessment • Resilient buildings 	<ul style="list-style-type: none"> • Resilient structures • Smart city systems
9. Flexible and responsive	The Good city is not sufficient enough by just being optimal to deal with current situation and so, it must be able to flex and evolve to deal with whatever tomorrow brings.	<ul style="list-style-type: none"> • Loose fit urbanism • Mix use quarters • Flexible spaces 	<ul style="list-style-type: none"> • Adaptive re-use • Big data
10. Prosperous + successful	The Good City is a prosperous city that provides a living to its citizens and contributes to the success of the national economy.	<ul style="list-style-type: none"> • City renaissance • Urban regeneration • Retail mixed use 	<ul style="list-style-type: none"> • Workplace • Science and technology



The launch was presented to customers during a private showcase hosted by ID&E in Kuala Lumpur, Malaysia.



Launch events for The Good City were held for internal staff at BDP's London studio

3.2 Climate Change / Realisation of a Decarbonised Society

Approach/Policy

Addressing climate change and realising a decarbonised society are among the most significant challenges that ID&E Group can contribute to through its business activities, leveraging the technologies it has cultivated since its foundation. With this recognition, we have established the "Action Guidelines for Climate Change/ Realising a Decarbonised Society". In line with international initiatives, we will ensure appropriate accountability and collaborate with various stakeholders to comprehensively and proactively drive efforts towards the realisation of a decarbonised society.

ID&E Holdings

Action Guidelines for Climate Change/Realising a Decarbonised Society

Based on the Group's Environmental Activity Policy, the ID&E Holding Group (ID&E Group) will address the following listed matters.

1. Responding to the Recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures)

As a corporate group involved in the provision of technological services and business operations connected to climate change / realising a decarbonised society, the ID&E Group supports the TCFD Recommendations. This is an international framework that was established for the purpose of accelerating action against climate change through corporate disclosure of information on climate change. We will continue to appropriately disclose information based on the four items of governance, strategy, risk management, and metrics and

targets. Based on our experience in disclosing information based on the TCFD Recommendations, we will steadily prepare for dealing with new international frameworks and initiatives, such as the disclosure standards of the International Sustainability Standards Board (ISSB).

2. Comprehensive Efforts for Climate Change/Realising a Decarbonised Society

(1)Efforts of the ID&E Group towards decarbonisation
The ID&E Group will sincerely fulfil its accountability in regards to climate change measures in order to achieve the goals of the Paris Agreement adopted at the 21st Conference of Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC). Specifically, we aim to reduce Scope 1 and 2 greenhouse gas-equivalent emissions from our consolidated subsidiaries, which exceed more than 70% of the ID&E Group's sales, to net zero by 2030. This will be achieved through measures such as CO₂ absorption and fixation, emission reduction, etc., including purchase of credits.

(2)Contributions of the ID&E Group toward realising a decarbonised society
We will accelerate mitigation measures to absorb and fix greenhouse gas emissions and reduce the volume of emissions, and furthermore proactively work on adaptation measures to prepare for the impact of climate change. In fields such as urban development, transportation, forest conservation, renewable energy, and disaster reduction/prevention, we will bring together the ID&E Group's technologies that have been accumulated over many years with innovative technologies to provide solutions from both perspectives of mitigation and adaptation. We will also contribute to accelerating the transition to a decarbonised society through the effective operation of the carbon pricing mechanisms.

3. Comprehensive Efforts for Biodiversity, Water Resource Conservation and Resource Recycling

Taking into consideration that appropriate responses to climate change will lead to solutions for various environmental issues such as biodiversity, the conservation of water resources, resource circularity,

etc., we will comprehensively make efforts on all of these issues with climate change measures set at the core.

4. Climate Change Measures that Take into Account the Entire Supply Chain

Considering the importance of reducing greenhouse gas emissions throughout the entire supply chain, we will deepen dialogue with relevant stakeholders and strive against climate change by sharing our goals.

Efforts Towards TCFD Recommendations

For globally expanding Group, addressing climate change is both a risk and an opportunity. Based on the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, we will continue to make efforts to clearly communicate to all stakeholders the impacts that climate change has on our Group's business activities.

Governance

As described in section "2.2 Structure", we are promoting sustainability initiatives related to climate change. However, given that the Sustainability Promotion Council addresses a wide range of topics, it has been challenging to focus solely on discussions regarding climate change. Going forward, we will establish a specialised committee dedicated to climate change, which will work on detailed discussions and the implementation of climate change-related practices.

3.2 Climate Change / Realisation of a Decarbonised Society

Strategy

● Definition of Scenarios

Our Group has selected the "SSP1-1.9 (below 1.5° C scenario)" and "SSP5-8.5 (4° C scenario)" from the "Intergovernmental Panel on Climate Change" (IPCC) as the baseline scenarios for scenario analysis.

The below 1.5° C scenario assumes that decarbonisation will be maximally promoted under sustainable development, with strengthened environmental policies and regulations aimed at achieving carbon neutrality by 2050. This scenario envisages the introduction of carbon taxes and the mainstreaming of renewable energy as the primary energy source.

On the other hand, the 4° C scenario assumes development based on dependence on fossil fuels, without the introduction of mitigation measures such as reductions in greenhouse gas emissions. Compared to the below 1.5° C scenario, this scenario envisages a significant increase in the scale and frequency of natural disasters.

Based on these scenarios, our Group has analysed medium- and long-term risks and opportunities related to climate change factors that affect our business. We have consolidated and disclosed the risks and opportunities that are of the highest priority for our Group.

● Scenario Analysis

The scenario analysis conducted for FY2024/06 focused on our company and five main Group companies: Nippon Koei, Nippon Koei Urban Space, BDP, Nippon Koei Energy Solutions,

and Nippon Koei Business Partners. These five main Group companies represent approximately 71% of our Group's total revenue (as of FY2023/06).

In the scenario analysis process, we successfully identified common risks and opportunities across all five companies. However, while company-specific risks and opportunities with significant impact were present, the extraction, analysis, and evaluation of these risks and opportunities were not fully considered. Moving forward, we will review the methods for identifying, analysing, and evaluating risks and opportunities for each company, and will enhance the scope of our disclosures. Additionally, we will work towards expanding the

range of companies covered by this analysis.

Furthermore, we have conducted a financial impact assessment on quantifiable risks and opportunities (Table 3). This assessment was carried out in consultation with stakeholders from each segment. However, due to the ongoing development of common definitions related to climate change related costs and revenue across the Group, slight discrepancies arose between the companies and segments in terms of the definitions and aggregation methods related to climate change responses. We will improve the clarification of climate change-related costs and revenue by establishing and implementing common definitions within the Group.

■ Table 1: Climate-Related Risks, and Countermeasures

Risk Types		Risk Details	Timeframes	Impact on Business and Finance		Countermeasures
				1.5°C	4°C	
Transition Risks	Policy and Legal	• Increased energy procurement costs, such as fuel costs, due to carbon pricing.	Long-term	Low	–	<ul style="list-style-type: none"> • Transition to and insourcing of renewable energy (ID&E RE100) • Comprehensive promotion of energy-saving measures • Carbon footprint-conscious design and construction management • Promotion of research and development for environmental impact reduction
		• Higher costs for acquiring carbon credits.	Long-term	Low	–	
		• Increased utility and vehicle costs due to the introduction of carbon pricing	Long-term	Low	–	
		• Increased operational costs from the implementation of carbon pricing	Long-term	Low	–	
Physical Risks	Chronic	• Indirect operational cost increases due to the introduction of policies and regulations.	Long-term	Low	–	<ul style="list-style-type: none"> • Promotion of energy-saving equipment and devices to reduce utility costs through reduced energy consumption • Mitigate vehicle expenses through the introduction of fuel saving EVs • Streamlining operations through AI adoption
		• Increased electricity and water consumption due to rising temperatures.	Ultra-long-term	Low	Low	
		• Disruptions to employee access to offices and project sites caused by extreme weather events.	Ultra-long-term	Medium	Medium	

* Timeframe: Short-term (2024), Medium-term (~2027), Long-term (2030), Ultra-long-term (2030~)

* Impact on Business and Finance: Low (JPY10m), Medium (JPY10m to JPY100m), High (JPY100m or more)

* For transition risks, the company examines items impacted by policies and market changes implemented by governments to limit global warming to below 1.5° C (transition risks under the 4° C scenario are not considered).

* For physical risks, the company evaluates items impacted by temperature increases under the 1.5° C and 4° C scenarios. Qualitative assessments of business impacts for 2030 and 2050 are conducted, with significant differences observed by 2100.

3.2 Climate Change / Realisation of a Decarbonised Society

■ Table 2: Climate-Related Opportunities and Countermeasures

Opportunity Types	Opportunity Details	Timeframe	Impact on Business and Finance		Countermeasures
			1.5°C	4°C	
Resource Efficiency	• Reduction in energy-related costs through the introduction of subsidy programmes.	Medium-term	Low	—	• Reduction of costs for renewable energy and energy-efficient facilities through subsidies under GX promotion. • Enhanced information disclosure to meet disclosure requirements for subsidy utilisation.
Products and Services	• Expansion of investment opportunities in renewable energy.	Medium-term	High	—	• Promotion and development of hydropower projects (small-scale hydropower and pumped hydro storage). • Business development leveraging battery-related technologies (e.g. development and operation of demand-supply management systems).
Physical Opportunities	• Supporting the development of regional circular and ecological spheres by leveraging local characteristics.	Medium-term	High	—	• Further promotion of decarbonisation support in urban development. • Application of the company's know-how and technologies to support "Regional Circular and Ecological Spheres" in urban development. • Expansion of smart city-related services.
	• Increased orders for renewable energy-related projects.	Medium-term	High	—	• Identifying demand for renewable energy facilities. • Strengthening sales structures to capture demand in response to the growing need for renewable energy facilities. • Promotion of technological development for renewable energy.
	• Rising demand for infrastructure construction, maintenance, and repair for disaster prevention, mitigation, recovery, and reconstruction due to natural disasters and rising sea levels.	Long-term	High	High	• Active support for infrastructure development needs related to disaster prevention, mitigation, recovery, and reconstruction overseas. • Rapid response to demand changes driven by national resilience policies.
	• Increased order opportunities associated with enhancements to power generation and transmission infrastructure.	Long-term	High	High	• Strengthening sales structures to capture demand in response to increasing equipment needs. • Promoting renewable energy introduction in Japan through the acquisition of cutting-edge international information and technologies.
Market	• Rising needs for the development of new products or services driven by research, development, and innovation.	Long-term	High	High	• Manufacturing and developing decarbonisation products and services by utilising new technologies. • Reducing manufacturing costs through the use of new technologies.
	• Improved profitability due to diversified consumer behaviour and increased awareness of environmental issues, leading to increased demand for new environment-related services.	Long-term	High	High	• Understanding environmental demand. • Expansion of existing GX and sustainability-related businesses. • Promotion and development of green infrastructure and renewable energy projects in line with demand. • Transparent communication the company's initiatives and track record. • Monitoring trends through participation in the GX League.
	• Expansion of customer preference by contributing to GHG emissions reduction for clients through decarbonisation-related services.	Long-term	High	High	• Investment in and development of low-carbon technologies for green infrastructure and policy support. • Strengthening proposal capabilities to client companies and local governments that are actively addressing climate change.

* Timeframe: Short-term (2024), Medium-term (~2027), Long-term (2030), Ultra-long-term (2030-)

* Impact on Business and Finance: Judged on the same scale as risks.

* Opportunities are evaluated for items impacted by policies and market changes by governments aiming to limit global warming to below 1.5° C (transition risks and opportunities under the 4° C scenario are not considered).

* Opportunities are also evaluated for items impacted by temperature increases and their implications for the company.

3.2 Climate Change / Realisation of a Decarbonised Society

■ Table 3: Financial Impacts of Climate-Related Quantifiable Risks and Opportunities

Risk Types		Risk Details	Method for Calculating Financial Impact	Financial Impact	
				1.5°C	4°C
Transition Risks	Policies and Regulations	Increase in fuel and energy procurement costs due to the incorporation of carbon pricing	Scope 1 emissions (energy sources) for FY2023 × growth rate × carbon price	0.5 million yen/year ~ 4.3 million yen/year	—
		Increase in utility and vehicle costs due to the introduction of carbon pricing	Utility costs (electricity) for FY2023 × growth rate × rate of change in electricity prices	9.7 million yen/year	—
Physical Risks	Chronic	Disruption of employee access to offices and project sites due to extreme weather events	Total maximum historical damage costs × growth rate × occurrence probability	3.5 million yen/year ~ 15 million yen/year	7 million yen/year ~ 30 million yen/year

Opportunity Types	Opportunity Details	Method for Calculating Financial Impact	Financial Impact	
			1.5°C	4°C
Products and Services	Expansion of Orders for Renewable Energy-related Projects	Revenue from renewable energy-related projects in FY2023 × (parameter for 2030 - growth rate)	1,500 million yen/year ~ 2,200 million yen/year	—
	Increased Demand for Infrastructure Construction, Maintenance, and Repair for Disaster Prevention, Mitigation, Recovery, and Reconstruction Due to Natural Disasters and Rising Sea Levels	Revenue from infrastructure-related projects in FY2023 × (parameter for 2030 - growth rate)	8,700 million yen/year	—
	Increased Order Opportunities Due to Enhancements in Power Generation and Transmission Facilities	Revenue from power generation and transmission-related projects in FY2023 × (parameter for 2030 - growth rate)	2,100 million yen/year ~ 5,500 million yen/year	—

* Financial Impact Amounts represent estimated figures for FY2030 (risks as costs, opportunities as revenue).

* Target Organisations: Main Group companies that conducted scenario analysis

* Key Parameters Used: Our Group's long-term management strategy (growth rates), IEA Net Zero Emissions by 2050 Scenario, IPCC RCP2.6 Scenario, IPCC RCP8.5 Scenario.

● Measures to Address Risks

In anticipation of potential future risks, such as the rise in carbon pricing, our Group launched a demonstration project, "NKRE100", in July 2023. This project supplies 100% renewable energy to three locations, including our Group headquarters, using electricity from our self-operated hydropower plants. This initiative marks the start of expanding NKRE100 into ID&E RE100 to locations in Japan within our Group, as well as expanding services such as procurement of electricity derived from renewable energy suited to regional characteristics and the introduction of renewable energy generation facilities. In the future, we plan to offer services including the aggregation of other companies' renewable energy sources, local production and consumption of renewable energy, energy demand-supply management, and electricity trading.

Risk Management

Our Group recognises the risks (including opportunities) arising from climate change as a critical management issue. Matters related to climate change, natural capital, and biodiversity are incorporated alongside financial risks and other areas, with the Sustainability Promotion Council at the core, to gather and analyse information and develop our Group's policies and action plans.

► For details on the risk management process, please refer to 5.3 Risk Management

3.2 Climate Change / Realisation of a Decarbonised Society

Metrics and Targets

Our Group monitors greenhouse gas emissions resulting from business activities and evaluates the impact on management. In line with the scenario analysis, we have calculated the CO₂ emissions for Scope 1, Scope 2, and Scope 3 for FY2023/06, covering the Main Group Company. As this was the first year of calculation, many items had to be estimated using financial data to derive greenhouse gas emissions from monetary values. We are now working on reviewing the data collection

and calculation methods to better understand the precise greenhouse gas emissions. Moving forward, we will gradually expand the calculation scope and, through the regular quantification of greenhouse gases using the quantitative platform introduced in July 2024, work towards reducing emissions.

● Transition Plan

The Main Group Company have set their reduction targets for Scope 1 and Scope 2 emissions at the same level as Science-

Based Targets (SBT) by FY2030. The reduction target for Scope 3 is currently under development. Moving forward, we will proceed with SBT certification and commitment to reduction targets while expanding the sites where renewable energy is introduced to further reduce Scope 2 emissions. Additionally, we will work to enhance disclosures in line with the four key information disclosure elements required by the TCFD recommendations.

■ GHG Emissions of Main Group Company of ID&E Holdings

Category	FY2023 Emissions (t-CO ₂)	FY2024 Emissions (t-CO ₂)
Scope1	1,038	997
Scope2	4,460	2,425
Scope1, 2	5,498	3,422
Scope3	68,275	102,897

* The emission figures for both fiscal years are under review, and adjustments are expected.

* For Scope 1 emissions, only confirmed values from mobile emission sources are included, and increases are expected as additional data is accounted for.

* For Scope 1 emissions in FY2024, the mobile emission source data for Nippon Koei is based on FY2023 figures.

* For Scope 3 emissions under Category 5 (waste-related emissions), data from Nippon Koei's sites has not been fully incorporated.

■ 2030 Reduction Targets Based on the Transition Plan

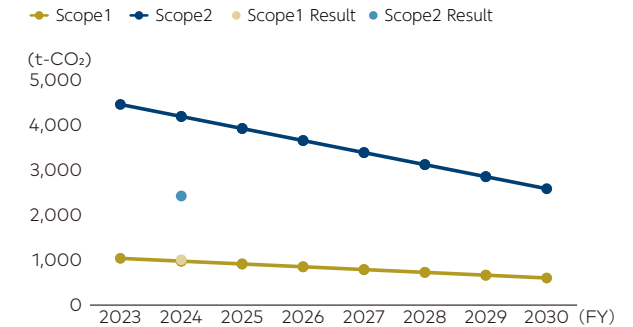
Category	Baseline Year (FY2023) Emissions (t-CO ₂)	FY2030 Emissions (t-CO ₂)	Reduction Rate (Average Annual Reduction Rate)
Scope1	1,038	602	42%(6%)
Scope2	4,460	2,587	42%(6%)
Scope1, 2	5,498	3,189	42%(6%)

* The total values for Scope 2 and Scope 1, 2 are market-based emissions figures

* The lines indicate permissible emission levels if reductions are made in alignment with SBT standards.

* By FY2030, a 42.0% reduction in Scope 1 + 2 emissions compared to the baseline year FY2023 is required, corresponding to an average annual reduction rate of 6.0%. SBT requires linear reductions; therefore, our transition plan also assumes linear reductions.

* For Scope 2 emissions, expansion of the ID&E RE100 initiative is expected to enable achievement of the targets.



3.2 Climate Change / Realisation of a Decarbonised Society

Initiatives and Achievements

In addition to "mitigation" measures aimed at absorbing, sequestering, and reducing greenhouse gas emissions, our Group is also actively engaging in "adaptation" measures to prepare for the impacts of climate change. By integrating long-standing technologies with innovative solutions in areas such as urban development, transport, forest conservation, renewable energy, and disaster prevention and mitigation, we provide comprehensive solutions that address both "mitigation" and "adaptation."

(1) Mitigation

Belgium Large-Scale Battery Storage Project and Akita Prefecture Energy Supply Base Project
NIPPON KOEI ENERGY EUROPE B.V. (NKEE) is constructing and operating a large-scale grid battery storage system in Ruien, Belgium, with an output of 25 MW and a capacity of 100 MWh. This project is aimed at ensuring stable grid operation in response to the growing integration of renewable energy. NKEE oversees the project from planning to operation.

Additionally, in collaboration with the Belgian aggregator YUSO, NKEE provides aggregation services that enable electricity trading in the market.

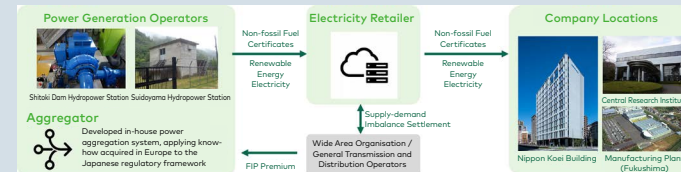
Building on the NKEE's expertise in "renewable energy + battery storage + energy management systems (EMS)" developed in Europe, Nippon Koei Energy Solutions is expanding its business in Japan as well. Nippon Koei Energy Solutions, as the representative company of a consortium, has been awarded the "Akita Coastal Treatment Centre Energy Supply Base Project" by Akita Prefecture. This project adopts the DBO (Design, Build, Operate) method, aiming to establish energy self-sufficiency in the region by utilising diverse renewable energy sources, including biogas power generation, wind power, and solar power. Through collaboration with local companies, the project is advancing through a joint venture (JV) and special purpose company (SPC), contributing to regional decarbonisation. It is planned to operate the facility for 20 years from 2027 to 2047.



Ruien Power Plant

Launch of 'NKRE100' pilot project for 100% Renewable Energy Use in Nippon Koei Buildings
In July 2023, the ID&E Group launched the "NKRE100" pilot project to achieve 100% renewable energy use at three sites in Japan: the Nippon Koei Building, the Central Research Institute, and the Fukushima office (Now NKRE100 is expanded as ID&E RE100 at ID&E Sustainability Management Framework). Under this initiative, approximately 5,000 MWh of electricity is supplied annually from the Shitoki Dam Hydropower Station and Suidoyama Hydropower Station in Fukushima Prefecture, with an estimated annual reduction of around 2,300 t- CO₂ of greenhouse gas emissions. We have also introduced an electricity pricing structure that is linked to the power market, aiming for stable energy supply. Furthermore, Nippon Koei Energy Solutions has implemented a "Virtual PPA" (Power Purchase Agreement), separating the environmental value from renewable energy power, and collaborates with the Group's retail electricity providers to procure power. This initiative aims to efficiently utilise renewable

energy, reduce CO₂ emissions, and achieve both stable energy supply and cost reduction.

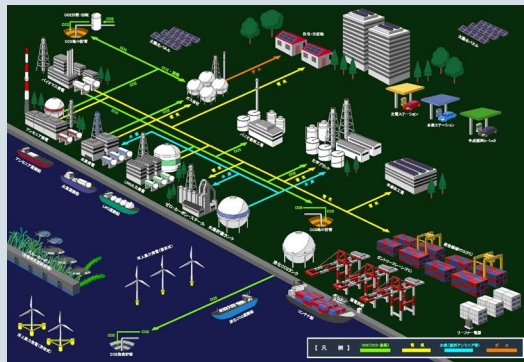


3.2 Climate Change / Realisation of a Decarbonised Society

Providing technology for the planning and design to achieve decarbonisation and carbon-neutral ports

Ports serve as the key hubs for international supply chains, with over 99% of export and import cargo passing through them, while also hosting industries such as power generation, steel and chemical industries that consume large amounts of energy. Given this, coastal regions and ports are seen as areas with significant potential for CO₂ reductions. The "Carbon Neutral Port (CNP)" initiative aims to achieve decarbonisation and carbon neutrality in these regions. As this initiative progresses, it contributes to reducing CO₂ emissions across the entire supply chain and to the construction of sustainable industries. Niigata Port has published a Port Decarbonisation Promotion Plan towards the formation of a CNP, and Nippon Koei and Nippon Koei Energy Solutions have developed emissions estimates, reduction targets and plans, and hydrogen and ammonia supply plans. Through dialogue with various stakeholders, including the national government, local municipalities, port authorities, shipping companies, warehousing companies, and energy-related businesses, the project has moved forward. The need for advanced expertise spanning multiple fields such as port civil engineering, decarbonisation, and energy generation highlights ID&E Group's comprehensive capabilities.

■ Carbon Neutral Port schematic diagram



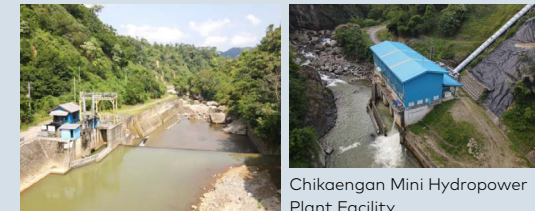
■ Future Land Use Concept for Hydrogen and Ammonia Supply Facility Development at Niigata Port

(Excerpt from the Niigata Port Decarbonisation Promotion Plan, published March 2024)



Renewable Energy Certificates for Power Sales in Indonesia

Nippon Koei is engaged in a small-scale hydropower project in Garut Regency, West Java, Indonesia, overseeing all aspects from planning, feasibility studies, design, investment, financing, construction management, to operation and maintenance. Beginning in 2009 with surveys and preliminary studies on the Cikaengan River, PT CIKAENGAN TIRTA ENERGI (CHIKAENGAN) was established in 2010, and in 2013, Nippon Koei acquired 90% of the company's shares, with commercial operations starting on 24th December, 2021. Despite damage caused by landslides due to heavy rainfall in 2020, the facility was promptly restored and is now operating normally. The Cikaengan Mini Hydropower Plant has a capacity of 7.2 MWh. The generated power is supplied to the local community through the grid. Furthermore, CHIKAENGAN acquired renewable energy certificates (I-REC) equivalent to the power it sold. By providing these certificates to companies operating in Indonesia, the ID&E Group contributes to reducing environmental impact.



Chikaengan Mini Hydropower Plant Facility

3.2 Climate Change / Realisation of a Decarbonised Society

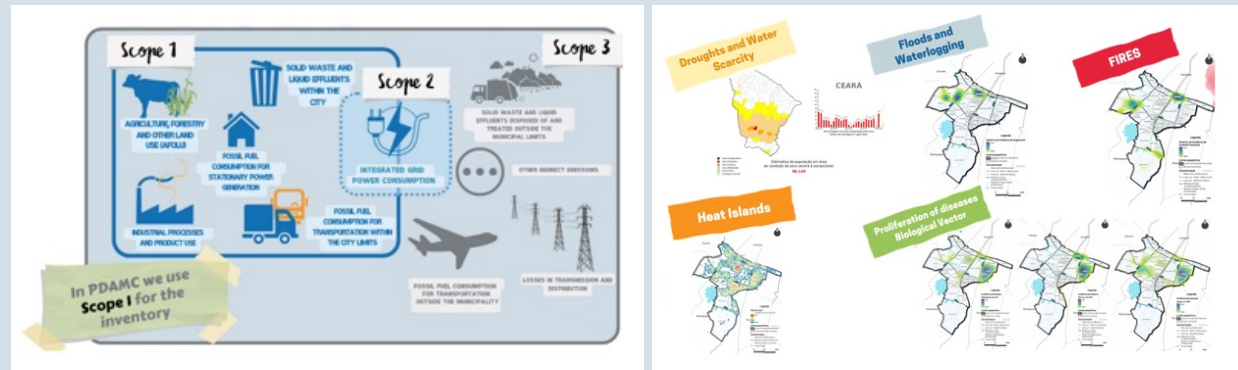
Support for the Decarbonisation Plan of the Galapagos Islands

Nippon Koei, in collaboration with Chubu Electric Power and Seed Okinawa Co., Ltd., has been contracted by the Japan International Cooperation Agency (JICA) for the "Road Map for Zero Fossil Fuel in Galapagos Islands Project " in Ecuador. This project, running from February 2024 to February 2027, aims to introduce renewable energy and achieve energy efficiency on the Galapagos Islands.

Currently, diesel power generation is the primary source of electricity on the islands, with power demand expected to rise alongside the growth of tourism. The Ecuadorian government is accelerating efforts to limit the use of fossil fuels to achieve sustainable development. This project includes investigating the potential for geothermal energy, as well as optimising the integration of renewable energy and battery storage with the existing diesel power generation system, aiming for decarbonisation and sustainable energy supply for the Galapagos Islands.

Overseas Group Company Initiatives in Latin America

In the municipality of Maracanaú, located in the state of Ceará, Brazil recognised for its strong industrial and logistical location, NIPPON KOEI LAC. INC. (NKLAC), through its Urban Transport and Logistics Programme (TRANSLOG), drew up the Decarbonisation and Climate Change Adaptation Plan (PDAMC), with funds from the Inter-American Development Bank (IDB). In order to achieve the proposed objectives, the Municipal Climate Change Adaptation and Mitigation Policy was drawn up and a Greenhouse Gas (GHG) Emissions Inventory was developed, using the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC) method and covering Scope 1. This inventory made it possible to identify the municipality's climate threats and vulnerabilities. In addition, targets were set for reducing GHG emissions, organizing these guidelines into an Adaptation and Mitigation Action Plan, formally agreed with the local community.



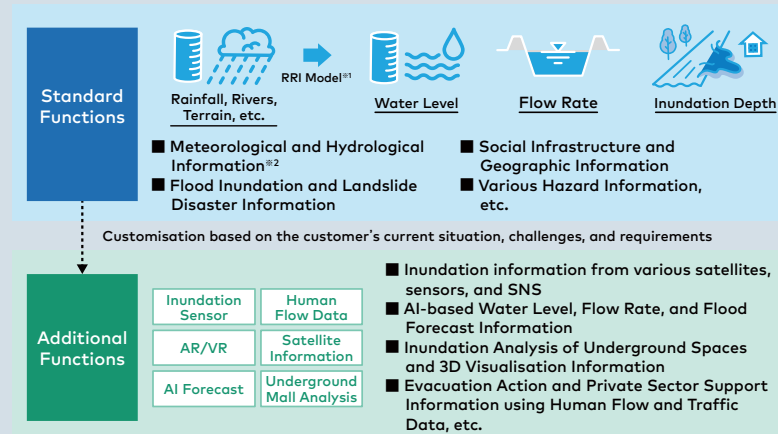
3.2 Climate Change / Realisation of a Decarbonised Society

(2) Adaptation

Bosuke®- An Innovative Disaster Prevention Platform to Address Natural Disasters

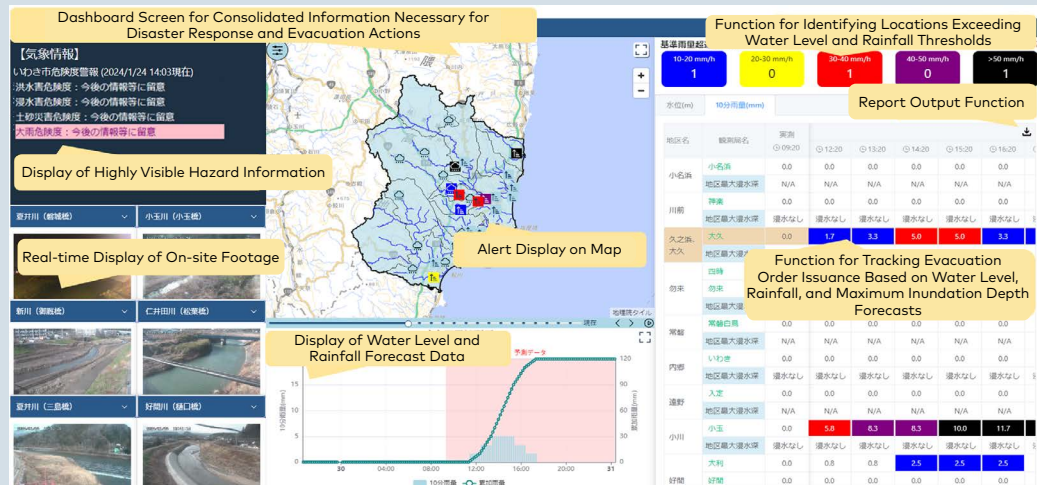
Nippon Koei's proprietary disaster prevention platform, "Bosuke®," is a cloud-based service designed to visualise the information necessary for disaster response and evacuation actions, contributing to more efficient disaster operations and the goal of zero delays in evacuation. Customisable features include real-time flood analysis, AI-based water level forecasting, rainfall prediction, information sharing systems, flood sensors, satellite data, and 3D models. It is an effective tool for responding to the increasing frequency and severity of natural disasters caused by climate change. Demonstration experiments of "Bosuke®" have been conducted in Iwaki City (Fukushima Prefecture), Shizuoka City (Shizuoka Prefecture), and Fujimino City (Saitama Prefecture) to enhance regional disaster prevention functions. During Typhoon No.13 in September 2023, "Bosuke®" was successfully utilised, demonstrating the importance of centralised disaster information and the effectiveness of flood-related information.

■ Disaster Prevention Platform "Bosuke®" functional diagram



※1 Rainfall-Runoff-Inundation Model developed by the Public Works Research Institute
 ※2 Meteorological Agency and Ministry of Land, Infrastructure, Transport and Tourism Data Feed

■ "Bosuke®" Integrated Information Function (Dashboard Image)



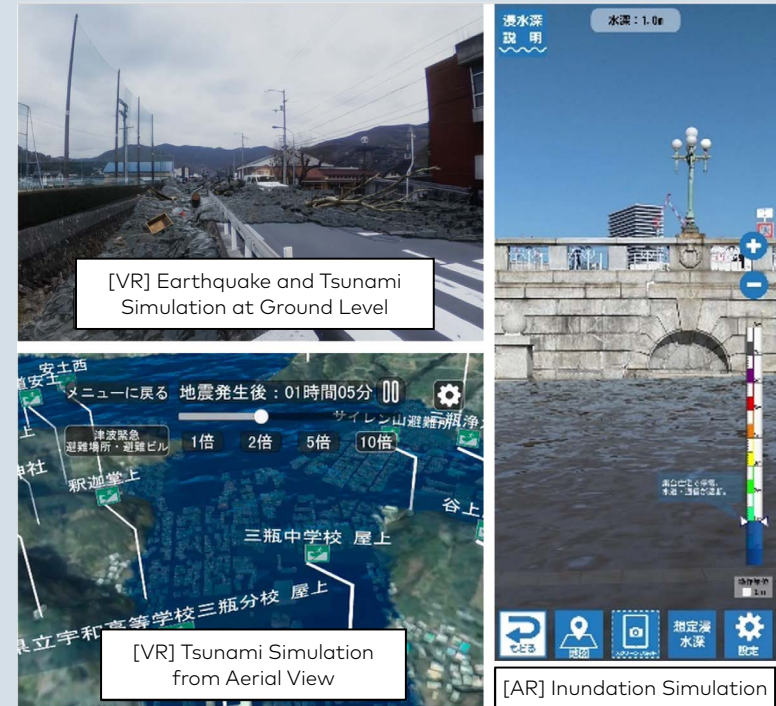
3.2 Climate Change / Realisation of a Decarbonised Society

Development of Disaster Awareness Content Using VR and AR

In addition to physical infrastructure development, Nippon Koei is also involved in the creation of disaster prevention tools and educational content. One notable initiative is the development of disaster awareness content using Virtual Reality (VR) and Augmented Reality (AR). With the increasing severity of natural disasters caused by climate change, it is crucial to enhance disaster preparedness through lessons from past experiences and disaster education. In Seiyō City, Ehime Prefecture, efforts have been made to ensure the lessons from the July 2018 heavy rains are not forgotten, by promoting further disaster prevention and mitigation education. As part of this effort, a "Disaster Memorial Exhibition Room" was established in Nomura Town, a severely affected area, and a package learning project titled "Learning from Disasters" was implemented.

Nippon Koei was commissioned by Seiyō City to develop AR and VR content as disaster experience facilities within the "Disaster Memorial Exhibition Room". The content allows users to experience and learn about the July 2018 heavy rains through VR. Later, additional VR content was created to simulate tsunami scenarios based on the 2013 tsunami risk assessment for Ehime Prefecture, using real-world imagery to depict possible flood scenarios

within the city. These tools have been used as educational materials in annual disaster prevention lessons held each July and have also contributed to disaster education in local elementary schools. Furthermore, the Japan Government's Cabinet Office and the Ministry of Land, Infrastructure, Transport and Tourism have established a system to recognise facilities that convey the experiences of local disasters and activities that preserve the lessons learned, known as the "NIPPON Disaster Heritage". On 5th September, the first 22 cases were announced, and Seiyō City's "Disaster Memorial Exhibition Room" was recognised as one of the "NIPPON Disaster Heritage" sites.



Disaster awareness content screen

3.3 Biodiversity Conservation and Natural Capital

Approach/Policy

The ID&E Group has carried out various projects and services, both in Japan and internationally, that contribute to the conservation and management of natural capital, including environmental protection, forest conservation, ecosystem preservation, and environmental assessments. Through our hydropower operations and survey/ design projects, we engage in business activities that directly or indirectly depend on or impact the natural environment. With the materiality of "Realising a Livable Global Environment," ID&E has established the "Action Guidelines for the Conservation of Natural Environments and Biodiversity," which outlines the company's commitment in these areas. Based on these guidelines, the ID&E Group aims to further enhance its internal responses as well as the related services it provides.

ID&E Holdings

Action Guidelines for the Conservation of the Natural Environment and Biodiversity

Based on the Group's Environmental Activity Policy, the ID&E Holding Group (ID&E Group) will address the following listed matters. As a first step, we aim to contribute to the realisation of a "nature- positive" society, while keeping in mind the Kunming-Montreal Global Biodiversity Framework 2030 Mission, which is a global goal to be achieved by 2030.

1. Response to the Recommendations of the TNFD (Task Force on Nature-Related Financial Disclosures)

As a corporate group that has provided technical services related to the

natural environment and biodiversity both in Japan and internationally, the ID&E Group supports the TNFD recommendations. This is an international framework for promoting the achievement of a "nature- positive" society through the corporate disclosure of information concerning the natural environment and biodiversity. We will identify areas that can be easily impacted by the corporate activities of the ID&E Group, and after clarifying their reliance on nature, impacts, and priority areas, we will conduct risk and opportunity assessments, and appropriately disclose information.

2. Promoting the Conservation, Regeneration and Restoration of the Natural Environment/Biodiversity

In the businesses in which the ID&E Group is involved in Japan and overseas, we will strive to minimise the negative impact of our business activities on the natural environment and biodiversity to enable the diverse blessings of nature to be left to future generations and to be enjoyed in perpetuity. In addition, we will contribute to the conservation of the natural environment and biodiversity through proactive involvement in businesses and research that directly contribute to the conservation of species diversity.

3. Promoting the Regeneration and Restoration of the Natural Environment/Biodiversity

In addition to the conservation activities set forth in the preceding paragraph, the ID&E Group will actively engage in activities to restore a healthy natural environment and ecosystems, while utilizing the technologies it has cultivated over many years. We will propose the provision of social infrastructure in harmony with nature so that the diverse functions that nature is endowed with, including "self-sustaining recovery capabilities," can be fully utilised. We will contribute to the creation of a sustainable and resilient environment and society while pursuing synergies between the restoration of the natural environment and biodiversity and the well-being of society as a whole.

4. Comprehensive Efforts Toward Climate Change, Water Resource Conservation and Resource Circularity

With the recognition that the conservation and restoration of the natural environment as a whole will have a reciprocal impact on issues

related to climate change, water resource conservation, and resource circularity, the Group will engage with these issues holistically.

5. Understanding and Addressing Dependence and Impact on Biodiversity with Consideration for the Entire Supply Chain

With the recognition that biodiversity issues are issues that affect the entire supply chain, we will understand their dependence and impact on biodiversity, and make efforts together with stakeholders on biodiversity preservation and restoration.

Response to the TNFD (Taskforce on Nature-related Financial Disclosures) Recommendations

Following the release of the final report on the TNFD recommendations in September 2023, the ID&E Group has been preparing to align its disclosures with these guidelines. In FY2024/06, the ID&E joined the TNFD Forum and conducted scoping for five Main Group companies within the Group. For FY2025/06, the Group plans to expand the extent of the scoping and aims to conduct analysis, evaluation, and disclosure for priority companies and businesses in line with the TNFD recommendations and register as a TNFD Adopter. Moving forward, the Group will implement the necessary measures, considering the potential future obligations of disclosing nature-related financial information under international accounting standards.

3.3 Biodiversity Conservation and Natural Capital

Initiatives and Achievements

(1) Contributions to Biodiversity Conservation and Natural Capital

Utilising "Environmental DNA Technology"

Our Group actively employs Environmental DNA (eDNA) technology, which analyses the genetic information of organisms found in the environment.

eDNA technology contributes to biodiversity conservation and natural capital management in the following ways:

- It swiftly assesses the health of ecosystems in lakes, rivers, and forests, supporting environmental assessments, impact evaluations, and conservation measures.
- It tracks the presence of endangered and rare species, aiding in their conservation and protection efforts.
- It serves as an information tool for predicting and preventing infectious disease outbreaks, such as COVID-19.
- It helps estimate the flow of river water and groundwater using DNA as a marker.



Standard River Sampler Made with Sponge

eDNA technology is particularly suited for detecting a wide range of species from minute DNA samples found in the environment. Since it does not require the capture or observation of organisms, it is a low-impact and environmentally friendly method.

■ On-site Installation of Marine Sponges-based Environmental DNA Survey



Responding to Biodiversity Net Gain

(BNG: Biodiversity net gain) policy mandate in UK
UK's Environment Act 2021 requires most development projects to increase biodiversity by +10% compared to pre-development levels. The mandatory requirement came into effect in February 2024, requiring the quantification and assessment of biodiversity. UK-based BDP employs in-house ecologists to assess biodiversity and support its operations to minimise losses and ensure net gains wherever possible, in line with mandatory BNG requirements. Experiences through this initiative will be beneficial not only for the UK, but also for our Group, which provides services in other countries and regions.

3.3 Biodiversity Conservation and Natural Capital

(2)Restoration and Regeneration of the Natural Environment and Biodiversity

Consultancy for Identifying the Restoration Area Based on Ecosystem Services

The World Wide Fund for Nature (WWF) is working to convert existing rubber plantations to sustainable rubber production forests and ecosystem conservation in Myanmar, Thailand and Laos. WWF commissioned MYNMAR KOEI INTERNATIONAL LTD (MKI) to conduct a study to identify reforestation sites in Myanmar's rubber plantation dominated areas.

To identify key sites for forest restoration, MKI utilised satellite imagery to analyse the correlation between forest cover (the percentage or extent of land covered by forests) and the locations of former rubber plantations. This analysis helped pinpoint potential reforestation sites. Building on the experience from this project, MKI aims to apply these insights to various environmentally conscious offset activities in the future.



Pictures of rubber plantation landscapes.



Foreign Minister's Commendation

Employees of Nippon Koei's Coastal and Port Department were involved in the planning and design of coastal protection measures for the Bali Coast Conservation Project in Indonesia, focusing on landscape and environmental considerations. In 1999, the Department utilised this experience to publish papers on specific approaches to technical challenges and solutions for beach restoration.

Subsequent papers published annually received high acclaim from the Japan Society of Civil Engineers and the Asian Civil Engineering Coordinating Council, earning commendations from both organisations. These papers, grounded in advanced technical expertise and practical experience, were deemed beneficial for facilitating smooth and effective technology transfer



Nusa Dua Beach (Indonesia)

and contributed significantly to the effective promotion of Japan's economic cooperation, earning the Foreign Minister's Commendation.

3.3 Biodiversity Conservation and Natural Capital

Contributing to Urban Biodiversity Conservation and Sustainable Society through the Utilisation of the Park-PFI System

Our Group, led by Nippon Koei Urban Space, is actively utilising the "Park-PFI" (Public Offering for Installation and Management) system. This system allows private enterprises to manage and operate facilities that enhance the convenience of park users. The revenues generated from these facilities are then used to improve park management and maintenance.

From the perspective of biodiversity conservation, the "Park-PFI" system offers the following benefits:

- **Ecosystem Conservation and Restoration:** It promotes the development and maintenance of parks and green spaces, contributing to the preservation and enhancement of biodiversity.
- **Green Network Construction:** It facilitates the creation of green corridors that support the movement of species and the securing of habitats within urban areas.

Below are some of the key projects our Group has undertaken in relation to the "Park-PFI" system.

- **Urban Park Park-PFI Project: "Meiji Park" (Tokyo)**

This project represents the first case in Tokyo where the "Park-PFI" system, based on the Urban Parks Act, has been utilised for the installation and management of a metropolitan park. Nippon Koei Urban Space is working towards sustainable park management, including utilizing data from smart poles (AI cameras, AI beacons) and conducting vegetation surveys.

- **The Nakaze Campsite, managed by Hirado City in Nagasaki Prefecture, is a camping site developed using the Park-PFI system. It has been in operation since 2019 and marked the first use of this system for park development in Nagasaki Prefecture. Additionally, this was the first case nationwide where the overall management and operation of the entire park were undertaken through this system.**



Meiji Park (Tokyo)

3.4 Resource Circulation

Approach/Policy

In relation to the establishment of a circular society, the ID&E Group has provided various technologies and services, with a focus on waste management. Contributing to the creation of a circular society requires not only efforts made through our business activities but also the fulfilment of our responsibility to explain how we are addressing this issue internally. With this in mind, the Group has formulated the "Action Guidelines for Realising a Circular Society." Based on these guidelines, the Group will work to further develop and deepen our approach to the circular economy.

ID&E Holdings Action Guidelines for Realising a Circular Society

Based on the Group's Environmental Activity Policy, the ID&E Holding Group (ID&E Group) will address the following listed matters.

1. Promotion of the Circular Economy

As a corporate group that has provided technical services related to waste management both in Japan and internationally, the ID&E Group will strive to reduce waste generated from its own corporate activities, promote maximum reuse and recycling of limited resources, and faithfully fulfil its accountability. In addition, the ID&E Group will aim to reduce the amount of final disposal (zero emissions) by not producing waste and pursuing more efficient use of resources and energy with less environmental footprint.

2. Contributing to Proper Management of Waste and Reducing the Amount of Waste to be Disposed

In addition to providing technical services related to waste management, the ID&E Group will also make every possible effort to reduce waste generated from businesses in which it is involved across the world, thereby contributing to the formation of a sustainable, circular society in Japan and abroad. Our efforts will not just be in regard to recycling waste but will also be on reducing the volume of waste through energy recovery.

3. Comprehensive Efforts for Climate Change, Biodiversity and Water Resource Conservation

We believe that working toward sustainable resource use and shifting to a circular economy will lead to resolve various issues including climate change, biodiversity, and water resources, and we will comprehensively address all of these issues.

4. Cooperation and Collaboration with External Stakeholders

Through the ID&E Group's overall business activities, first, we will strive to understand the flow of waste disposal in the entire supply chain, and will work together with each stakeholder based on an understanding of their role in waste management.

5. Raising the Awareness of Each Officer and Employee

We will promote not only reducing waste, reuse, and recycling, but also take a proactive stance on avoiding waste generation, and encourage all executives and employees to think and act independently toward the realisation of a circular society.

Initiatives and Achievements

Our Group is actively promoting a circular economy around the world.

(1) Promotion of Circular Economy Initiatives

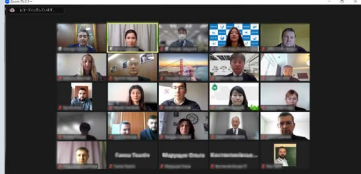
Efforts to Reduce Waste and Convert Energy

BDP has set a target to reduce non-electrical waste by 20% based on the 2022-23 baseline, with recycling initiatives being implemented across all offices (all studios). At the Sheffield studio, non-recyclable waste is utilised in the local heating system, and in London, waste is converted into energy to supply electricity to households.

3.4 Resource Circulation

Support for Ukraine's Reconstruction and Rubble Recycling Efforts

Nippon Koei is engaged in a reconstruction project to recycle rubble in Ukraine, where handling the debris from destroyed buildings has become a major challenge following Russia's invasion. Four months after the invasion, in June 2022, Nippon Koei employee participated as an expert in an online seminar hosted by the Japan International Cooperation Agency (JICA). While most rubble in Ukraine is landfilled, to share knowledge and experience related to disaster waste management in Japan, Nippon Koei initiated a project in October 2023 to support the establishment of temporary storage sites for rubble recycling. Beyond this effort, our Group is also working across multiple sectors-including energy and resources, transport, urban and regional development, water and sewage systems, and ICT- leveraging our comprehensive strengths to cater to specific local needs.



(2) Contribution to Proper Waste Management and Reduction in Disposal Volumes

The Fukushima office of Nippon Koei Energy Solutions, formulated "Controlled Industrial Waste and Stable Industrial Waste*" reduction plan. The Fukushima office site has seen an increasing trend in waste production, with concerns that landfill capacity may be exhausted within ten years. Through the introduction of new technologies and raising employee awareness, The Fukushima office is striving to achieve sustainable waste management and reduced disposal volumes. For example, wood materials within controlled industrial

waste are being separated into wood chips and bolts/nuts, while large pieces of wood longer than 2 meters are being cut to facilitate their recycling as wood chips. The Fukushima office is also promoting waste reduction by separating recyclable items from non-recyclable ones.

* Controlled industrial waste refers to waste like wood chips that can rot or emit toxic gases when exposed to rainwater. Stable industrial waste refers to waste that does not change state when exposed to rain and can be landfilled in a stable landfill site. At the Fukushima office, concrete debris, rubber waste, and glass waste are the primary types of waste produced.



3.4 Resource Circulation

(3) Raising Employee Awareness of Circular Economy Practices Initiatives at Overseas Group Companies

NIPPON KOEI LAC. INC. (NKLAC) in Panama organised and held a workshop to promote recycling in the office, event which was attended approximately 25 participants. The workshop will be available to employees in all countries and regions during the last quarter of 2024.



Scene from a Recycling Workshop

BDP: All building users are encouraged to take responsibility for contributing to environmental performance and to make efforts to minimise environmental impact. The sustainability team, which manages and monitors the environmental performance of each office (studio), leads these efforts.

Our environment at **BDP.**

BDP has an in-house sustainability team whose role is not only to assist in the environmental design of buildings, but also to manage and monitor operational performance of our studios.

We have made commitments, backed by our Executive Board, to measure and minimise the impact of our day-to-day operations. This is communicated through our Environmental Management System (EMS), which is independently audited and formally certified to ISO 14001.

All building users have a responsibility to contribute to the environmental performance of the studios.

All queries regarding the operation of the building should be directed to one of the sustainability team or the facilities manager.

This flyer outlines the office-specific facilities and management policies that building users must be aware of whilst working in the London studio.



3.5 Water Resource Conservation / Pollution Prevention

Approach/Policy

For the ID&E Group, which has been engaged in water resource development around the world since its founding, the conservation and efficient use of water resources is a top priority sustainability issue. Additionally, as a Group that includes manufacturing divisions, we bear responsibility for preventing pollution, including the management of chemical substances. In light of this, we formulated the "Action Guidelines for the Conservation of Water Resources" and "Action Guidelines for Chemical Substance Management" "Guided by these principles, we will work earnestly towards conserving water resources and preventing pollution, thereby contributing to our materiality goal of "Creating a Livable Global Environment."

ID&E Holdings Action Guidelines for the Conservation of Water Resources

Based on the Group's Environmental Activity Policy, the ID&E Holding Group (ID&E Group) will address the following listed matters.

1. Efforts to Conserve Water Resources and Reduce Water Use

As a corporate group that has been engaged in businesses related to water resources in Japan and abroad for many years, the ID&E Group will earnestly strive in activities to ensure sustainable water supplies for future generations and faithfully fulfil its accountability. In addition to our Group's business locations, such as ID&E Group' offices and research facilities, we will promote the reduction of water consumption in the businesses we are involved in both in Japan and overseas. In addition to fostering water conservation awareness in each and every employee,

we will also work on efficient use of water by utilizing the ID&E Group's technologies and R&D results.

2. Sustainable Use of Water Resources

When implementing Japan-based and overseas businesses related to the use of water resources and other businesses that require consideration for water resources, the Group will protect the water environment and strive toward the sustainable use of water resources by investigating, identifying and assessing regions and locations with high water stress.

3. Initiatives for Wastewater Management and Water Pollution Prevention

The ID&E Group will comply with all laws and regulations governing wastewater management and water pollution in its business activities, and will take appropriate measures to treat wastewater and take precautions against leakage to prevent contamination of local water bodies and groundwater.

4. Dialogue and Collaboration with Stakeholders

We will deepen dialogue and collaboration with stakeholders across the entire supply chain and contribute to water resource conservation activities in order to build a robust water and material cycle system.

ID&E Holdings Action Guidelines for Chemical Substance Management

Based on the Group's Environmental Activity Policy, the ID&E Holding Group (ID&E Group) will address the following matters.

1. Thorough Implementation of Proper Management of Chemical Substances

The ID&E Group will ensure that its places of business, factories, and research facilities that handle chemical substances strictly comply with

relevant laws and regulations on occupational health and safety and other relevant laws and regulations governing the handling of chemical substances, while thoroughly managing each stage of handling as described in (1) to (4) below, and fulfilling accountability in good faith. If an ISO14001 certification for environmental management system has been awarded, we will appropriately manage chemical substances by screening chemical substance risks while confirming the impact on the environment.

(1)Research, Study and Development

In regard to chemical substances used in chemical analysis, etc., we will work to reduce their use and emission, while employing new technologies that comply with the requirements of official methods in our analysis methods.

(2)Procurement

When procuring raw materials and parts that contain chemical substances that must be controlled under laws and regulations, we will obtain safety information on such chemical substances from suppliers and carry out appropriate verification. In addition, we will proactively collaborate on the safety of persons involved in chemical substances when they are being procured and to prevent adverse effects on local environments and communities during procurement.

(3)Manufacturing and Use

We will carry out occupational health and safety risk assessments and environmental assessments for raw materials that contain chemical substances that must be controlled under laws and regulations, and work to maintain a safe and secure working environment for employees. In addition, facilities that handle chemical substances containing toxic substances, will comply with structural standards based on laws and regulations related to occupational health and safety and water pollution, carry out regular inspections, preemptively prevent fires, explosions, and leaks, etc., caused by chemical substances from facilities, and strive to ensure the safety of the global environment and local communities.

3.5 Water Resource Conservation / Pollution Prevention

(4) Disposal

We will fulfil our responsibilities as a manufacturer and user of chemical substances by working to recycle waste containing chemical substances at each business location and by sharing necessary information on the nature and condition of the waste with our industrial waste contractors.

2. Consideration for the Natural Environment and Human Health

With regard to chemical substances that are of concern for their highly hazardous effects on ecosystems and human health, we will communicate necessary information for fulfilling our responsibilities as a member of the value chain, and give all due consideration to minimise adverse effects on the environment and the health of all stakeholders.

Initiatives and Achievements

Our Group is actively employing various technologies not only at our own sites but also in infrastructure development to conserve water resources, reduce water usage, promote sustainable use of water resources, and offer solutions for wastewater management and pollution prevention.

(1) Efforts to Conserve Water Resources and Reduce Usage

Rainwater Infiltration Facilities to Ensure Water Circulation

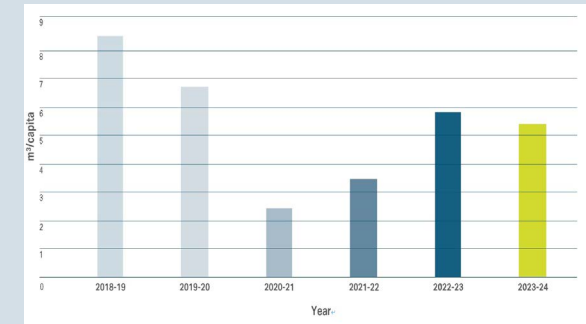
Nippon Koei Urban Space: At Nagoya Head Office building (a company-owned building), Nippon Koei Urban Space has installed permeable paving (outdoor parking areas), rainwater inlets, and permeable gutters to promote water circulation.



Rainwater Inlet Installed at the Nagoya Head Office Building Parking Lot

Installation of Flow Restrictors at BDP Offices (Studios)

In order to control the use of water resources within studios, BDP installed flow restrictors at potential locations to control the flow of fluids (liquids and gases) and prevent excessive flow.

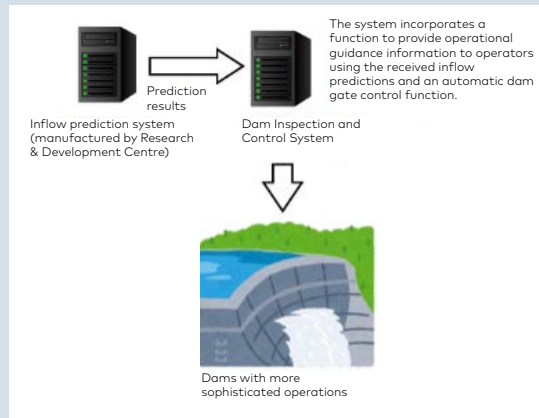


Trends in Water Consumption at BDP

3.5 Water Resource Conservation / Pollution Prevention

Research and Development of Advanced Dam Functions Balancing Flood Control and Water Utilisation

Nippon Koei Energy Solutions: In response to the increasing demand for advanced dam operations that integrate improved inflow predictions, Nippon Koei Energy Solutions is conducting research and development to balance flood control (disaster prevention) with increased hydropower generation (water utilisation). This enables more precise management of dam discharges, reducing unnecessary discharges and increasing hydropower generation.

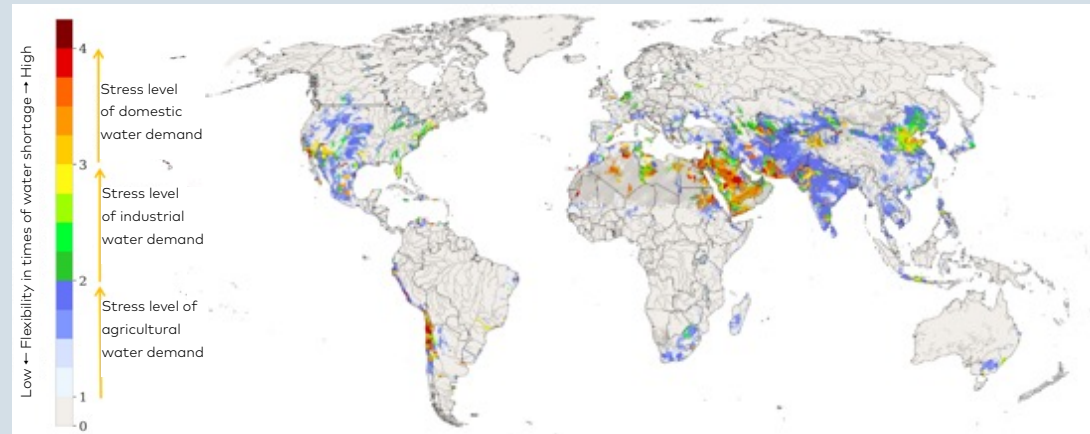


(2) Sustainable Use of Water Resources

Development of the SS-DTA Water Resource Risk Assessment Indicator

Nippon Koei, in collaboration with governmental bodies, universities, and companies, has developed a new water resource risk assessment indicator, SS-DTA. The indicator compares the availability of water resources in drought years with the shape of usual local water demand, including the impact of water infrastructure. This new risk assessment tool visualises regional water risks, aiding in corporate water resource risk management and allowing governments to prioritise water resource measures and evaluate regions facing challenges. As a result, sustainable living in local communities can be maintained.

■ Global Water Resource Risk Distribution Map Evaluated by "SS-DTA"



///: Arid regions with very limited water resources (<0.5m³/sec). The small denominator makes results highly sensitive to minor errors, requiring careful interpretation of evaluation outcomes.

Estimates based on calculation results from the H08 model at a spatial resolution of 5° × 5° (approximately 9 km at the equator).

3.5 Water Resource Conservation / Pollution Prevention

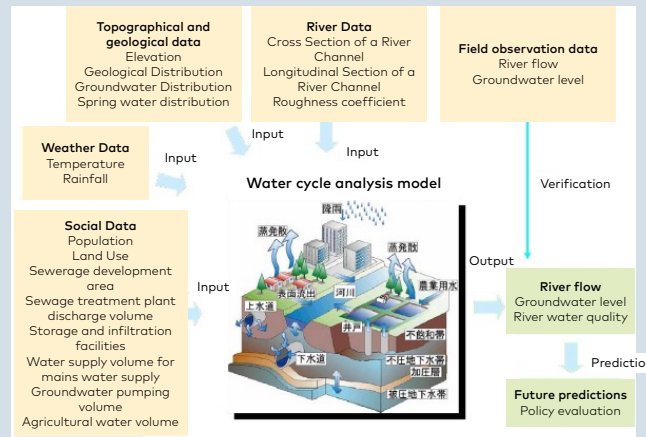
(3) Wastewater Management and Pollution Prevention Initiatives

Recreation of the Water Cycle Process through the Development of a Distributed Physical Water Cycle Model

Urbanisation has led to increased runoff and reduced groundwater recharge due to impermeable surfaces like asphalt and concrete. Nippon Koei has developed a "Distributed Physical Water Cycle Model" that

simulates and evaluates water and material cycles in watersheds. This model can physically reproduce various water cycle processes, including rainfall, snowmelt, evapotranspiration, and groundwater flow, supporting the development of plans aimed at establishing healthy water cycles.

■ Conceptual Diagram of the Distributed Physical Water Cycle Model



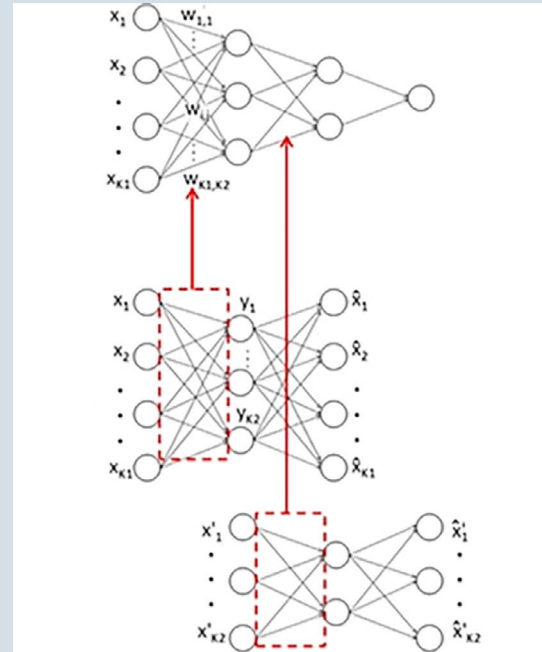
Drainage Pipe Improvement Project at the Matasniyo River, Panama City
NIPPON KOEI LAC. INC. (NKLAC) is providing project management, technical assistance and supervision for the final design and implementation of the Matasniyo River's main water collection pipeline, to divert wastewater from the river to the Juan Diaz water treatment plant in Panama. The Matasniyo River is regarded as one of the seriously polluted rivers in Panama and the project is expected to contribute to river's water quality improvement.

3.5 Water Resource Conservation / Pollution Prevention

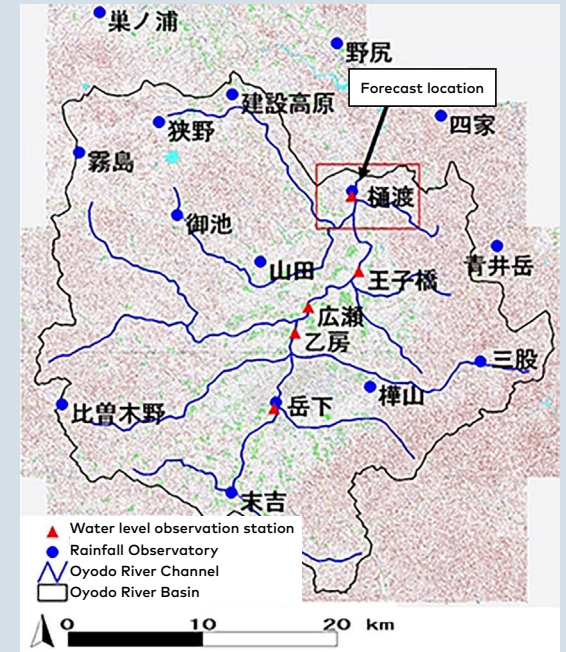
(4) Other Initiatives

Development of a River Water Level Prediction System

Nippon Koei has developed a system using artificial intelligence (AI) to accurately predict rising river water levels during unprecedented floods. By training the AI with historical rainfall records and river level data, it can predict, up to six hours in advance, whether flooding will occur during extreme rainfall, helping local governments and utilities guide evacuation efforts.



Conceptual Diagram of Pre-training Using an Autoencoder



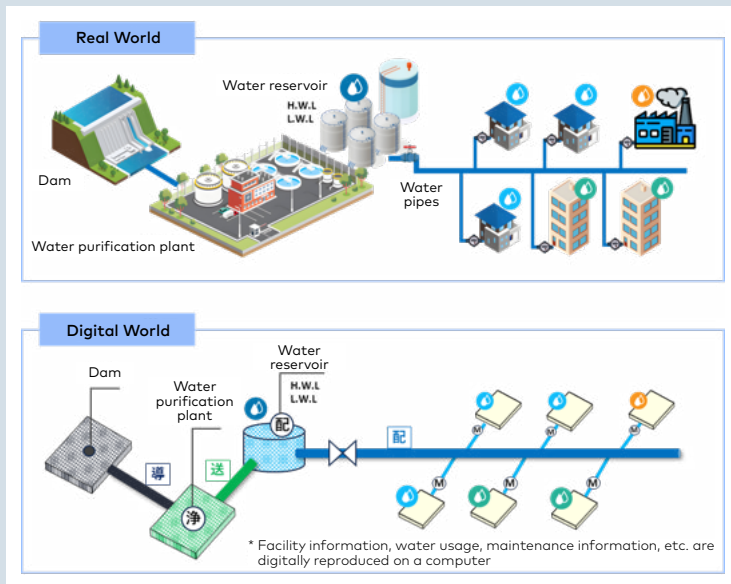
Map of the Oyodo River Basin, Hinotachi Observation Point, and Observation Stations

3.5 Water Resource Conservation / Pollution Prevention

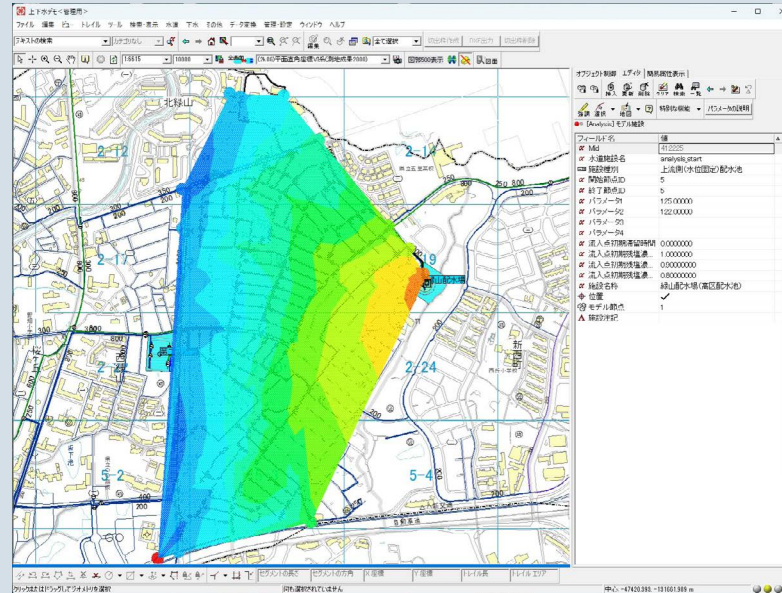
Supporting Water Utility Operations with a Network Asset Management System

Geoplan Namtech Inc. has implemented a network asset management system for around 40 water utilities, managing both water purification (production) and distribution (transport). By recreating the flow of water from purification plants to household taps through a water pipeline network, the system enables simulations for daily water management, disaster response, and long-term business planning. Additionally, consulting services based on maintenance data contribute to energy-saving measures and extending asset lifespans.

■ Reproducing a real water pipe network in the digital world



■ Simulation example from a pipe network model (water pressure distribution)



3.6 Consideration for the Environment in Services and Products

Policy/Approach

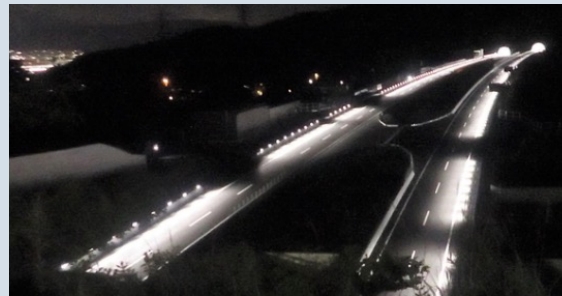
The ID&E Group aims to reduce environmental impact through environmentally conscious services and products, striving to create a sustainable and prosperous society. The projects in which our Group is involved are of high public interest, and the impact of providing services and products is wide-reaching. Keeping this in mind, we incorporate environmental considerations into our quality management processes when providing services and products, while proactively proposing measures to reduce environmental impact through technological innovation.

Initiatives and Achievements

Environmentally Conscious Infrastructure Development - Initiatives in the New Tomei Expressway Project
Infrastructure development, while contributing to the resolution of social issues, also has the potential to adversely affect the environment. To reconcile between development and the environment, our Group carries out environmental assessments, including surveys, predictions, evaluations and the design of plans for environmental conservation and establishment. In the case of the New Tomei Expressway (Hadano to

Yamakita section), which opened in 2022, Nippon Koei conducted a series of environmental assessment tasks related to the project. This included pre-construction environmental surveys, proposing conservation measures for important species (such as transplants, relocations, and lighting adjustments), and monitoring during and after construction. These activities were reported to an expert environmental review committee to ensure the project progressed with consideration for biodiversity.

Since 2011, Nippon Koei has been involved in a range of environmental surveys and planning tasks, contributing to the promotion of environmentally conscious road development by providing comprehensive support to our client.



Shin-Tomei Expressway

Development of Bay Control Unit (BCU) for Substations

The ID&E Group, led by the control equipment department of Nippon Koei Energy Solutions, has been working on the development of a Bay Control Unit (BCU) for electrical grid substations. This unit complies with the international standard IEC 61850 and is designed to enhance the functionality of monitoring and control systems, improving both operational efficiency and environmental performance in substations. The BCU enables efficient communication between various devices within the substation, allowing real-time data exchange and control, contributing to automation and remote monitoring, thus improving safety and reliability. Additionally, from an energy management perspective, the BCU helps reduce CO₂ emissions from substations and supports the efficient integration of renewable energy, contributing to environmental sustainability. Through this technology, Nippon Koei Energy Solutions aims to contribute to sustainability and environmental issues in the energy sector.

3.6 Consideration for the Environment in Services and Products

Biological Soil Crust (BSC) Method: A Nature-Friendly Erosion Control and Re-vegetation Technology Focusing on Erosion Prevention

The Biological Soil Crust (BSC) Method, co-developed by the ID&E Group and the Public Works Research Institute, is a technology that uses soil algae to form colonies on the soil surface to prevent erosion and promote vegetation recovery. This method contributes to biodiversity conservation and reduces environmental impact in civil engineering projects, both in Japan and abroad. In recognition of its excellence, the BSC method received the Japan's Minister of Defence Award in the 6th Infrastructure Maintenance Award in 2022 and the Minister of the Environment Award in the 51st Environment Awards in 2024, highlighting its technical superiority and environmental superiority.

Other Awards and Patents:

- "Best Presentation" at the Subtropical Greening Case Study Awards Show (Okinawa)
- "Honourable Mention" from the Ministry of the Environment's Natural Environment Symbiosis Technology Research Group
- Patent for Soil Erosion Prevention Method: Patent No. 3718203
- Patent for Natural Invasion Alert Method: Patent No. 6734500



Exhibiting at the 2024 Green Infrastructure Industry Exhibition

The ID&E Group continues to focus on promoting green infrastructure as part of its contribution to a sustainable society and participated in the 2024 Green Infrastructure Industry Exhibition, following its participation in 2023. Green infrastructure initiatives include reducing disaster risks, expanding the use of renewable energy, developing smart cities, and addressing climate change. Through these efforts, we aim to reduce environmental impact and contribute to sustainable consumption and production.

Exhibiting at the Green Infrastructure Industry Exhibition provided a valuable opportunity to promote the Group's green infrastructure initiatives to various companies, organisations, government officials, and students. We plan to continue participating in similar activities in the future.



Group photo of participants

4 Social

Since its establishment, the ID&E Group has been committed to contributing to the development of a sustainable society by undertaking numerous projects and initiatives aimed at improving and creating better "natural environment" as well as "social environment." In alignment with various policies and action guidelines in the social domain, we will continue to advance sustainability management. Among the wide-ranging social fields, this report covers the following topics:

4.1 Human Rights	P57
4.2 Human Capital Management	P61
4.3 Advanced Technology Development and Innovation	P78
4.4 Quality Management	P82
4.5 Intellectual Property	P83
4.6 Social Contribution	P84

4.1 Human Rights

Approach/Policy

For over 70 years, the ID&E Group has been engaged in projects supporting the lives, livelihoods, and dignity of people in various circumstances across approximately 160 countries and regions. Respecting the "human rights" of stakeholders involved in our management and business is not only a corporate social responsibility but also the foundation and ultimate goal of our operations.

Standing on this recognition, our Group has positioned "human rights" as a key sustainability issue. We aim to work collaboratively with stakeholders across our supply chain to address human rights issues, striving to create a sustainable society where the dignity of all individuals is upheld.

Since the establishment of the ID&E Sustainability Promotion Council in July 2023, we have identified the development of a human rights policy and the initiation of human rights due diligence as priority action items. In May 2024, we established the " Human Rights Foundational Policy " and " Action Guidelines for Human Rights " as part of our Sustainability Management Framework, as outlined below.

ID&E Holdings Human Rights Foundational Policy

The ID&E Holdings Group (ID&E Group) recognises that respecting human rights is a corporate social responsibility and has established our approach in this Human Rights Foundational Policy and is committed to

complying with the Policy.

1. Endorsement of relevant principles and declarations

The ID&E Group endorses the principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the Japanese Government's Guidelines on Respecting Human Rights in Responsible Supply Chains. The ID&E Group respects human rights in all aspects of our corporate activities, and contributes to the realisation of a sustainable society.

When respecting human rights, we strive to grasp the overall picture of human rights that companies should respect by referring to major international standards and frameworks, including principles and declarations on human rights, in addition to the legislation of the countries in which the ID&E Group operates.

2. Persons whose human rights are to be respected

The ID&E Group respects the human rights of all people involved in our business, including all of our own officers and employees, as well as the officers and employees of our business partners, and our customers, consumers, and the local residents in the regions where our business activities take place.

3. Action Guidelines for Respecting Human Rights

The ID&E Group has established the following initiatives as the Human Rights Foundational Policy and promotes corporate activities in line with these Guidelines.

- 1) Grasping the overall picture of human rights
- 2) Important matters concerning respect for human rights in corporate activities
- 3) Developing an implementation system for respecting human rights
- 4) Conducting human rights due diligence
- 5) Developing remedial measures

4. Scope of application and expectations of business partners

In principle, this Policy applies to all officers and employees of the ID&E Group. We also expect all ID&E Group business partners to understand and endorse this Policy.

Based on the above "Human Rights Foundational Policy," we have defined in more detail the specific human rights issues that the Group should focus on. The ID&E also declares that it will focus on building the systems necessary to address human rights issues, steadily implementing human rights due diligence, and developing relief measures.

ID&E Holdings Action Guidelines for Human Rights

The ID&E Holdings Group (ID&E Group) will work on the following matters in accordance with our Human Rights Foundational Policy.

1. Grasping the overall picture of human rights

To grasp the overall picture of human rights that companies should respect, we will refer to the following international standards and frameworks, and will strive to keep up with the latest discussions on business and human rights in Japan and abroad.

- The International Bill of Human Rights, including the Universal Declaration of Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The Children's Rights and Business Principles
- The Convention on the Elimination of All Forms of Discrimination against Women
- The OECD Guidelines for Multinational Enterprises
- The Framework Principles on Human Rights and the Environment (United Nations General Assembly Resolution)
- The United Nations Declaration on the Rights of Indigenous Peoples
- The Convention concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention No. 169)
- The Principle of Free, Prior and Informed Consent (FPIC)

4.1 Human Rights

2. Important matters concerning respect for human rights in corporate activities

We will respect human rights in the ID&E Group's corporate activities by focusing on the following issues.

(1) Discrimination

We will prevent practices that have the effect of, directly or indirectly, placing certain individuals in a position of subordination or disadvantage on the grounds of attributes or type of employment (regular/non-regular) that have no bearing on the job to be performed, including race, ethnicity, gender, language, religion, political and other opinions, nationality or social origin, property, birth, or other status (sexual orientation, health, and disability).

(2) Harassment

We will prevent the working environment of workers being damaged as a result of illegal or unjust acts, such as workplace harassment, sexual harassment, maternity/paternity harassment, and care harassment.

(3) Forced labour and child labour

We will prevent forced labour and child labour. Forced labour means the violation of the fundamental human right to work of one's own free will and to choose one's own work freely due to being forced to work under the threat of punishment and engaging in work one has not voluntarily offered to undertake, while child labour means work by children below the minimum age for employment as defined by law.

(4) Working hours and wages

We will implement appropriate human resource and labour management in light of labour-related legislation, labour contracts, and work rules to ensure that no excessive or unreasonable hours are worked and that wages are not insufficient or unpaid.

(5) Formation of and participation in labour unions

We will respect the right of workers to form labour unions based on their will and the right to choose whether to participate in such a union.

(6) Health and safety of officers and employees

We will ensure a safe and healthy workplace environment through appropriate foresight of the risk of work-related accidents, injuries, and illnesses and measures to address such risks.

(7) Freedom of expression and privacy

We will respect the freedom of expression of not only employees but also customers, suppliers, consumers, and other external stakeholders, and prevent infringements on their privacy, including personal information.

(8) Local communities

We will prevent violations of all human rights of indigenous peoples and local residents in the areas in which we operate, and prevent activities that deprive local residents of their right to enjoy a healthy environment. Furthermore, we will seek the preservation of a healthy and comfortable environment from destruction in the course of business activities and prevent associated air, soil, and water pollution.

(9) Environment and climate change

We will be careful to avoid funding projects that through their operation clearly accelerate environmental destruction and global warming, and in this way lead to the erosion of human rights.

(10) Human rights in the supply chain

We will appropriately consider and respond to human rights violations that may occur throughout the supply chain of corporate activities.

3. Development of an implementation system for respecting human rights

We will establish a system necessary to comply with the Human Rights Foundational Policy and the Action Guidelines for Human Rights in cooperation with the ID&E Group's Sustainability Promotion Council and other relevant important ID&E Group meeting bodies and group companies to fulfil our responsibility to respect human rights.

4. Conducting human rights due diligence

We will conduct human rights due diligence to prevent and mitigate negative impacts on human rights from corporate activities. We will establish a due diligence process (human rights impact assessments, preventive and corrective actions, monitoring, and external disclosure) and implement the process on an ongoing basis.

5. Development of remedial measures

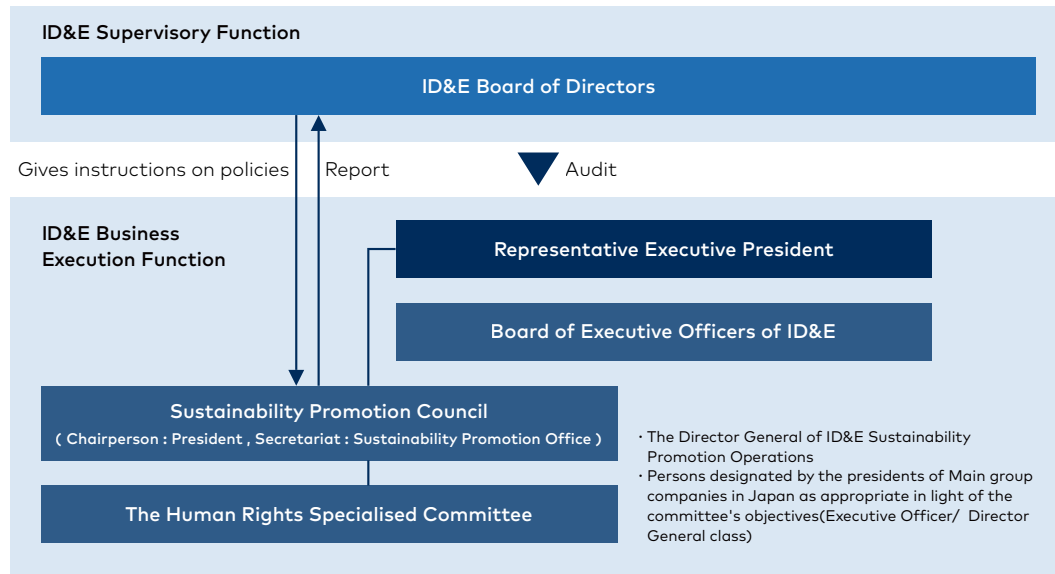
The ID&E Group will establish a grievance mechanism to address the negative impacts caused by human rights violations.

4.1 Human Rights

Structure

In July 2024, ID&E established the "Human Rights Specialised Committee" under the ID&E Sustainability Promotion Council to address human rights issues from a more specialised perspective. As a cross-organisational body, it includes executive officers, operations heads, or other representatives designated by the presidents of main Group companies in Japan. The committee focuses on i) the implementation and improvement of the Human Rights Foundational Policy, ii) the execution of human rights due diligence, iii) the identification and response to human rights risks, iv) disclosure of information related to human rights risks, v) development of grievance mechanism, and vi) improving human rights literacy within the Group.

■ Organisational Chart of the Human Rights Committee



Implementation of Human Rights Due Diligence

Our Group is conducting human rights due diligence in accordance with the "United Nations Guiding Principles on Business and Human Rights." For FY2024/06, we have completed the first step, which involves identifying and evaluating human rights risks and their potential or actual impacts. Given the nature of our Group's business, we have categorised these risks into two areas: (1) human rights within the organisation, focusing on employees of our main Group companies in Japan, and (2) human rights related to our business activities, specifically concerning stakeholders involved in our projects.

Steps for Human Rights Impact Assessment

1. Identify the rights holders/stakeholders in the supply chain.
 - Target 1: Our main group companies.
 - Target 2: Identify projects currently being implemented that are expected to have high human rights risks based on preliminary investigations.
2. Organise the anticipated human rights risks by rights holders, and conduct hearings and on-site investigations to identify human rights issues.
3. Evaluate the identified human rights issues from the above in terms of severity and likelihood of occurrence.

4.1 Human Rights

In the future, regarding high-priority human rights risks identified and evaluated by the Sustainability Promotion Council, measures to prevent and mitigate those risks will be developed, and ID&E and relevant Group companies will work together to implement human rights responses.

The status of responses to human rights risks is monitored primarily by the Sustainability Promotion Council, which reports to the Board of Executive Officers and the Board of Directors.

Initiatives

Enhancing Human Rights Literacy

In October 2023, an internal seminar on "Human Rights Due Diligence" was held, led by the general manager of the Sustainability Design Office of Nippon Koei. The session covered key topics such as the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises, global business and human rights trends, and an overview of human rights due diligence.

Moving forward, the Group will enhance internal training concerning respect for human rights to further improve human rights literacy across the Group.

4.2 Human Capital Management

The Significance of Positioning Human Capital Management within “Sustainability Management”

The founding spirit of the ID&E Group, encapsulated in the management philosophy of “act with integrity and contribute to society through technology and engineering” has been the bedrock of corporate value based on the “trust” cultivated through numerous engagements at both in Japan and international locations. Diverse and talented individuals are the driving force behind our growth, embodying the philosophy of “Think Globally, Act Locally” and serving as the capital that generates unique corporate value. This principle remains unchanged.

The ID&E Group positions the resolution of sustainability challenges as the starting point for corporate value creation. By fostering a commitment to “co-creation” and “innovation” and investing in the human capital of the ID&E Group, which values “making the world a better place,” we believe we can pioneer new business opportunities and continually enhance corporate value. To move beyond our traditional model of public works contracts and proactively provide innovative solutions to societal challenges, it is essential for all employees across the Group to be highly responsive to external environmental changes. They must independently enhance their skills as professionals and fully maximise their capabilities. In light of this, the ID&E Group is committed to collectively advancing “human capital management to the next level.”

ID&E Group’s Perspective on “Human Capital”

Kubota Yutaka, the founder of Nippon Koei, the predecessor of the ID&E Group, once stated, “The power of creativity unique to humans is what a consultant embodies.”

We believe that the value created by “people” encompasses not only technical skills and expertise in specialised fields but also invaluable qualities such as insight, creativity, trustworthiness, relationships, corporate culture, and brand reputation - intangible assets that foster sustainable competitive advantage. This perspective is rooted in the experiences gained through our long-standing involvement in nation-building and human development projects, both in Japan and internationally. We believe that becoming employees who business partners and stakeholders are eager to collaborate with again is the starting point for sustainable corporate value creation.

As a world-class consulting and engineering company, we regard each employee of the ID&E Group as a professional problem-solver who continuously creates “knowledge” in their respective fields, whether they are tackling societal challenges through their technical expertise or addressing management and operational issues.

While we have long proclaimed that “human capital is our greatest management resource and the source of value creation,” we are reaffirming our belief that “human capital is the foundation of corporate value and embodies the ID&E brand itself.” With this as our cornerstone, we will intensify our investment in human capital to ensure that every employee can autonomously and fully realise their potential, while feeling both mentally and physically fulfilled in a safe and supportive workplace.



4.2 Human Capital

ID&E Group's "Foundational Policy on Human Capital Management"

In 2023, during a pivotal period marked by the organisational restructuring of the ID&E Group, we revisited the ideals of our founder, Kubota Yutaka, and returned to our origins. To enhance the effectiveness of our "human capital management" in the future, we established a new foundational policy on human capital management.

Foundational Policy on Human Capital Management

Foundational Concept of Human Capital Management

Human capital management regards people as a core asset and seeks to enhance corporate value through investments in human capital. The ID&E Group is committed to continuously enhancing corporate value by investing in its human capital, which is dedicated to "co-creation" and "innovation" and the mission of "making the world a better place."

To enable diverse individuals with various perspectives to fully realise their potential, it is essential for them to deeply empathise with ID&E's mission of "making the world a better place" and possess the determination to boldly challenge themselves to achieve new "co-creation" and "innovation" for the future. The ID&E Group will continue to enhance corporate value by investing in such human capital.

The Human Capital and Organisation that the ID&E Group Aims For [Human Capital Profile] Individuals with a pioneering spirit, equipped with five core competencies, who tackle global challenges from the perspectives of management, global operations, and technological applications.

The ID&E Group aims to become a collective of individuals as follows: Individuals who carry forward the pioneering spirit of our founder, Kubota Yutaka (who crossed seas to contribute to the self-reliance and development of various nations), and who continue to address complex global and local challenges by carving out the future and improving themselves. Individuals who uphold the perspectives of "management," "global operations," and "technological applications," which Kubota likely possessed, and who act with integrity.

Key Human Capital Competencies:

1. Social Contribution
2. Technical Expertise
3. Insightfulness
4. Managerial Skills
5. Ethical Standards

[Organisation] To foster "Co-creation" and "Innovation" create opportunities for individuals to excel while cultivating a culture that respects diverse values. Each individual must recognise their role as a professional, feel personal growth, fully demonstrate their abilities, and find fulfilment in their work. To achieve this, we will establish personnel systems, training programmes, and mechanisms for continuous skill development. Additionally, we value the mental and physical wellbeing of our employees, respect the diversity of individuals' backgrounds and aspirations, and cultivate a culture that fosters "co-creation" among those with differing values. We actively enhance workplace environments and support employees' happiness in their personal lives.

Overview of Human Capital Management at the ID&E Group

The ID&E Group is strategically committed to human capital management that integrates the Group's overall business strategy and human resources strategy to continuously enhance corporate value.

The ID&E Group has placed "Promoting Sustainability Management," as one of the core principles of its medium-term management plan, and positioned at the centre of its efforts in order to make the world a better place and to "work together toward a future without boundaries" as outlined in our long-term management strategy for 2030.

Furthermore, among the initiatives in the medium-term management plan, the ID&E Group considers the "Evolution of Talent and Technology" to be a crucial element that embodies the ID&E brand and ID&E quality.

To strongly advance the evolution of "talent" across the entire Group, we have established a new Human Capital Management Foundational Policy. Alongside this, we have identified five key pillars to support the enhancement of our Group's human capital value: "Diversity, Equity, and Inclusion," "Talent Management," "Human Resource Development (Global Academy)," "Wellbeing," and "Recruitment and Retention" and will promote the maximisation of these strategies. (Figure 1)

Governance Structure

To effectively manage "human capital management," we have established the "Human Resources Strategy Council" as an important meeting under the ID&E Board of Executive Officers. This meeting is held in principle six times a year, and its contents and initiatives are reported to the Board of Executive Officers and the Board of Directors. The chairperson and members are appointed by the Board of Executive Officers and are officers responsible for human resources strategies at Main Group companies in Japan.

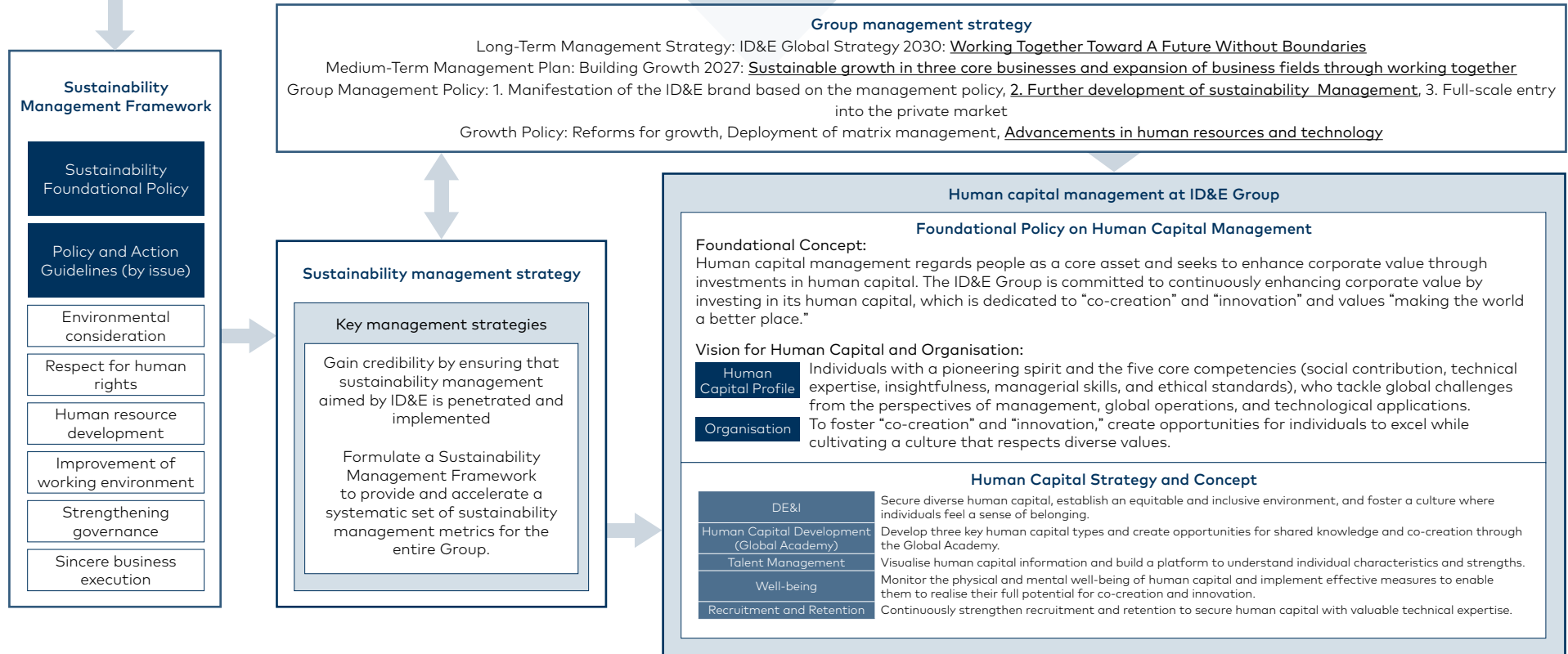
4.2 Human Capital

Overall Picture of ID&E Group Human Capital Management

Management Philosophy: Act with integrity & contribute to society through technology and engineering,

Mission: Make the World a Better Place

Building a global team with diverse perspectives (Materiality 4)



4.2 Human Capital

Diversity, Equity & Inclusion (DE&I)

The ID&E Group believes that enabling diverse talent to demonstrate their individuality and capabilities, regardless of gender, age, nationality, race, disabilities, sexual orientation, religion, beliefs, values, or employment status, is essential for corporate growth. In alignment with our Diversity, Equity & Inclusion Policy and Action Guidelines, we are committed to developing internal systems and workplace environments that allow a wide range of talent to fully realise their potential.

Moving forward, while respecting diversity, we will promote various initiatives aimed at advancing equity (providing fair and equal opportunities for diverse talent) and fostering inclusion (cultivating an environment that embraces diversity).

ID&E Holdings Diversity, Equity, and Inclusion Policy

The ID&E Holdings Group (ID&E Group) recognises the importance of the value of diversity as we transition to a company that is always one step ahead of the times and is flexible and resilient to change. We promote Diversity (respect for diversity), Equity (providing fair and equitable opportunities for diverse human resources), and Inclusion (fostering a culture that embraces diversity).

1. Respect for diversity

The ID&E Group, aiming to be a world-class consulting and engineering company, respects diversity in terms of gender, age, race, nationality, disabilities, sexual orientation, religion and beliefs, and values, as well as career and work styles, in order to generate new ideas and values from diverse perspective.

2. Acceptance of diversity

We will work to create an inclusive organizational structure and culture that embraces diversity so that any individual can thrive within the organisation, fosters deepen mutual understanding, and encourages working together in a lively and productive manner.

3. Providing fair and equitable opportunities

When promoting this Policy, in addition to respecting and accepting diversity, we will make an effort to give reasonable consideration and develop necessary systems so that all workers can fully demonstrate their abilities while maintaining their individuality under fair and equitable opportunities.

ID&E Holdings Action Guidelines for Diversity, Equity, and Inclusion

The ID&E Holdings Group (ID&E Group) will work on the following matters in accordance with our Diversity, Equity, and Inclusion Policy (the "Policy").

1. Recruitment and promotion of diverse human resources

We recognise that diversity is a key management issue for the sustainable and robust growth and development of the ID&E Group and will actively promote the recruitment and promotion that leads to a diverse employee group.

2. Fostering a workplace culture that embraces diversity

We will provide educational and training opportunities related to diversity in order to become an organisation that mutually recognises the various personalities exemplified in the Policy as members of the organisation, and that accepts and takes into consideration each individual's situation and characteristics.

3. Providing fair and equitable opportunities to persons with disability

We will strive to provide education and training opportunities that respect individuality, offer diverse career plans, establish systems that enable flexible work styles, and develop fair and equitable promotion and pay raise systems so that our diverse human resources can fully demonstrate their abilities.

4. Developing and monitoring diversity, equity, and inclusion action plans

We will formulate and implement action plans, monitor and evaluate the status of such plans, and disclose the results in order to promote the above stated initiatives in a continuous and transparent manner.

4.2 Human Capital

As key numerical targets to be achieved by 2030, our Group has set specific goals for the “percentage of women in management,” “percentage of foreign nationals in management,” and the “percentage of mid-career hires in management.” We are committed to steadily working towards these targets by regularly reviewing and publishing progress on an annual basis.

A plan for achieving DE&I

In order to enhance the diversity of our Group, we believe that securing and retaining diverse talent is of utmost importance. In order to achieve KPI raised by sustainability target of Sustainability Management Framework, we work on “Ingenuity during recruitment activity” mainly based on three perspectives

	Women	Global	Challenged
Overview	The proportion of female university students in civil engineering and mechanical engineering departments is said to be around 15%. To increase the number of female managers, we are promoting a workplace environment where women can work comfortably and thrive in the long term.	We hire talent regardless of nationality through new graduate and mid-career recruitment. For new graduates in general positions, we also promote the development of global talent in conjunction with self-directed career planning.	Aichi-Tamano Information Systems Co., Ltd. was established in 1987 to promote the employment of persons with disabilities and was certified as a special subsidiary in 1989. In 2023 it was transitioned from being a subsidiary of our group company Tamano Consultants Co., Ltd. (Current Nippon Koei Urban Space) to a subsidiary of ID&E itself, in order to drive more effective employment practices.
Specific Examples	<ul style="list-style-type: none"> ● Conducting "Company Seminars by Female Employees" exclusively for female university students to propose empowering working styles for women. ● Creating opportunities for interaction with senior employees who have diverse experiences, such as maternity leave or overseas assignments. 	<ul style="list-style-type: none"> ● Recruiting new foreign students who wish to find employment in Japan (new graduates). ● Starting to hire international students not only for technical positions but also for administrative and sales positions. ● Local subsidiaries hire diverse talents with various skills and abilities according to their business needs. 	<ul style="list-style-type: none"> ● Promoting direct employment at Japan-based main group companies and employment at special subsidiaries. ● Creating an employment environment to foster a workplace where individuals find a sense of purpose.



4.2 Human Capital

Initiatives

To not only improve retention rates but also foster innovation within the Group, we believe it is essential to enhance internal communication and establish a work environment that accommodates diverse working styles, allowing employees to work in a way that feels authentic to them. Regarding the development of the work environment, we recognise the need for systems that take into account not only "Diversity" but also "Equity" and "Inclusion." We will continue to explore and implement various initiatives that address these key issues.

Purpose of Initiatives	Examples of Initiative Outlines
Promotion of Diverse Working Styles	<p>Implementation of Flextime, Telework, and No Overtime Days We are driving forward initiatives to enhance both work and personal life, and to provide workplaces enable to accommodate various life stages of employees</p>
	<p>Establishment of Systems to Support Various Life Events We are implementing initiatives to enhance both work-related and personal life events. In addition to the legally mandated childcare and caregiving leave systems, we have added our group-specific benefits and polices. These include:</p> <ul style="list-style-type: none"> ● Childcare leave system ● Special childcare leave system ● Special leave for the spouse's childbirth ● Reemployment system for employees who resigned due to childbirth, childcare, or spouse's relocation for work ● Caregiving leave system ● Support system for employees selected as bone marrow bank donors ● Gynaecological leave system
Promotion of Global Human Resources	<p>Support for In-House Communication Beyond "Japanese" Although Japanese is the official language within our group, we have established an environment where employees who find communication in Japanese challenging can easily consult with support staff assigned to each department.</p>
	<p>Respect for Diverse Religions and Customs We acknowledge and respect the religious practices and worship associated with a diversity of cultural backgrounds and religious traditions of our employees.</p>
Promotion of Challenged Employees' Activities	<p>Conversion of Special Subsidiary to a Subsidiary and Stable Business Operations Aichi-Tamano Information Systems Co., Ltd. was established in 1987 to promote the employment of people with severe disabilities. It was recently converted from a subsidiary of Tamano Consultants Co., Ltd. (Current Nippon Koei Urban Space) to a ID&E Holdings subsidiary and is certified as a "special subsidiary". A special subsidiary composed of engineers, including IT technicians with disabilities, is rare in Japan and is an initiative unique to our group, which upholds "technology" as its management philosophy. Additionally, by setting target order amounts from Japan-based main group companies and paying subsidies within the Group, we have established an operational system that allows employees of Aichi-Tamano Information Systems Co., Ltd to carry out their duties with peace of mind.</p>
	<p>Workplace Environment Improvement for Employees with Disabilities In departments where hearing-impaired employees are present, we conduct in-house sessions to foster teamwork, where hearing individuals capable of sign language and hearing-impaired employees work together on the same tasks, ensuring mutual consideration among all employees.</p>
	<p>Support for Technical Skill Development for Employees with Disabilities We encourage participation in the "National Abilympics," organised by the Japan Organization for Employment of the Elderly, Persons with Disabilities, and Job Seekers, providing a platform for showcasing their skills and finding motivation in their work. Many participants have consistently achieved high ranks, and participated employees earned the right to compete in the 2027 international competition.</p>



4.2 Human Capital

Highlighted Initiative No.1: Male Parental Leave Utilisation Rate

In FY2024/06, our Group achieved a male parental leave utilisation rate of 61.3%, which is significantly higher compared to other companies in Japan. From two years ago, the department has actively communicated with male employees eligible for parental leave, as well as their supervisors, encouraging them to take leave. As a result, we have noticed a gradual shift within the Group companies towards a culture where it is increasingly seen as natural for men to take parental leave. Our Group is committed to fostering an environment where both men and women can successfully balance work and parenting.



Male Employees on Parental Leave

■ Average Number of Days of Male Parental Leave Acquired:

Company Name	Total Leave days taken	Total Employees Taking Leave	Average Leave Days Taken
Nippon Koei	2,026	28	72.4
Nippon Koei Urban Space	853	12	71.1
Nippon Koei Energy Solutions	164	4	41.0
Nippon Koei Business Partners	766	8	95.8

For male parental leave that falls within the period from July 1, 2023, to June 30, 2024, the average number of days taken is calculated by dividing the total number of days taken (including those taken before June 30, 2023) by the total number of individuals who took the leave.

Highlighted Initiative No.2: Office Postal Collection and Delivery Management Team, Business Support Department, Nippon Koei Business Partners

The team responsible for managing all postal deliveries at the Nippon Koei building (headquarters) is primarily composed of nine hearing-impaired individuals. This team strives to create a work environment where each team member can feel a strong sense of purpose, accommodating individual differences in hearing, language proficiency, work experience, and personal circumstances. In addition to handling the delivery room operations, the team also assists with routine tasks such as registering human resources data, filing purchasing and travel documents, and supporting various departments. To foster effective communication and build trust among colleagues, the team is led by a departmental manager with a qualification as a vocational life consultant for persons with disabilities, alongside a dedicated team manager and sign language interpreters. Each team member is also provided with a company mobile phone, and the team regularly holds meetings, sign language study sessions, and social gatherings for the entire department.

Furthermore, the team now accommodate workplace visits from external disability employment support agencies. Going forward, the ID&E Group plan to strengthen collaboration with external partners to continue promoting initiatives towards a more inclusive society.



Wearing matching uniforms, they aim to increase awareness within the company and foster a sense of team unity.

4.2 Human Capital

Human Resources Development

The ID&E Group positions human resources as one of its most critical resources and recognises it as the source of value creation. Accordingly, the Group has established a "Human Resources Development Policy" and an "Action Guidelines for Human Resource Development." By ensuring that each individual fulfils their role with exceptional expertise and strong ethical standards, the Group aims to achieve sustainable growth.

ID&E Holdings Human Resource Development Policy

The ID&E Holdings Group (ID&E Group) has established this Human Resource Development Policy based on the recognition that human resources are our greatest management asset and the source of enterprise value creation. We will promote talent development with the following in mind, so that each employee is fully aware of his or her role as a human resource with outstanding expertise and high ethical standards and can work with a sense of growth and fulfilment.

1. Human resource development that encourages co-creation of business and is closely aligned with management strategy

We will promote participatory human resource development by encouraging business co-creation and providing an education and training platform that is closely linked to our management strategy in order to contribute to solving social issues that are becoming more complex and diverse with the times and to create sustainable corporate value for the ID&E Group.

2. Fair and appropriate evaluations and feedback to encourage growth

We will develop human resources by accurately grasping the abilities of

each employee, conducting fair and appropriate evaluations in order to assign the right person to the right job, providing feedback to encourage growth, and realising appropriate compensation.

3. Expansion of human resource exchange programmes

We will expand human resource exchange programmes not only within the Group but also with other companies, universities, research institutions, and government agencies beyond the Group's framework in order to further enhance the value of the ID&E Group's human resources as a whole, aiming to become a world-class consulting and engineering firm.

4. Emphasis on diversity

We will develop educational opportunities and programmes that promote the success of diverse human resources coupled with the ID&E Group's Diversity, Equity, and Inclusion Policy.

ID&E Holdings Action Guidelines for Human Resource Development

Based on the Group's Human Resource Development Policy, the ID&E Holding Group (ID&E Group) will address the following matters.

1. The Ideal Human Resource Image Sought by the ID&E Group Through Training

(1) Human resources with brilliant expertise and high ethical standards "Human resources with outstanding expertise and high ethical standards" set forth in the Human Resources Development Policy refers to human resources who are able to build long-term trusting relationships with all stakeholders, including customers, by working hard on self-improvement with the aim of levelling up abilities in these specialised fields, directly facing work with a public spirit and a high

awareness of work professionalism, and steadily producing results.

(2) Human resource image closely linked to our corporate management strategy

We will develop employees with global perspectives and enhanced DX and management skills in line with our corporate management strategies. Employees with global perspective can contribute to global society by demonstrating their expertise while respecting local culture and sense of values in order to continuously improve corporate value. Employees with DX skills are able to support business innovation, growth and development by making full use of digital technologies. Employees with management skills refer to ① those who are capable of conducting organizational management of ID&E and its main companies, and ② those who are capable of conducting corporate management, including the growth strategies of Group Companies.

2. Providing Training Opportunities to Support Human Resource Development

(1) Building an Education and Training Platform

We will build an education and training platform that enables all employees to autonomously polish and develop their skills and expertise. We will encourage individual autonomous learning by providing training programmes that meet learning needs.

(2) Implementation of Training for Organisation Strengthening

We will strengthen organisational functions by sharing the direction the organisation is heading and fostering a sense of unity through periodic training for observance of the management philosophy, code of conduct, and compliance, as well as for learning the roles and skills required at each level of the organisation.

(3) Providing Opportunities for Supporting the Autonomous Growth of Individuals

We will implement career training programmes to support employees' autonomous career development and skill development programmes to develop individual skills. To promote opportunities for employees to play

4.2 Human Capital

an active role both inside and outside the company, we will establish an incentive system for acquiring qualifications and for submitting papers and lectures.

3. Visualisation of Role Models and Assessment Implementation for Encouraging the Growth of Each Individual

We will promote the visualisation of employees' abilities through the building of a talent management system, etc., to make it easier for staff to learn from the skills and experience of role models employees. In addition, we will strive for fair and impartial assessments and treatment so that every single employee, regardless of their nationality, gender, age, employment status, etc., is enabled to accurately understand the progress of their own growth and are encourage to grow further.

4. Strengthening Collaboration with Stakeholders through Proactive External Activities

The ID&E Group will strive to develop human resources through external activities such as academic and all association activities, lectures, study abroad, and CSR activities, etc., as it is necessary to carry out business while building various relationships with diverse stakeholders. We will expand human networks and range of knowledge and culture that can't be acquired just from carrying out business, will also engage in external collaborations that can be a source of open innovation, and strive to co-create beneficial knowledge for the realisation of a sustainable society.

5. Information Disclosure Concerning the Status of Human Resource Development Efforts

We will disclose information, including performance data, etc., on our efforts to develop human resources, which is our Group's greatest management resource, while considering the relevant laws and regulations, social norms, and working environments of each country. In addition, we will set targets and metrics, continuously check the status of our efforts, and regularly review them.

ID&E Global Academy

The ID&E Global Academy was established in FY2024/O6 as a learning ecosystem designed to foster the growth of all employees within the ID&E Group and cultivate future global leaders who embody the ID&E brand. The Academy is open to all ID&E Group employees and is structured around three core functions: "Knowing Oneself," "Learning Together," and "Connecting with the World."

The functions of the Academy are as follows:

1. "Knowing Oneself": Realising data-driven human resources management through a talent management system.
2. "Learning Together": Enhancing employees' skills and capabilities through training and educational programmes.
3. "Connecting with the World": Building a knowledge network through co-creation with stakeholders.

By establishing these functions as the foundation for human resources development, the Academy creates an environment where employees can access collective knowledge across the ID&E Group, learn autonomously, and share their own learning and experiences. This enables all employees to grow together beyond the boundaries of individual Group companies.

Although the ID&E Global Academy was just launched in June 2024, plans are in place to gradually expand its services and offerings through to 2030.

ID&E Global Academy

<https://www.id-and-e-hd.co.jp/academy/>



What Can Be Achieved Through the Global Academy

4.2 Human Capital

Education and Training

The improvement of the ID&E Group's talent development infrastructure provides employees with an environment where they can independently pursue growth and career development beyond the boundaries of individual Group companies.

The education and training functions of the ID&E Global Academy are broadly categorised into four key talent development programmes:

1. Mandatory/Optional Programmes

These programmes are designed for employees aiming to shape their careers. They include leadership programmes that support the development of "executive talent," "DX talent," and "global talent," aligned with the long-term business strategy. Additionally, there are tier-based training sessions and programmes aimed at strengthening organisational functions.

2. Career Development Support Programmes

Employees can freely participate in these programmes, which focus on career development. This includes programmes like career development courses and professional engineer qualification support.

3. Specialised Programmes

These programmes are designed to enhance expertise. Developed under the supervision of the ID&E Global Academy and Executive Engineers within the ID&E Group, they are tailored for employees

at all levels, from junior to senior, and follow a syllabus aligned with the IPD (International Professional Development) framework. These include programmes focused on specialised technology, integrated management skills, overseas project management, and programmes tailored for overseas Group companies.

4. Exchange Programmes

These programmes broaden the perspectives of participants. They include special study assignments to various universities or research institutions, exchanges between Group companies, and overseas on-the-job training (OJT).

Categories	A. Mandatory/Optional Programmes			B. Career Development Support Programmes		C. Specialised Programmes (Knowledge Sharing)			D. Exchange Programmes
	Management Challenge Response	Level-differentiated Programmes	Management Philosophy & Code of Conduct	Career Development	Elective Programmes	Comprehensive Management of Specialised Technology	Overseas Project Response Programmes	Overseas Group Companies	Talent Exchange Programmes
Executive Level	Executive Talent Development Program		Management Philosophy, Code of Conduct & Compliance Training						
Management Level Department Head	DX Talent Development		Mid-career Employee Training			Field-specific & Company-specific Training Specialised Technical Skill Enhancement Training			Inter-group Company/Personal Exchange
Management Level Section Head	Global Talent Development Program	FDM Training Personnel Evaluation & Labour Management Training Pre-management Appointment Training	Engineer Ethics Training	TDF Training	Skill Enhancement Program	Environment, Safety, and Quality Management Training	PM Candidate Training	Regional Engineer Development Program	Japan & Overseas Special Study Abroad/ External Institution Dispatch
Mid-Level & Team Leader	Innovation Program Digital Skills Program				Professional Engineer Second Exam Preparation Seminar				
New & Junior Level		Mid-level Employee Training Third Year Employee Training New Employee Orientation Training		TD Training	Correspondence Education	Field-specific, Junior Training BIM/CIM Training PM Basic Course			Overseas On-the-Job Training

4.2 Human Capital

Talent Management

Visualisation and Utilisation of Human Resource Information

Through the Talent Management System, which is one of the key components of the ID&E Global Academy, each employee is empowered to compare their current status with their future aspirations and map out their career vision. By recommending relevant content aligned with career goals and tracking learning history, the system encourages proactive and self-directed learning.

The system centralises human resources data, allowing for a visual representation of employees' skills, experiences, and positions, thereby supporting the continuous development and effective utilisation of talent. It also assists in project assignments and optimal personnel placement.

The Talent Management System is being developed as a shared platform for the entire ID&E Group, with plans to customise it to meet the specific needs of each Group company. Aiming for completion by June 2027, the system will be progressively enhanced to provide visibility into human resources and organisational structures, conduct analysis and trend identification, and support strategic decision-making.

Fair Evaluation of Human Resources

In parallel with various career development programmes, the ID&E Group has introduced a "management by objectives system." In principle, regular meetings with supervisors every six months are held to provide opportunities for feedback on one's career aspirations.

In addition, each department creates a 'Career Path Planning' that outlines the specialised technical skills required for employees and the employees input their goals and achievements into this sheet once a year. In response, employees receive evaluations and advice on growth challenges that are objective and satisfactory. Furthermore, through the annual 'Career Questionnaire' conducted for employees of ID&E and its main Group companies in Japan, the personnel placement considers each individual's career vision and aptitudes.

4.2 Human Capital

Wellbeing

The ID&E Group is committed to fostering a work environment where each employee feels fulfilled in their role while effectively managing their responsibilities. We prioritise a balanced approach to work that focuses on the quality of work, promoting efficient and meaningful ways of working.

By evolving our focus from “work-life balance” to “wellbeing,” we aim to create a workplace where employees can continue to work with vitality, maintaining physical, mental, and social well-being. While we have implemented various initiatives in the past, we remain dedicated to actively advancing our well-being management strategies in the future.

Additionally, to realise Wellbeing management and effectively communicate these initiatives to our stakeholders in a timely and appropriate manner, we have established policies and action guidelines. These are designed to ensure that employees can continue to work energetically while fully utilising their abilities.

ID&E Holdings Internal Environmental Improvement and Occupational Health and Safety Policy

The ID&E Holdings Group (ID&E Group) recognises that the development of a comfortable working environment is an important issue for the

enhancement of our sustainable corporate value, and has established this Internal Environmental Improvement and Occupational Health and Safety Policy to address the following issues.

1. **Improve the well-being of all ID&E Group employees**
Under the ID&E Group Health Declaration, we will strive to maintain and promote the physical and mental health of ID&E Group officers and employees and their families, create a healthy workplace environment, and improve the well-being of all those who work for us.

2. Consideration for stakeholders in the value chain

We will comply with laws, regulations, and internal rules, and give consideration to the health and safety of stakeholders in the ID&E Group's value chain.

3. Realisation of a virtuous cycle of work style reforms and productivity improvements

We aim to manage in such a way that officers and employees feel a sense of job satisfaction and happiness by realising a virtuous cycle of work style reforms and productivity improvements in order to achieve a healthy, safe, and comfortable work environment.

Work (Style) Transformation

Work (Place) Transformation

Digital Transformation

Health and Productivity Management

Work Life Balance

- Enhancing Corporate Competitiveness and Fulfilling Social Responsibilities
- Achieving Work-Life Balance for Employees

Wellbeing

Towards a State of Physical, Mental, and Social Wellbeing for Employees

4.2 Human Capital

4. Promoting the ID&E Group's health management initiatives throughout the world

We will contribute to the realisation of a sustainable society by promoting the ID&E Group's health management initiatives throughout the world.

ID&E Holdings Action Guidelines for Internal Environmental Improvement and Occupational Health and Safety

The ID&E Holdings Group (ID&E Group) will work on the following issues in accordance with the Internal Environmental Improvement and Occupational Health and Safety Policy.

1. Promote the physical and mental health of officers, employees, and their families

Looking at the ID&E Group as a whole, we will promote health management in order to promote the physical and mental health of our officers, employees, and their families. Specifically, we will focus on disease prevention and the prevention of serious illness with health checkups as the main focus, and create a system to detect various physical and mental health risks at an early stage and promptly treat and improve them. In addition, we will strive to promote health management further and improve its quality by improving health-related measures through follow-ups after health checkups and analysis of health checkup data.

2. Consideration for the health and safety of stakeholders in the value chain

While complying with laws related to occupational health and safety and internal rules, we will give consideration to the health and safety of workers in all aspects of our corporate activities and promote our health management initiatives throughout the value chain. We will establish an

occupational health and safety management system aiming to prevent occupational accidents, injuries, and illnesses, and eliminate work-related accidents.

3. Work-life balance and work-life synergy

We will promote work style reforms that allow each employee to choose and realise a variety of lifestyles while working with a sense of fulfilment and satisfaction. We will improve the quality of labour by pursuing further efficiency and proper allocation of work in order to eliminate overwork. We will also aim to realise a work-life balance that emphasises harmony between work and life and to realise a workplace environment that creates work-life synergy in which work and life mutually enhance each other's quality.

4. Improve and expand workplace environment infrastructure

We will pursue productivity improvements with an emphasis on improving the quality of experience at work, and provide workplaces tailored to the nature of the work. We will accelerate in-house DX and promote the expansion of workplace environment infrastructure to improve operational efficiency.

5. Foster awareness of health maintenance and promotion and health and safety management

We will foster health awareness by providing online health seminars, hygiene education, and physical and mental health care training through management training, etc. We will also foster safety awareness among officers and employees by checking and monitoring the state of implementation of safety measures and by implementing a PDCA cycle to eradicate occupational accidents.

Work-Life Balance Initiatives

We implement work-life balance initiatives to ensure that employees can maximise their potential and achieve a more fulfilling life. These initiatives are classified into ten categories, based on the nine categories outlined in the Japanese Cabinet Office's "Action Plan for Vibrant Workstyles," with an additional category, "Other." These 10 categories are further divided into three sections: "Systems and Mechanisms," "Investment and Tools," and "Others."

4.2 Human Capital

■ Table: Work-Life Balance Initiatives

	Systems and Mechanisms				Investments and Tools				Others			
1 Improving Conditions for Non-regular Employees	System for Diverse Employment Types		Regular Employee Appointment System for Non-regular Employees									
2 Enhancing Wages and Labour Productivity	Performance-based Bonus System				Implementation of Regular Salary Increases		Base Salary Increases					
3 Addressing Long Working Hours	Implementation of Overtime Elimination Focus Months (January to March)		Working Hours Monitoring and Verification	Implementation of No Overtime Days	Email Alerts Regarding Working Hours		Automated Fixed-line Phone Responses		Timer-based Light Shutdown on No Overtime Days			
	Strict Enforcement of Substitute Leave		Encouragement for Continuous 10-day Summer Leave	Designation of Paid Leave Promotion Days and Encouragement of Paid Leave Usage	Principle Ban on Sunday Work		Survey, Evaluation, and Introduction of Tools to Improve Operational Efficiency					
	Principle Ban on Late-night Overtime	Enforcement of No Meetings After Regular Hours	Encouragement of Standing Meetings	Reinforcement of Weekly Working Style Practices	Promotion of Direct Return Home After Business Trips							
	Encouragement of Overnight Stay for Early Morning Business Trips		Long-term Leave System Based on Years of Service (5-15 Days)									
4 Establishing a Flexible Working Environment	Satellite Office Work	Work from Home	Flex-time System		Location-specific Employment System		Establishment of Concentrated Work Rooms and Areas	Use of Online Meeting Tools	Remote Access Services			
	Course-based HR System (Clarification of Job Roles across 4 Courses)		Encouragement of Early Morning Work						Provision of Personal Smartphones	Provision of IT Equipment for Teleworking		
5 Supporting the Balance of Work with Medical Treatment, Childcare, and Elder Care	Special Childcare Leave System (up to 10 days for children under 18 months)		Utilisation of Stress Check Results		Childcare Leave System (up to 18 months for children under 3)			Support Seminar for Balancing Work with Childcare and Caregiving		Mental Health-related Seminars (conducted as part of targeted training programs)		
	Caregiver Leave System (up to 365 days)		Paid Caregiver Leave System (up to 5 paid days per year)	Shortened Working Hours System for Childcare (available until end of primary school)			Establishment of In-house Childcare Facility (an Industry first)					
	Childcare Leave System (up to 5 paid days per year)		Special Leave for Wife's Childbirth (up to 3 paid days)	Re-employment System for Those Who Resigned for Childcare or Other Reasons								
6 Accepting Foreign Human Capital	Use of English for Meetings and Internal Documents								Hiring of Foreign Employees for New Graduate and Mid-career Positions			
7 Creating an Environment for Women to Thrive	Implementation of the Action Plan for Promoting Women's Participation		Women's Empowerment Seminar (held annually)									
8 Strengthening Human Resources Development and Education	Education Support System for Self-development (up to 30,000 yen per year)	Incentive System for Academic Publications and Presentations (5,000-100,000 yen per award)	Special Assignment and Self-funded Study Abroad System	MSP System (Talent Exchange System to Different Departments for a Specified Period)		Organisational Management Training for Section Managers		Conducting Various Technical Training and Seminars				
	Goal Management and Evaluation Systems	Mentorship System for Junior Employees	Overseas On-the-Job Training System	Secondment System to External Organisations		Implementation of Company-wide E-Learning		Conducting Labour Management Training				
9 Promoting Employment Opportunities for Elderly People	Limited-term Employee System for Contract Workers								Promotion of Senior Engineer Recruitment			
10 Other	Establishment of Document Management Guidelines and Reduction of Documentation	Improvement of Meeting Efficiency and Review of Meeting Formats	Utilisation of Career Surveys	Paperless Operations		Digitalisation of Various Administrative Procedures	Elderly Care Support Services (C-Care)	Installation of Collaboration Areas	Free Address Seating (ABW: Activity Based Working)	Implementation of Open Days	Display of Work-Life Balance Posters	Promotion of Recruitment for Technical Employees
	Recognition for Work-life Balance Promotion Activities	Promotion of Employee Health				Utilisation of Knowledge Management Systems		Website Improvement		Recruitment and Job Development for People with Disabilities	Social Contribution Activities (e.g. Office Neighbourhood Clean-up Activities)	Recreational Activities

4.2 Human Capital

Health Management Strategy

In order for our human resources, the foundation of our Group, to fully demonstrate their abilities, we have established a Group Health Declaration. We are committed to health management by considering employee health from a managerial perspective and strategically promoting various measures that contribute to health improvement.

ID&E Group Health Declaration

The ID&E Group believes that in order to put into practice our management philosophy of “Act with integrity and contribute to society through technology and engineering” our staff and their families must be healthy, both physically and mentally.

By maintaining and promoting the health of staff and their families and creating a vibrant work environment and highly productive work styles that respect diversity, we will realise a favourable work-life balance of staff as well as the well-being of the Group and contribute to the development of a sustainable society through our business.

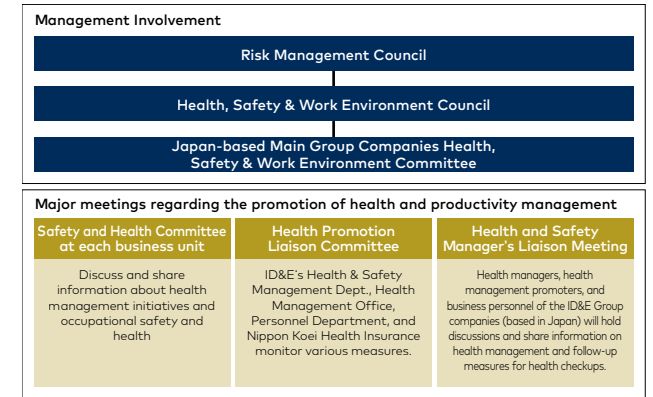
Hiroaki Shinya
Director and Representative Executive President
Integrated Design & Engineering Holdings Co., Ltd.

We have established the Health, Safety and Work Environment Council (chaired by the Executive Officer in charge of health management) under the Risk Management Council, which is chaired by the Representative Executive President of ID&E, to discuss and promote various measures related to health management and the improvement of the working environment.

Furthermore, we have established a Health, Safety and Work Environment Committee at each Japan-based main Group company to promote and implement initiatives at each company.

ID&E and Nippon Koei Business Partners have established the Health and Safety Management Department as a dedicated department for promoting health management, and have set up the ID&E Group Health Management Office under it. In addition, to promote health management various meetings are held across the Group.

Please check ID&E Holdings official website for details.
<https://www.id-and-e-hd.co.jp/english/sustainability/social/health-management/>



As a Group that manages “health investments,” our Group visualises both the costs associated with health-related activities and the outcomes derived from those activities. By making the costs and returns of health management visible, we aim to foster understanding and awareness among internal and external stakeholders, ensuring the efficient and effective management of health initiatives.

The elements for monitoring “health investments” are comprised of the following five components: i) Health Investment, ii) Health Investment Effect, iii) Health Resources, iv) Corporate Value, and v) Social Value. These five elements are centrally managed through our Group’s “Health Management Strategy (Strategy Map),” which demonstrates the connection between these components and our Group’s business challenges and desired goals.

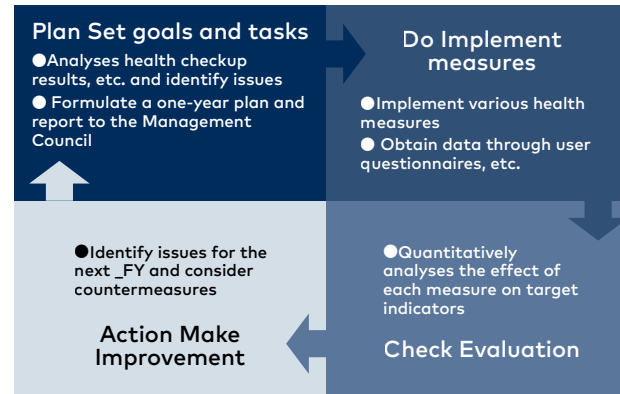
4.2 Human Capital

■ Health Management Strategy (Strategy Map) / KPI

① Health Investment	Initiatives aimed at maintaining and promoting the health of employees and others.
② Effectiveness of Health Investments	The results of health investments, including improvements in employee engagement, lifestyle habits, health conditions, and organisational vitality.
③ Health Resources	Resources, both financial and non-financial, that are developed through health investments and their effectiveness, contributing to the maintenance and promotion of internal corporate health.
④ Corporate Value	<ul style="list-style-type: none"> • Providing an environment where employees are physically and mentally healthy, respect diversity, and can fully utilise their abilities. • Achieving Wellbeing and Work-Life Balance.
⑤ Social Value	<ul style="list-style-type: none"> • Contributing to the development of a sustainable society through business activities.

Health Management Programme



By implementing a PDCA (Plan-Do-Check-Act) cycle in health management, we identify health issues and evaluate and improve the results of our annual plan. This continuous process ensures improvements are made each year.



4.2 Human Capital

Initiatives and Measures Supporting Employee Health and Safety

(1) Examples of Measures and Initiatives

No.	Initiative Examples
1	<p>Employee Health Management Support We prioritise "preventive measures against serious illnesses" with a target health checkup rate of 100% (including all employees, contract workers, and part-time employees required to join social insurance). Annual health checkups are comprehensive, offering gynaecological exams and allowing all employees aged 35 to 75 to undergo a full medical checkup. Employees with notable findings receive follow-up checkups and high-risk individuals have interviews with occupational physicians arranged by the ID&E Group Health Management Office, implementing wide-ranging preventative measures.</p>
2	<p>Technology Transfer Abroad Our Group company, Koei Research & Consulting Inc., (KRC) conducted the "Non-Communicable Disease (NCD) Control Project Phase 2 in Fiji" (commissioned by JICA). As part of this, KRC hosted a training program in Japan for 10 officials from Fiji's administrative agencies (e.g., healthcare centre staff). With nearly half the population in Fiji being obese and NCDs increasing, our Group's efforts in promoting health management and health checkups were highly valued. The training included tours of our health management facilities and role-playing health guidance to enhance health literacy, aimed at establishing a foundation for NCD prevention.</p> 
3	<p>Regular Implementation of In-House Walking Event "Minna de Arukatsu" : As a tangible health promotion initiative, we regularly implement the "Minna de Arukatsu" walking event, encouraging daily walking as a part of life. Voluntary teams across departments in Japan track their daily steps and compete based on total steps. This event also offers spin-off activities for employees to take walks together, fostering communication opportunities.</p> 
4	<p>Implementation of Health Policy Seminars and Training: In conjunction with "ID&E Global Academy," various health-related training programs are planned and implemented. Seminar and training themes range widely, covering topics such as diet, mental health, and breast cancer. Detailed information about specific seminars and training sessions can be found at the following URL: https://www.id-and-e-hd.co.jp/english/sustainability/social/health-management/</p>

Recruitment and Retention

To secure human resources with valuable technical expertise, the ID&E Group will continuously strengthen recruitment and retention efforts (maintaining existing employees). Specifically, we will focus on early retention measures for newly hired employees, whether new graduates or mid-career hires, as well as retention strategies for mid-level employees and utilisation of senior staff.

4.3 Advanced Technology Development and Innovation

Approach/Policy

Since its founding, the ID&E Group has been committed to contributing to the development of a sustainable society, engaging in numerous projects and activities aimed at improving and creating both the "natural environment" and the "social environment." Recognising the importance of addressing sustainability challenges through technological development and innovation, we have established the "ID&E Holdings Sustainability-related Innovation Policy."

ID&E Holdings Sustainability-related Innovation Policy

The ID&E Holdings Group (ID&E Group) recognises that innovation is indispensable for the realisation of a sustainable society and has set a Sustainability-related Innovation Policy.

1. Solving Sustainability-Related Issues through Innovation (Innovative Value Creation)

We recognise that efforts toward sustainability represent an opportunity for profit-creating innovation, rather than simply increased costs and through this efforts can connect to economic growth. As such, the Group will make efforts to create a foundation for promoting innovation related to sustainability issues.

2. Promoting Innovation Through the Ideas from Diverse Human Resources and Co-creation Activities

We recognise that it is indispensable to have a keen sensitivity to ascertain the true nature of issues and to have a free point of view and ideas that are not bound by preconceived notions, in order to promote sustainability-related innovation. The ID&E Group will provide

opportunities for our diverse workforce human resources to take on the challenge of innovative value creation through co-creation, not only among ID&E Group Companies but also with external resources.

3. Anticipating Social Issues

The ID&E Group, while deepening collaboration and co-creation with all stakeholders, will strive to quickly uncover social issues that are becoming more complex and advanced than ever before and propose and provide innovative services and products through the creation of new ideas and technologies as a "future issue-solving company".

Initiatives and Achievements

(1) Efforts in AI and Digital Transformation (DX)

Development of an Operation and Maintenance Support System for Hydropower Plants

Nippon Koei Energy Solutions is actively developing an operation and maintenance support system for hydropower plants. The system leverages IoT (Internet of Things) technology and Artificial Intelligence (AI) to enhance the efficiency of operational and maintenance tasks. Key features include camera-based meter reading, cloud operation of SCADA systems (Supervisory Control and Data Acquisition for centralised control of distributed devices), and testing of OpenVPN communications. Furthermore, the company is advancing an AI-based anomaly prediction and diagnosis system, incorporating graphical display and comparison features. These developments not only meet customer needs but also streamline the company's maintenance operations. Moving forward, Nippon Koei Energy Solutions will continue exploring new functionalities in response to customer demands, with the aim of expanding market share in the hydropower sector.

4.3 Advanced Technology Development and Innovation

Management System "Manesus"

To address the growing need for efficient maintenance of aging public infrastructure, Nippon Koei has developed "Manesus," a cloud-based management system. This system allows for the centralised management of the entire process, from receiving requests from residents regarding road infrastructure maintenance to the completion of repairs, enabling real-time information sharing among stakeholders. This reduces the time required for on-site inspections and report preparation, significantly lowering workloads. By utilising accumulated data, the system also facilitates working process innovations.

"Manesus" can be operated in any environment with an internet connection, without the need for specialised hardware or software, allowing for remote operations. It has already been implemented in various locations, including Fuchu City in Tokyo, Ibaraki Prefecture, and Saitama City, earning high praise for improving work efficiency and reducing workloads. Future plans include expanding its application to parks, rivers, and other fields beyond road maintenance.



4.3 Advanced Technology Development and Innovation

(2) Other Advanced Technologies

Initiatives in Air Mobility and Spaceport Development

Nippon Koei is actively involved in setting standards and creating conceptual designs for vertiports (take off and landing sites) for next-generation air mobility, commonly known as "flying cars." These vehicles are expected to be used for urban transport, remote island or mountainous area accessibility, and emergency medical transport during disasters. Nippon Koei is participating in Osaka Prefecture's "Osaka Roundtable for the Social Implementation of the Air Mobility Revolution," aiming for the operation of flying cars at the 2025 Osaka Expo. Additionally, the company serves as the secretariat for developing environmental assessment policies for vertiport installation, focusing on the definition of requirements for take off and landing sites and air traffic control systems.

Nippon Koei is also contributing to regional revitalisation centred around a spaceport in Taiki Town, Hokkaido. Since the initial planning phase, Nippon Koei has been involved in the spaceport development project, providing project management, environmental, geological, and survey research, as well as facility design. By advancing smart infrastructure, the company is promoting the creation of an inclusive society where everyone can interact freely.



Vertiport Image



Hokkaido Space Port Image

Autonomous Bus Trial

Nippon Koei conducted a trial of autonomous EV buses on a low-emission bus route within Nikko National Park. This trial, conducted in partnership with Tobu Railway Co., aimed to address the shortage of bus drivers while promoting eco-friendly technology. In addition, Nippon Koei held its first public road test of an autonomous EV bus in Saga Prefecture, using the "NAVYA ARMA" bus on a route between Ureshino Onsen Station and Ureshino Onsen Bus Centre. The goal of these trials is to enhance local mobility services and evaluate the public's acceptance of autonomous transport.



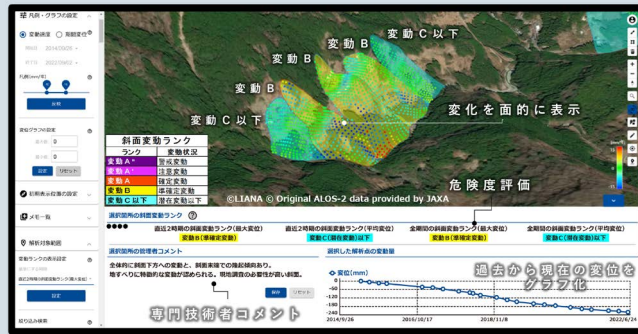
Autonomous EV bus experiment

4.3 Advanced Technology Development and Innovation

(3) Innovation Success Stories

Disaster Information Service 'LIANA' using Satellite Remote Sensing Technology
Nippon Koei, in collaboration with SKY Perfect JSAT Corporation and ZENRIN Co., Ltd., is developing the "LIANA" satellite disaster information service, which utilises satellite remote sensing technology. In recent years, widespread and simultaneous heavy rain disasters, as well as the ageing of infrastructure developed during the period of rapid economic growth, have become significant social issues. Additionally, the costs associated with countermeasures and the shortage of manpower are serious concerns. In response to these challenges, by using this service during normal times, it is possible to conduct extensive and low-cost monitoring simultaneously, supporting users' decision-making for preventive maintenance. This helps to reduce anxiety about disasters and contributes to the creation of safer communities.

Nippon Koei has taken a stake in QPS Institute to provide data using the latest small SAR (Synthetic Aperture Radar) satellite technology. This enables high-precision observation even at night or in bad weather, improving the accuracy and efficiency of disaster response.



@LIANA © Original ALOS-2 date provided by JAXA

Development of a Height Measurement Application for Nutritional Improvement in Developing Countries

Koei Research & Consulting Inc. (KRC) in collaboration with Nippon Koei Central Research Institute and ARK System Co., Ltd., is developing a height measurement application (app) to support nutritional improvement initiatives in developing countries. The app allows for simple and accurate height measurements of children using a smartphone, offering higher accuracy and lower operational burden than conventional methods. Since height is a critical indicator of a child's nutritional status, the introduction of this app is expected to significantly improve measurement accuracy in rural areas of developing countries. This project, which focuses on innovation and problem-solving from the field, won the top prize at the 2022 JICA Innovation Quest. The app continues to be refined, with plans for wider adoption in more regions in the future.



Scene from a Height Measurement programme

4.4 Quality Management

Approach/Policy

The ID&E Group takes pride in being a collective of professionals, committed to ensuring quality under the guiding principle of delivering high-quality, safe, and reliable technical services and products that earn the trust and satisfaction of our customers. To become an entity trusted by all stakeholders, we have established a Quality Control Policy. This policy guides us in properly executing our operations to meet the required standards of quality and to enhance customer satisfaction.

ID&E Holdings Quality Control Policy

The ID&E Holdings Group (ID&E Group) recognises the importance of quality control in sustainability management and has established this Quality Control Policy.

1. Understanding and meeting needs for sustainability-oriented quality control

We will constantly monitor social needs and the latest developments in international discussions regarding sustainability management and quality control, and will strive to improve the technical capabilities and management systems necessary to meet these needs and stay abreast of these developments.

2. Dialogue with stakeholders on quality policy

We will constantly pursue the provision of technical services and products that take sustainability into consideration, and will continue to engage in dialogue with stakeholders, including customers, regarding the state of our Quality Control Policy at all stages of our business activities.

3. Provision of quality value that contributes to the realisation of a sustainable society

The ID&E Group seeks to provide quality value that exceeds stakeholder expectations based on sincerity and technology. The entire Group will continue to use innovation to explore creative sustainability.

Management

Our Group operates a "Quality and Environmental Management System." For details, please refer to section 3.1 on Environmental Management.

Initiatives and Achievements

Group-wide Education

Within our Group, each of main Group companies in Japan promotes participation in external quality-related training sessions and the organisation of internal study groups. Additionally, through the ID&E Global Academy, a range of fundamental and advanced courses led by executive engineers in various business fields, are offered and demonstrating our commitment to improving quality across the Group.

4.5 Intellectual Property

Approach/Policy

The ID&E Group recognises the protection and utilisation of intellectual property, which supports innovation, as a vital aspect of its mission to “act with integrity & contribute to society through technology and engineering,” a core element of the Group's management philosophy. Within the "ID&E Group Code of Conduct," which outlines the responsibilities, policies, and behavioural standards for officers and employees, the Group has set clear guidelines regarding the protection and use of intellectual property, while also ensuring non-infringement of third-party intellectual property rights.

Code of Conduct

Protection and Use of Intellectual Property
Knowledge and innovation are key drivers of growth and prosperity. ID&E respects that intellectual property is used to contribute to the sustainable development of society, while ID&E works to protect and manage those rights.

Code of behaviour

- (1) We actively utilise the company's intellectual property, including know-how and new technologies, to benefit society.
- (2) We appropriately protect and manage intellectual property rights, such as patents, copyrights, and trademarks, that we hold as development results, and we do not infringe on the intellectual property rights of others through unauthorised use of software.

Structure/Management

The ID&E Group has established dedicated intellectual property offices within its main group companies to advance the protection and utilisation of intellectual property. These offices are responsible for obtaining and managing intellectual property rights, licensing to third parties, and taking necessary actions to prevent infringement of intellectual property rights. The overall coordination and management of intellectual property acquisition and administration across the Group is overseen by the Legal & Compliance Department of Nippon Koei Business Partners.

Establishment of the Invention Review Committee

To promote inventions made by Group employees and to manage the recognition of employee inventions, the filing and continuation of patent applications, and the assessment of rewards, the Group has established Invention Review Committees within its main group companies. These committees are composed of a chairperson, committee members, and external experts, such as lawyers or patent attorneys. The committees are responsible for reviewing and determining the handling of inventions and ensuring fair and appropriate compensation for inventors within the Group.

Initiatives and Achievements

Employee Education

Within the ID&E Group, we believe that enhancing intellectual property literacy among employees through targeted intellectual property education contributes to the sustainable growth of the company. To this end, various programmes are being implemented. Some of the key initiatives include:

- Patent seminars for employees at Nippon Koei Central Research Institute (basic knowledge of patent rights, employee invention systems, key points for patent applications, etc.)
- Awareness activities using the company intranet (basic knowledge of patent and copyright laws, etc.)
- E-Learning Training Programme

4.6 Social Contribution Activities

Approach/Policy

"act with integrity and contribute to society through technology and engineering." – This belief, held by our founder Yutaka Kubota, guided him through large-scale power development projects before World War II, and later led to the establishment of Nippon Koei for the reconstruction of war-torn countries both in Japan and internationally. The ID&E Group has inherited this spirit and continues to provide a wide range of support initiatives around the world.

Initiatives and Achievements

Kubota Fund

In 1984, Kubota Yutaka established the "Charitable Trust Kubota Fund" using his personal wealth. The fund was created to support the studies and research of technical personnel from developing countries who had come to Japan. Since its inception, the fund has awarded numerous scholarships and grants to trainees and researchers from various countries. Among past recipients, there are individuals who have gone on to become heads of civil engineering departments at institutions like Columbia University in the United States, associate professors at Kyoto University of Advanced Science, as well as technical officials in civil engineering or agriculture in their home countries. Some recipients have also earned their doctorates while working in private sector roles. The scholarship programme, which began with two recipients in

its first year, received 158 applications in 2024 (its 41st year). A total of 12 recipients from nine countries, including Myanmar, Ghana, and Afghanistan, were selected to receive scholarships. Since its inception, the fund has provided financial support to a total of 391 recipients from 50 countries. The ID&E Group continues to offer both operational and financial assistance to ensure that students who benefit from the fund can leverage their research and training in Japan to contribute to the development of industry and the improvement of living standards in their home countries.

■ Number of Fund Recipients

FY2022	FY2023	FY2024
14 recipients from 11 countries	12 recipients from 11 countries	12 recipients from 9 countries

Co-Creation Business Platform Project in Bangladesh

Koei Research & Consulting Inc. (KRC) has launched an initiative to support the entry of Japanese companies with technologies that address social challenges in developing countries by creating a platform for co-creation business. As a first step, KRC is gathering data on "development-related social challenges" and "potentially viable technologies" in Bangladesh, building a database, and working on matching challenges with technologies to foster co-creation businesses that contribute to social solutions.

Event for Promoting Eco-Friendly Aquaculture

MYANMAR KOEI INTERNATIONAL Ltd. (MKI) held an event to promote an eco-friendly aquaculture programme in collaboration with Mercy Corps at the Myanmar Climate Action Week 2024 organised by UN-HABITAT Myanmar.



Demonstrations by farm owners

Launch of "Giving Isn't Seasonal" Campaign

BDP launched the "Giving Isn't Seasonal" campaign, encouraging employees to donate food, hygiene products, and clothing. The collected items were donated to local food banks and charities tackling poverty and homelessness.



Donations Collected

4.6 Social Contribution Activities

Participation in “Canstruction”

BDP Quadrangle has a long history with Canstruction, an international event where architects, engineers, contractors and students compete to design and build giant structures made entirely of non-perishable food items. At the competition’s conclusion, all food used is donated to the Daily Bread Food Bank.



Canstruction's work

Scholarship Support for Civil Engineering Students

NIPPON KOEI LAC. INC.(NKLAC) in Colombia has engaged in a sponsorship programme managed by the Foundation of the Colombian Infrastructure Chamber (ACRES, in Spanish) through which it is providing a scholarship to civil engineering students to complete their studies in the Universidad Nacional in Medellín.

Volunteer Opportunity

Ten employees of NKLAC have joined a volunteering opportunity to promote sustainability in the built environment through pro bono collaborations with the Panama Green Building Council, NGO which is part of the World Green Building Council.

Initiatives in India

In FY2022-23, NIPPON KOEI INIDA PVT. LTD.(NKI) contributed 2% of its average net profit of the last three preceding years (67,14,800 rupees) to a “Rural Development Project” in accordance with the provisions of Indian Companies Act. The implementing agency for this project was an NGO named “Action for Women Helpage and Awareness” (AWHAN), and the activity was carried out in Dhenkanal, Odisha. The project was focused

on several key areas such as environmental protection, development of water storage pond for sustainability of agro-forestry, women's empowerment, the installation of solar streetlights, and the installation of RO water purifiers in 10 government schools to ensure access to clean and safe water. The project was successfully completed, and NKI will continue to pursue similar activities in the future, recognising the importance of corporate social responsibility and its role in fostering sustainable development.



Tree planting

4.6 Social Contribution Activities

Community Cleaning Activities

We collaborate with the local community through neighbourhood clean-up activities around our headquarters office in Tokyo.



Taimatsu Akashi Fire Festival

The Fukushima Office, Nippon Koei Energy Solutions participates annually in the "Taimatsu Akashi," one of Japan's three major fire festivals, held in Sukagawa City, Fukushima Prefecture.



Toyohashi City SDGs Promotion Partner System

Koei Research & Consulting Inc. (KRC) is registered as a partner in the "Toyohashi City SDGs Promotion Partnership". By utilising the resources and knowledge held by registered partners, KRC collaborates with Toyohashi City to address regional issues and promote sustainable activities. Specifically, KRC is working on raising awareness of the SDGs through lectures at local schools and forming co-creation businesses through interactions with other registered companies.



Hie Shrine Sanno Festival

Employees from our Group participate as mikoshi (processional shrine) bearers and provide support, such as water supply, during the "Sanno Festival" held at Hie Shrine, the guardian deity of the area where our headquarters office in Tokyo is located.



Participation in the Nagoya Uchimizu Grand Operation

Nippon Koei and Nippon Koei Urban Space participated in the "Nagoya Uchimizu Grand Operation 2023," held as part of the Hirokoji Summer Festival.



Participation in Volunteer Cleanup Before the Nagoya Women's Marathon

Nippon Koei and Nippon Koei Urban Space participated in the volunteer cleanup event along the sidewalk of the Nagoya Women's Marathon course as part of the "Marathon Festival Nagoya Aichi 2024" activities.



5 Governance

The ID&E Group respects and complies with international social norms in order to be a company that enjoys the support of and is needed by society. We also aim to strengthen the supervisory functions within our management system, establish a swift business execution system, and engage in corporate activities that are honest and highly transparent. This report focuses on the following key areas regarding governance:

5.1 Corporate Governance — P88

5.2 Compliance — P92

5.3 Risk Management — P94

5.1 Corporate Governance

Approach/Policy

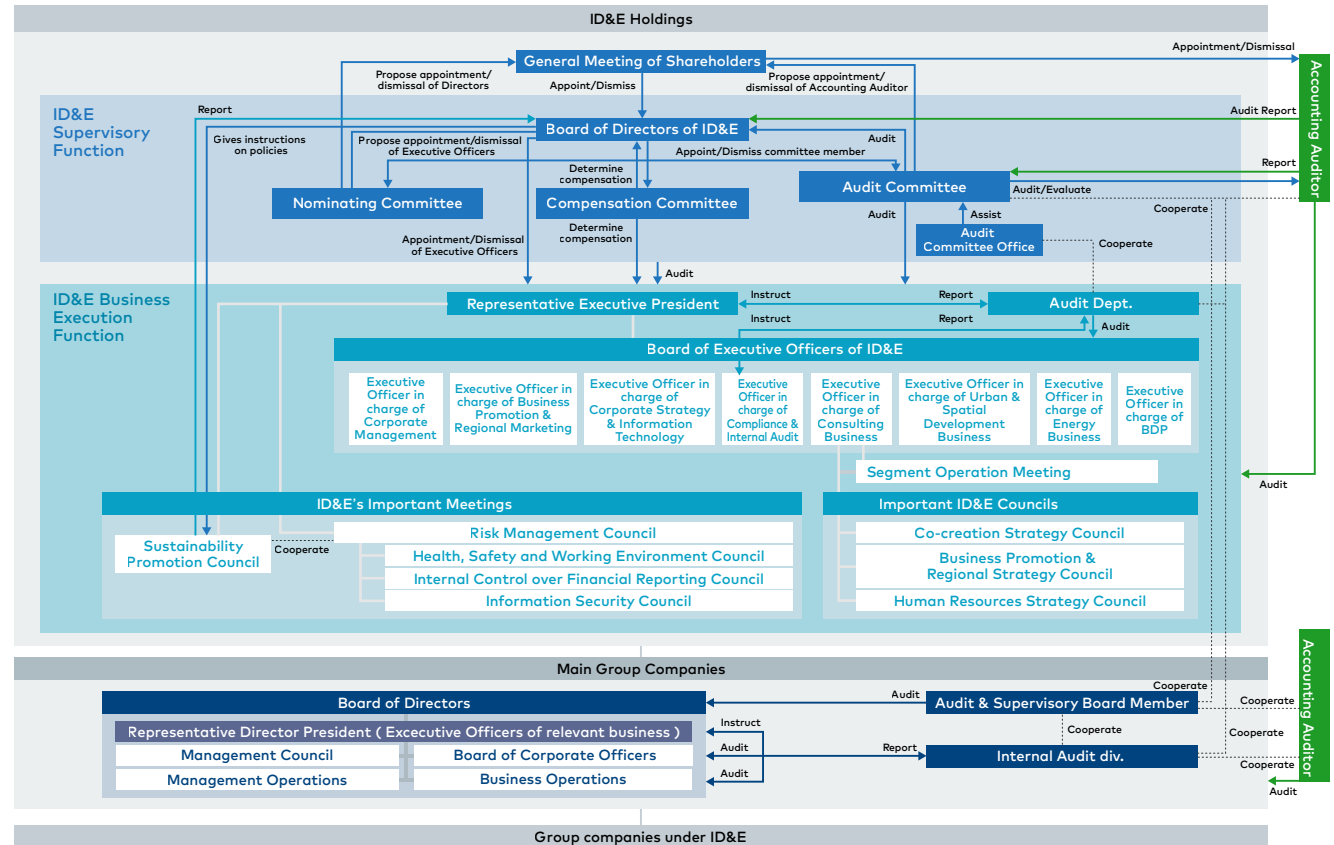
The ID&E Group aims to realise its mission of "Making the world a better place," placing sustainability at the core of its management. Every employee is committed to acting with a high level of awareness and integrity to contribute to the realisation of a sustainable society. In order to meet the expectations of all stakeholders and maximise corporate value, we are committed to enhancing corporate governance by strengthening the supervisory functions of our management system, ensuring transparency, and establishing a swift business execution system. The Board of Directors has formulated the "Basic Policy on Corporate Governance," which outlines the basic principles of corporate governance, including the protection of shareholders' rights and equality, proper collaboration with stakeholders other than shareholders, appropriate disclosure and transparency, the responsibilities of the Board of Directors, and dialogue with shareholders.

As a company with nominating committees, etc., the ID&E has established a Board of Directors, a Nominating Committee, a Compensation Committee, an Audit Committee, and an Accounting Auditor, and have delegated business execution to a Board of Executive Officers.



Basic Policy on Corporate Governance
Corporate Governance Report

Structure



5.1 Corporate Governance

Main Governance-Related Meetings

Committee/ Council Name	Purpose	Meeting Frequency	Number of Members	Head
Board of Directors	The Board of Directors deliberates and makes decisions on matters stipulated by laws and regulations and basic management matters, and oversees execution of the duties of executive officers.	Meetings are normally held once a month	Composed of 8 Directors. 4 are Outside Directors.	Director
Nominating Committee	The Nominating Committee determines proposals for the appointment/dismissal of Directors and the criteria for the election of candidates for directors of the holdings company.	3 to 5 times a year	Composed of 4 Directors. 3 are Outside Directors.	Outside Director
Compensation Committee	The Compensation Committee decides on basic policies for determining the compensation details, etc. for individual directors and executive officers and the amount of compensation, etc. for individual directors and executive officers.	3 to 5 times a year	Composed of 4 Directors. 3 are Outside Directors.	Outside Director
Audit Committee	The Audit Committee audits and supervises the execution of duties by directors and executive officers, prepares audit reports, and determines the content of proposals for the appointment, dismissal, and non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.	Meetings are normally held once a month	Composed of 4 Directors. 3 are Outside Directors.	Outside Director
Board of Executive Officers	In accordance with the Company's management policy determined by the Board of Directors, the Board of Executive Officers renders decisions on important matters related to Group management, and oversees/monitors the promotion of Group management.	Meetings are normally held twice a month	Composed of 9 executive officers with the President serving as the Chair. One Full-time Audit Committee Member attends Board of Executive Officers meetings as an observer.	Representative Executive President
Sustainability Promotion Council	Sustainability Promotion Council considers and formulates measures to promote sustainability (management promotion and business promotion) throughout the ID&E Holdings Group and promotes their implementation.	Meetings are normally held four times a month	Composed of 11 directors/officers with the president serving as the Chair. One Outside Director attends Board of Executive Officers meetings as an advisor and one Fulltime Audit Committee Member attends Board of Executive Officers meetings as an observer.	Representative Executive President
Risk Management Council	In accordance with the Company's "Internal Control Basic Policy," the Risk Operations Council oversees the overall promotion of risk management within the Group.	Meetings are normally held once a month	Composed of 10 executive officers and an outside attorney with the President serving as the Chair. One Fulltime Audit Committee Member attends Board of Executive Officers meetings as an observer.	Representative Executive President

Board of Directors

The Board of Directors is composed of directors selected for their personal integrity, experience, knowledge, and abilities, ensuring a balanced composition that reflects the business environment of the ID&E Group. Currently, the Board consists of eight directors, four of whom are external directors, including two women, to incorporate diverse perspectives. The Board meets regularly once a month, with extraordinary meetings held as necessary, to discuss and decide on matters stipulated by law and basic management issues, while supervising the execution of duties by executive officers. Through the supervision of the Group's overall management, the Board aims to ensure the Group's sustainable growth and enhance corporate value.

5.1 Corporate Governance

Skills of Directors

In order to advance our long-term management strategy and medium-term management plan, the ID&E identified the various skills (experience, knowledge, and abilities) that directors should possess, as shown in the table below, and select candidates based on those skills.

Name	Job title	Age* (Gender)	Skills(experience, knowledge, ability)								Activity status (for reference)	
			Corporate Planning	Technology/ IT	Sales/ Marketing	Human Resources Development	Financial/ Accounting	Legal/ Internal Control	Energy	Global	Number of year in the position	Number of Board of Directors Meetings Attended (FYE June 2024)
Arimoto Ryuichi	Director	71 (Male)	●			●	●	●	●	●	1 year 3 months	15/15 (100%)
Shinya Hiroaki	Director	64 (Male)	●	●	●	●		●	●		1 year 3 months	15/15 (100%)
Tsuyusaki Takayasu	Director	68 (Male)	●		●	●			●	●	1 year 3 months	15/15 (100%)
Hirusaki Yasushi	Director	62 (Male)	●			●	●	●		●	1 year 3 months	15/15 (100%)
Ichikawa Hiizu	Outside Director	77 (Male)	●		●	●	●	●	●	●	1 year 3 months	15/15 (100%)
Kusaka Kazumasa	Outside Director	76 (Male)	●		●	●		●	●	●	1 year 3 months	14/15 (93%)
Koizumi Yoshiko	Outside Director	80 (Female)	●			●		●		●	1 year 3 months	15/15 (100%)
Ishida Yoko	Outside Director	66 (Female)	●	●		●			●	●	1 year 3 months	15/15 (100%)

*July,2024

5.1 Corporate Governance

CEO Succession Plan

The Nomination Committee has established a "CEO Succession Plan" to select candidates who meet the required criteria to become CEO (President and CEO). This plan includes the development and implementation of training plans to enhance the necessary qualities of CEO candidates, as well as the evaluation, selection, and deliberation process for choosing the next CEO. When implementing the CEO Succession Plan, the Nomination Committee thoroughly deliberates on the proposed candidates presented by the current CEO, taking into account their alignment with the company's medium- and long-term management strategies, ensuring transparency, fairness, and objectivity in the process.

For more detailed information on corporate governance, please visit:

[Corporate Governance | Corporate Governance \(G\) | ID&E Holdings \(id-and-e-hd.co.jp\)](#)

5.2 Compliance

Approach/Policy

As a fundamental policy within the ID&E Group's common code of conduct, the "ID&E Group Code of Conduct for ID&E Group" has been established to elevate true corporate value by embedding it into the daily actions of every officer and employee. This code of conduct has been translated into seven languages, including English and Spanish, and shared with employees worldwide to raise compliance awareness and foster an open corporate culture. In building a highly transparent management system and establishing strong trust throughout the Group, we ensure not only compliance with laws but also adherence to social norms, in line with our management philosophy "Act with integrity and contribute to society through technology and engineering." Furthermore, within the "ID&E Group Sustainability Management Framework," we have established an "Acting with Integrity Policy," which encourages every employee to act with a strong sense of integrity.

ID&E Holdings Acting with Integrity Policy

The ID&E Holdings Group (ID&E Group) recognises the importance of acting with integrity to create sustainable corporate value and has set "Acting with Integrity Policy".

1. Earning the Trust of Stakeholders Supporting the ID&E Group

With recognition that trusting relationships with stakeholders is the foundation of sustainability management, and we will engage in honest and highly transparent corporate activities.

2. Pursuit of Integrity as Officers and Employees of the ID&E Group

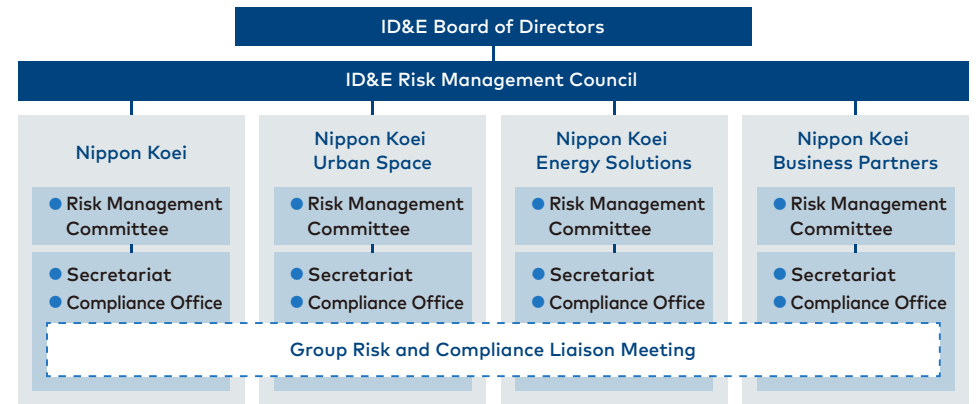
All officers and employees will revert to our corporate management philosophy of "acting with integrity" and have a three-fold awareness:

- (1) a sense of purpose of what they think is correct
- (2) a sense of impending crisis that current state is still in adequate when compared to the desired state, and,
- (3) a sense of ownership on what they think they are stakeholders in

We will never betray the expectations of society and each and every one of our officers and employees will act with sincerity and integrity.

Structure

Our Group has established the Risk Management Council to oversee the overall advancement of risk management. This council discusses, coordinates, and makes decisions on important compliance-related matters, and shares information. Main Group companies in Japan have established Risk Management Committees to ensure compliance with the "Code of Conduct for ID&E Group," as well as the "Group Risk and Crisis Management Regulations" and each company's "Risk and Crisis Management Regulations." These committees actively manage risks in line with the characteristics of their respective businesses. In the event of a compliance-related incident, it is reported to the respective company's Risk Management Committee or the Risk Management Council, depending on the level of risk. The Group Compliance Liaison Committee, composed of compliance officers from main Group companies in Japan, shares information related to compliance and risk management across the Group and promotes compliance awareness initiatives.



5.2 Compliance

Initiatives and Achievements

Awareness Surveys

To accurately assess the current state and challenges of employees' awareness of compliance, the Group conducts an annual compliance awareness survey targeting all Group employees, including those at Group companies outside of Japan. The surveys are conducted anonymously, and the results are shared with employees and used to improve compliance activities.

Training

The Group provides compliance training tailored to different career levels, host compliance seminars for executives and senior employees, and conduct training sessions at the departmental level. These sessions use specific cases to discuss causes and preventive measures, while also focusing on laws and regulations closely related to the Group's business. Additionally, through the Group's e-learning system, employees are educated and tested on various topics, such as antitrust law compliance and harassment prevention, offering opportunities to further their understanding of compliance.

Consultation and Reporting System

The Group has established the "Group Consultation and Reporting System Regulations," allowing employees who become aware of any actions that violate or may violate compliance regulations to consult directly with the compliance department or an external lawyer. Communication is conducted in Japanese for Japanese entities (with English available when necessary) and in local languages for some overseas entities.

This system is available to officers, employees, temporary staff, and partner company employees of the Group (including those within one year of retirement).

■ Number of Internal Reports (Main Group Companies)

June 2022	June 2023	June 2024
7	12	30

Note: Figures until June 2023 reflect the number of consultations and reports prior to the corporate split of former Nippon Koei.

5.3 Risk Management

Approach/Policy

The ultimate goal of risk management is the long terms continuation and development of the Group, which aligns with the objectives of sustainability. The ID&E Group addresses sustainability-related risks that may negatively impact the advancement of our business through close collaboration between the ID&E Sustainability Promotion Council and the ID&E Risk Management Council.

Structure/Management

The Risk Management Council, which meets in principle once a month, operates based on the "Group Risk and Crisis Management Regulations." It is responsible for controlling the overall risks associated with the Group's wide-ranging global operations, aiming to minimise potential losses. Specifically, the council is tasked with identifying risks, evaluating them, implementing preventive measures, issuing crisis response instructions, and monitoring and guiding responses. The council is chaired by the ID&E's Representative Executive President and consists of ten members, including executive officers and external lawyers, with one full-time audit committee member attending as an observer. Each executive officer is responsible for managing risks related to their respective areas, and the council collaborates with the Sustainability Promotion Council depending on the nature of the risk.



Risk Management Process

Each company within the Group comprehensively identifies its risks, sets up management measures for each, and conducts ongoing risk management as part of its business activities. The Risk Management Council reviews the "Risk Management Plans" submitted by each Group company, consolidates them into an overall "Group Risk Management Plan," and ensures risk control. As part of risk management, we also promote business continuity planning (BCP) during crises, quality and environmental management systems, and the establishment of information security systems. For more details, please refer to the integrated report on "Risk Management."

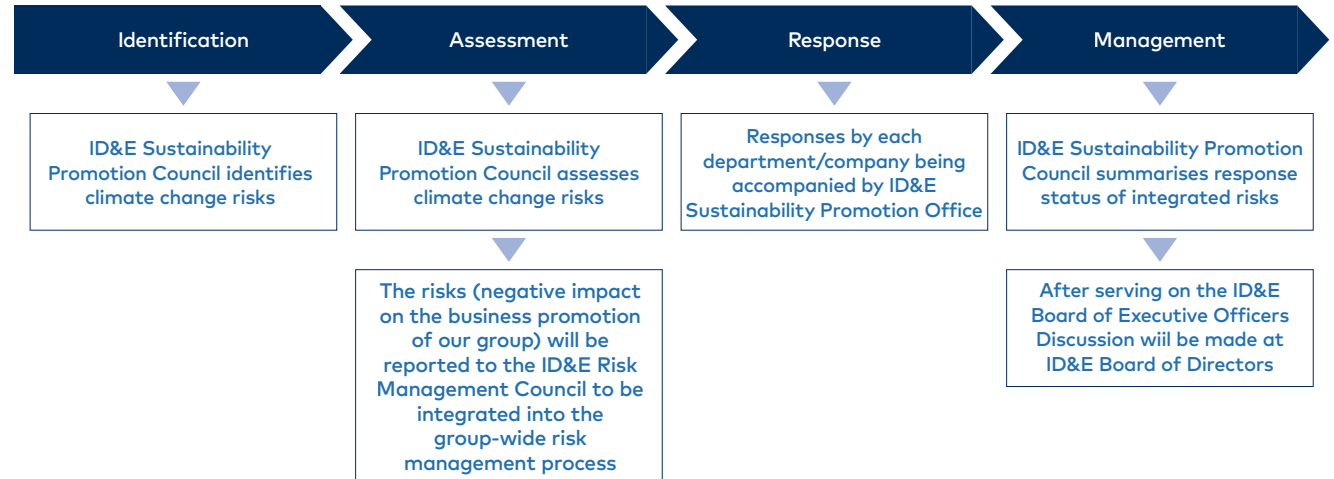
5.3 Risk Management

Risks related to sustainability often require specialised expertise for identification, analysis, and countermeasures planning, as they are influenced by international discussions and the policies and systems of individual countries. The Sustainability Promotion Council, in cooperation with the Group companies, is in charge for identifying and evaluating these risks. For FY2024/06, the Group established the following risk management process for climate change, integrating it into the overall risk management system, and began its implementation. The Group is also considering applying a similar process to manage other sustainability related risks beyond climate change.

In implementing these integrated management processes, the Group added "Sustainability" as a new category in both the "Group Risk List" and the "Main Group

Climate Change Risk Management Process

- The Sustainability Promotion Council identifies broad risks, taking into account insights gathered through interviews with Group companies.
- Of the risks identified and evaluated, those that may have a negative impact on business activities (i.e., risks that could result in losses due to events that hinder the achievement of the Group's business objectives) are reported to the Risk Management Council and integrated into the company's overall risk management process based on the "Group Risk and Crisis Management Regulations."
- Group companies address the identified and evaluated risks with the support of the ID&E Sustainability Promotion Office.
- The Sustainability Promotion Council consolidates the status of responses to the identified risks and reports them to the Board of Executive Officers for further discussion by the Board of Directors.



6.1 Participation in External Initiatives

The ID&E Group collaborates with stakeholders through participation in various organisations, including industry associations, international institutions, and NPOs/NGOs.

Support for the United Nations Global Compact (UNGC)

The United Nations Global Compact (UNGC) is a voluntary initiative in which companies and organisations participate by demonstrating responsible and creative leadership to act as good corporate citizens and contribute to sustainable growth. Nippon Koei expressed its support for the UNGC in June 2019, and this commitment has been carried forward by the entire Group. The ID&E Group actively supports the UNGC and participates in working group activities organised by the Global Compact Network Japan, working with other companies to realise the 10 principles of the Global Compact. Many of the activities we are involved in, such as infrastructure development, energy projects, and environmental conservation in developing countries, contribute significantly to the realisation of these ten principles. Our Group will continue to promote management in line with these principles and contribute to the creation of a sustainable society through our business activities.

Task Force on Climate-related Financial Disclosures (TCFD)

The ID&E Group recognises climate action as one of the most important sustainability challenges and declared its support for the TCFD in 2023. We have been disclosing information in line with the TCFD recommendations and will continue to promote disclosures that comply with various climate-related requirements, using the TCFD recommendations as a foundation.

GX League

From 2024, our Group participated in Phase 1 of the “GX League,” established based on the “GX League Basic Concept” led by the Ministry of Economy, Trade and Industry (METI), Japan.

The GX League aims to achieve carbon neutrality in Japan by 2050 by bringing together companies, government agencies, and educational and research institutions to address Green Transformation (GX), facilitating discussions and practical efforts for economic and social system transformation and the creation of new markets.

Currently, ID&E participates in the GX League with four main Group companies: Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, and Nippon Koei Business Partners.



Science Based Targets Initiative (SBTi)

The ID&E Group completed its commitment application to the Science Based Targets Initiative (SBTi), a global initiative, in 2024, declaring that our greenhouse gas reduction targets are based on scientific evidence. We plan to obtain certification as the Group in the near future.

The SBT Initiative was established in 2015 by a coalition of organisations including WWF, CDP, the World Resources Institute (WRI), and the United Nations Global Compact. The initiative aims to prevent climate change while enhancing corporate competitiveness in a net-zero economy. SBTi provides guidance to help companies set scientifically grounded targets for the amount and timeline for greenhouse gas emissions reductions. Companies that set targets aligned with scientific evidence receive SBT certification from the SBTi.

Taskforce on Nature-related Financial Disclosures (TNFD)

ID&E joined the TNFD Forum in 2024. The TNFD is an international initiative established to create a framework that enables companies and financial institutions to properly assess and disclose risks and opportunities related to natural capital and biodiversity. Our Group will actively promote disclosures based on the TNFD recommendations.

6.2 External Evaluations

Certified Health and Productivity Management Organisation

The "Certified Health and Productivity Management Organisation" recognition programme, certified by the Japan Health Council, aims to "visualise" corporations that practise outstanding health management. It allows them to receive social recognition from employees, job seekers, related companies, and financial institutions. Our Group has been certified as a "Certified Health and Productivity Management Organisation (Large Enterprise Category)" for six consecutive years.

Scope of Certification

ID&E, Nippon Koei, Nippon Koei Energy Solutions, and Nippon Koei Business Partners.



Platinum Kurumin

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children in Japan, our Group has received both the "Kurumin" and "Platinum Kurumin" certifications from the Minister of Health, Labour and Welfare in recognition of our high-level efforts to support childcare. "Platinum Kurumin" is, subject to sufficing a certain criteria, a special certification awarded to companies that have already received "Kurumin" certification by meeting the targets of their action plans and have demonstrated a higher standard of work-life balance support.

Scope of Certification

Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, and Nippon Koei Business Partners.



Sports Yell Company

The Japan Sports Agency certifies companies as "Sports Yell Companies" that actively promote sports activities to enhance the health of employees, aiming to increase social awareness of sports and encourage participation among the "working generation." Our company provides various opportunities to engage in sports, including the implementation and promotion of original exercise programmes (such as NK exercises) and support for club activities.

Scope of Certification

ID&E, Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, and Nippon Koei Business Partners.



7. ESG Data

■ Environment

Data item (primary)	Data item (secondary)	FY2023/06	FY2024/06	Remarks
Total Energy Consumption	Total (GJ)	53,960	58,171	Consumption by main Group companies
Breakdown by energy source	Kerosene (L)	8,344	12,975	Only used in Nippon Koei and Nippon Koei Energy Solutions affiliated bases/offices
	Liquefied Petroleum Gas (LPG,m³)	3,485	3,649	
	Liquefied Natural Gas (m³)	21,332	20,872	Only used in Nippon Koei, Nippon Koei Energy Solutions, and Nippon Koei Business Partners affiliated bases/offices
	Electricity (kWh)	10,672,420	12,011,977	
	Renewable energy/certified electricity(kWh)	57,707	5,196,600	Usage and percentage rates for main Group companies
	Renewable energy rate(%)	1	43	
Water consumption from all sources	Total (m³)	17,183	54,182	The figures for FY2023/06 are the combined consumption of BDP bases/offices, Nippon Koei Building and Kojimachi Mid-Square Building . The figures for FY2024/06 are the total amount for bases/offices under the umbrella of main Group companies for which consumption was identified (the total amount has increased due to an increase in the number of bases/offices included in the calculation compared to FY2023/06).
	Potable water consumption (m³)	7,600	5,372	As a result of aggregating only those items explicitly labeled as 'potable water' during data collection.
	Others (m³)	9,583	48,810	Total amount of greywater used in Nippon Koei buildings and water consumption at bases/offices where the type of water is not specified
Total CO ₂	t-CO ₂ (Market-based emissions)	5,498	3,422	Equivalent to Scope 1 + Scope 2 emissions of main Group companies
Greenhouse Gases (GHG)	Scope1 (t-CO ₂)	1,038	997	Emissions from main Group companies
	Scope2 Market-based emissions (t-CO ₂)	4,460	2,425	
	Scope2 Location-based emissions (t-CO ₂)	4,685	5,686	
	Scope3 (t-CO ₂)	68,275	102,897	
Waste Discharge	Total (t)	697	937	The figures for FY2023/06 are the combined figures for Nippon Koei Building and BDP bases/offices. The figures for FY2024/06 are for bases/offices under the umbrella of main Group companies where data were available. (the total amount has increased due to an increase in the number of bases/offices included in the calculation compared to FY2024/06).

* Main Group companies: Nippon Koei, Nippon Koei Urban Space, BDP, Nippon Koei Energy Solutions, Nippon Koei Business Partners

* In principle, the definitions of various data are created in accordance with the Ministry of the Environment guidelines and the GHG Protocol.

7. ESG Data

■ Social

1. Number of ID&E Group Employees

Data item	As of the end of June 2024		
	Male	Female	Total
ID&E	15	1	16
Consulting Segment	2,377	827	3,204
Nippon Koei	1,605	384	1,989
Other Group Companies	772	443	1,215
Urban & Spatial Development Segment	1,421	819	2,240
Nippon Koei Urban Space	682	185	867
BDP	726	625	1,351
Other Group Companies	13	9	22
Energy Segment	662	74	736
Nippon Koei Energy Solutions	561	63	624
Other Group Companies	101	11	112
Business Management Segment	171	273	444
Nippon Koei Business Partners	100	94	194
Other Group Companies	71	179	250
Nippon Koei Health Insurance	1	1	2
Total	4,647	1,995	6,642

* The number of employees does not include directors (excluding executive officers) and part-time employees.

2. Other Employee Information

For FY2024/06, information on companies that can be collated is included, including ID&E, Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, and Nippon Koei Business Partners.

We plan to expand the scope of data collection within the ID&E Group in the future.

(1) ID&E, Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, Nippon Koei Business Partners (Reference: Total number of employees: 3,690)

Data item	As of the end of June 2024			Remarks
	Male	Female	Total	
Number of managers	660	38	698	※ 1
Number of new graduates hired in Japan	120	70	190	※ 1
Number of mid-career hired in Japan	72	31	103	※ 1
Average years continuously employed for regular employees	13.8	7.6	12.2	※ 1
Number of regular employee resignations	-	-	102 (3.2%)	※ 1
Average annual total working hours per person	-	-	1947.2	※ 2
Average annual scheduled working hours per person	-	-	139.7	※ 2
Number of annual paid leave days taken	-	-	11.7 (66.4%)	※ 3
Rate of employment of persons with disabilities	-	-	2.42	※ 3

Data item	As of the end of June 2024			Remarks
	Male	Female	Total	
Gender pay gap	-	-	74.2	※ 3
Number of employees taking maternity and childcare leave	46 (61.3%)	14 (82.3%)	-	※ 3
Return-to-work rate after maternity and childcare leave	-	-	100	※ 3
Average number of days taken for paternity and childcare leave by men	73.3	-	-	※ 3
Number of people with professional engineering qualifications	-	-	1,786	Total number of people

(2) Other Group Companies

Data item	As of the end of June 2024		
	Percentage of female employees in management positions	Rate of men taking childcare leave	Average number of days taken for paternity and childcare leave by men
EI Koei Co., Ltd.	33.3	-	-
Reference: Number of employees: 210			
Koei Research & Consulting Inc.	56.0	200	37.5
Reference: Number of employees: 108			

*1 Data included: Regular employees only.

This does not include, advisors, or contract employees.

*2 Data included: Regular employees, contract employees. This does not include advisors, officers or part-time employees.

*3 Data included: Regular employees, contract employees, advisors, and part-time employees but does not include executive officers



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