

◆Ethics and Management

Internal Controls Basic Policy

In order to oversee overall corporate risk and compliance companywide, and to promote compliance with social norms, and laws and regulations based on these conduct guidelines, we have established a Corporate Ethics Central Committee, which is chaired by the president. In doing so, we have centralized corporate risk information and are providing alerts and guidance for the entire group.

Compliance

A Compliance Committee was established under the Corporate Ethics Central Committee as a system to ensure and promote compliance. By assessing risks of conduct that violates our corporate ethics (including corruption, anticompetitive practices, information security, etc.) from the "likelihood of occurrence" and the "degree of impact on the company," we identified four major risks, which were harassment, violation of labor laws, information security, and improper conduct for personal gain.

Based on these factors, we are establishing action policies, implementing measures, monitoring the progress situation, and turning the PDCA cycle to make necessary improvements. We are also checking the status of responses and giving instructions for improvement measures. Then we have established branch committees and assigned a facilitator at each business location to deploy policies and measures.

In our Code of Conduct, we clearly state that each and every person shall act with good sense, engage in fair business transactions, strive to maintain transparent relationships with political and administrative authorities, and not engage in bribery to obtain improper benefits or other gains. In addition to efforts to prevent corruption, every year during Compliance Reinforcement Month, we familiarize people with our Corporate Code of Conduct and ensure compliance.

In 2020, we established the Takenaka Group Tax Policy to fulfill our social responsibility and public mission of paying appropriate taxes in accordance with the laws and regulations of each country and region, as well as international rules.

In the area of education and raising awareness of compliance, we are conducting position-specific training, which includes revisions to various laws and regulations, distributing news covering the latest trends, sharing messages from top management during annual strengthening months, and holding workplace meetings groupwide under the theme of preventing incidents from occurring.

Consultation and Reporting Desk

We have established multiple internal and external contact points for consultation and reporting for people at our company, group companies, business partners, and the general public, and through their utilization we are striving to realize a self-cleansing function.

People making inquiries and reporting through these systems are protected from receiving any detriment, and we are striving to detect and respond to problems at an early stage with the utmost consideration.

Consultation and Reporting Desk	Person inquiring/reporting	Consultation/reporting details
ComplianceNet In-house Dedicated Department	Our employees, part-timers, temporary workers, and dispatched workers	Overall compliance
Compliance Helpline Attorney	Our employees, part-timers, temporary workers, and dispatched workers	Overall compliance
Harassment Consultation Desk In-house consultant	Our employees, part-timers, temporary workers, and dispatched workers	Harassment related
Takenaka Group Helpline Dedicated in-house department	Group company employees, part-timers, temporary workers, and dispatched workers	Overall compliance
Consultation desk for people with disabilities In-house consultant	Our employees, part-timers, temporary workers, and dispatched workers	Overall
PartnersNet	Suppliers (partner companies, workers, independent	Overall compliance

In-house Dedicated Department	contractors)	
Contact Us	General	Overall

Risk Management

In preparation for the actions of antisocial forces, terrorism, cyberattacks, natural disasters, and other accidents, which pose threats to peoples' lives and corporate activities, we have established an organizational crisis management system centered on our Crisis Management Committee, which was set up under our Corporate Ethics Central Committee.

We are promoting information security activities to protect the information assets of our customers based on our Information Security Basic Policy. Especially in response to the recent growing threat of cyberattacks, we are developing systems for the entire Takenaka Group, including globally, that protect against attacks and unauthorized intrusions from outside the company as well as a mechanism that can detect attacks early on and minimize damage. We have also established an information security incident response team, TAKENAKA-SIRT (T-SIRT), and in order to strengthen cybersecurity in our supply chains, we are focusing on training and raising awareness at partner companies. In the event a risk related to information security does occur, moreover, there is a response system in place that evaluates and analyzes the risk details, classifies them into levels, and has the Crisis Management Committee review them as necessary.

In anticipation of the occurrence of a massive earthquake or volcanic eruption, we are formulating companywide business continuity plans (BCPs) that will confirm the safety of employees and their families as well as the damage and restoration status of each business location, operating work site, and buildings already delivered to customers. Every year we conduct postdisaster training, which includes disaster simulation drills, live training based on local characteristics, and drills to check our companywide cooperation system with employees of group companies. In light of the recent increase in damage caused by typhoons and heavy rains in various areas, moreover, we have formulated a Wind & Flood Damage Manual, and we are preparing for such emergencies.

At the same time, we are promoting companywide measures against COVID to prevent infection as well as the spread of infection both

inside and outside the company with top priority on the safety of our customers, employees and their families, partner companies, and other related parties.