

Obayashi Corporation Statement on Modern Slavery and Human Trafficking (FY2023)

Obayashi Corporation (hereafter, the “Company”) is releasing the following statement about initiatives to prevent slavery and human trafficking in the Obayashi Group (hereafter, the “Group”) and in our supply chain in FY2023 (April 1, 2023 to March 31, 2024), based on Chapter 6, Section 54 of the UK Government’s Modern Slavery Act 2015 and Modern Slavery Act 2018 of Australia.

“Slavery” and “human trafficking” are defined in both Acts. However, because the definitions may differ depending on local circumstances, we are disclosing our initiatives in preventing all forms of modern slavery and our compliance with related laws and regulations and international norms in this statement.

Since 2019, the Company has published the statement annually based on a comprehensive review with the support of external experts provided under an advisory contract regarding due diligence on modern slavery and human trafficking in the business and supply chain.

1. The Organizational Structure, Business, and Supply Chain

1-1. Obayashi Group Business and Structure

The Company is a general construction contractor that was founded in 1892 and has its head office in Tokyo. We have 118 subsidiaries, 28 affiliated companies, and 16,986 employees at the consolidated level (as of March 31, 2024). We operate a construction business, real estate development business, green energy business, and businesses in new areas such as PPP, etc. in 16 countries worldwide, mainly in Japan, North America, and Asia. The group has been executing due diligence of the entire group. The Company established Human Rights Expert Committee chaired by the executive officer responsible for human resources, to take initiatives to resolve human rights issues and to raise awareness of human rights cross-departmentally with the departments responsible for Human Resources in the companies throughout the Group.

The Group operates its business in the following countries and regions:

U.S., Canada, Singapore, Malaysia, Thailand, Myanmar, Indonesia, Vietnam, Cambodia, Taiwan, Bangladesh, UK, United Arab Emirates, Qatar, New Zealand, and Australia

Obayashi has a Europe Office and a local Group company named OBAYASHI PROPERTIES UK Limited (hereafter, “OPUK”) (established in June 2020) in London, in

the UK, which operates a real estate rental and development business mainly focusing on office buildings. We have an Australia Office in Sydney, Australia, which operates a construction business. The Group's total consolidated net sales were 2.3 trillion yen in FY2023. The UK and Australia account for roughly 0.20% and 0.10% of total consolidated net sales, respectively. The total number of Group employees at the consolidated level include four employees in the UK and four employees in Australia.

See the following website links for a profile of the Company and its businesses:
Company profile: <https://www.obayashi.co.jp/en/company/>
Office locations: <https://www.obayashi.co.jp/en/company/group.html>

1-2. Overview of the Supply Chain

The Group recognizes all business partners involved in the supply chains for the Group's entire business as suppliers, and regards each of them as its important stakeholders. Suppliers for the construction business, the main business of the Group, are divided into two main categories: labor subcontractors and suppliers of materials and equipment.

In Japan, we have recognized about 8,600 suppliers for our construction business, and among them we have contracted Basic Contract with 3,200 suppliers. Basic Contract is to be agreed with continuous suppliers, and it regulates common terms and conditions for all the transactions. Also, we have established an organization called Obayashi Rin-yu-kai, with those who has been in cooperative relationships with the Company on technique, quality, and safety matters, which consists of approximately 1,200 main suppliers.

In FY2023, the value of transactions with those who contracted Basic Contract accounted for 79%, and with those who are members of the Obayashi Rin-yu-kai accounted for 50% of all supplier transactions with the Company in the construction business in Japan.

See the following website link for profile of the Obayashi Rin-yu-kai:
<https://www.rinyu-kai.com/index.html>

2. Policy on Slavery and Human Trafficking

2-1. Basic Principles

The "Obayashi Basic Principles," which consist of the Obayashi Philosophy, Obayashi Code of Conduct, and Obayashi Three Pledges, specify contributing to the realization of a sustainable society. These principles are shared with and implemented by all officers and employees in the Group. We believe that practicing our basic principles is the very essence of conducting our corporate activities. Based on this belief, we have clearly specified our social mission and responsibilities and are implementing many sustainability-related initiatives aimed at fulfilling CSR (corporate social responsibility) so that we will continue to be a company that is trusted by all of our stakeholders.

We have positioned respect for human rights as an important issue in fulfilling our corporate social responsibilities. The Obayashi Philosophy states that we “value each person with a stake in our business.” The Obayashi Code of Conduct specifies the guidelines for putting the Corporate Philosophy into practice: “Value every one of our associates,” “Build stronger mutual trust with suppliers,” “Build good relationships with communities,” and “Ensure strict adherence to corporate ethics.”

See the following website link for further information on the Obayashi Basic Principles:
<https://www.obayashi.co.jp/en/company/philosophy.html>

2-2. Human Rights Policy

The Group has set forth the Obayashi Group Human Rights Policy in accordance with the Universal Declaration of Human Rights. We support the ILO International Labor Standards and other international norms, and have specified the policy of respecting the human rights of all officers and employees and all people associated with our business. The Obayashi Group Human Rights Policy declares the complete prohibition of any form of child labor, forced labor, or human trafficking and infringement of the human rights of foreign workers and others.

See the following website link for further information on the Obayashi Statement on Human Rights:
<https://www.obayashi.co.jp/en/sustainability/employee.html#section1>

2-3. Obayashi Health and Safety Principles and Policies

The Group has set forth the Obayashi Health and Safety Principles and Policies based on its belief that ensuring the safety and health of all workers at construction sites in its main construction business is of the utmost importance.

See the following website link for further information on the Obayashi Health and Safety Policies:
<https://www.obayashi.co.jp/en/sustainability/safeenv.html#section1>

2-4. Obayashi Group CSR Procurement Policy

The Group established the Obayashi Group CSR Procurement Policy to specify the actions aimed at realizing a sustainable society described in the Obayashi Basic Principles. It includes compliance with laws and regulations, respect for human rights, assurance of safety and health, ensuring quality, and consideration for the environment. The Basic Policy on CSR Procurement Initiatives specifies items that the Group officers and employees need to comply with in promoting CSR procurement.

The CSR Procurement Guidelines prescribe items that the Group expects its suppliers to

implement and to make sure that everyone in the suppliers' own supply chains understand, in line with the Basic Policy on CSR Procurement Initiatives. Specific guidelines state that suppliers will “not discriminate . . . nor engage in harassment, or other activities that infringe upon human rights,” “not engage in or permit misconduct such as the use of forced labor or child labor,” “ensure equal employment opportunity, practice appropriate labor management, pay appropriate wages, and maintain and improve working environments so they are healthy and easy to work in,” “guarantee freedom of association and collective bargaining rights for employees,” “strive to understand and cooperate with the human rights due diligence performed by Obayashi Group companies,” etc.

See the following website links for further information on the Obayashi Group CSR Procurement Policy and CSR Procurement Guidelines:

Obayashi Group CSR Procurement:
https://www.obayashi.co.jp/en/sustainability/suppliers/csr_procurement.html

Obayashi Group CSR Procurement Guidelines:
https://www.obayashi.co.jp/en/sustainability/suppliers/csr_procurement.html#section2

2-5. Participation in the United Nations Global Compact

The Group has been a signatory to the United Nations Global Compact since 2013. As a member of the Global Compact, we respect human rights and support the complete prohibition of forced labor and child labor in all forms, based on the principles of the Global Compact.

3. Promotion of Due Diligence on Modern Slavery and Human Trafficking in the Business and Supply Chain

On the executive side, the Group has established the Human Rights Expert Committee, chaired by the executive officer responsible for human resources, and the Supply Chain Management Expert Committee, chaired by the head of the procurement division. The committees work on human rights due diligence, strive to solve human rights issues in the Group and its supply chain, and work to raise human rights awareness, thereby enhancing the effectiveness of human rights due diligence. Both committees promote cross-departmental efforts with the departments responsible for Human Resources and Procurement playing a central role and relevant departments working together.

Both committees annually review the progress of the human rights due diligence and each survey results such as “CSR guideline questionnaire survey”, “supplied materials traceability survey”, and “foreign technical trainees survey”, and if necessary, improve the measures.

The procedure for conducting human rights due diligence followed by the Group thus far is

described below.

1. Identification of Main Human Rights Issues

- (1) Divided the business and supply chain into the Group's main businesses of the construction business, the real estate development business, and businesses in new areas, mainly the renewable energy business, and identified the risks of each stakeholder.
- (2) Consulted the reports by the governments and NGOs of each country and, with the advice of experts, evaluated the risks identified.
- (3) Specified the human rights issues to be prioritized and addressed.

The main human rights issues of stakeholders are as follows:

- ① Child labor
- ② Forced labor and human trafficking
- ③ Reasonable consideration of people who are subject to discrimination or in a vulnerable position
- ④ Harassment
- ⑤ Poor work and living environments
- ⑥ Establishment of appropriate labor conditions
- ⑦ Ensuring building and structure safety
- ⑧ Infringement of the lives and health of local residents
- ⑨ Infringement of privacy rights

The human rights issues related to modern slavery and human trafficking among those listed above are ① through ⑥.

2. Assessment of the Actual State of Salient Human Rights Issues Identified

(① through ⑨, above)

(1) At the Company

In FY2020, we interviewed the corporate divisions, departments, and personnel responsible in the Company. These interviews revealed that the Group does not employ workers of an age considered to be child labor in Japan or foreign technical trainees based on Japanese laws (hereafter, "foreign technical trainees"), and there is little risk of modern slavery. However, we still need to continue investigations into the risk of human trafficking of foreign technical trainees, forced labor, child labor, and other types of labor that could potentially be considered modern slavery in regard to workers employed by suppliers to the Group.

In FY2023, we conducted questionnaire and interview surveys with main business

departments (Civil Engineering, Building Construction, Real Estate) concerning their initiatives addressing respect for human rights. We also conducted site investigation on construction site. Throughout the survey we confirm that there is currently no obvious risk of human rights violation. Although, we will continuously conduct the surveys to confirm there is no legal violations or human rights violations by checking multi-lingual notices and papers are prepared in construction sites as the consideration for foreign workers, each supplier is correctly supervising the total working hours, working environments and conditions of foreign workers.

(2) At the Group Companies in Japan

In FY2021, we interviewed six major Group companies: Obayashi Road Corporation, Obayashi Facilities Corporation, Oak Setsubi Corporation, Naigai Technos Corporation, Obayashi-Shinseiwa Real Estate Corporation, and Oak Information System Corporation. These interviews revealed that none of these companies employs workers of an age considered to be child labor in Japan or foreign technical trainees. They also revealed that they hire foreign workers in accordance with the same recruitment procedures as those applicable to Japanese counterparts without resorting to intermediaries in their countries of origin. These findings suggest that there is little risk of modern slavery.

In FY2023, we interviewed staff responsible for recruitment and foreign workers at Obayashi Road Corporation and Obayashi Facilities Corporation, and we confirmed that there are currently no obvious major human issues. On the other hand, in the medium- to long-term, we will make efforts to create a more pleasant workplace environment by, for example, developing a system to prevent discrimination and harassment and providing employment regulations and other rules in multiple languages currently provided only in Japanese.

(3) At the Overseas Group Companies

In FY2022, we conducted questionnaire surveys with 19 of our overseas offices and overseas Group companies* concerning their initiatives addressing respect for human rights. The survey results confirm that all overseas offices and overseas Group companies are offering human rights-related training and implementing initiatives such as language-related arrangements for officers and employees of foreign nationality and workers of foreign nationality who work at construction sites.

To evaluate current circumstances and identify problems, we interviewed the North American Regional Headquarters and the Asia-Pacific Regional Headquarters of the

Company in FY2023. We confirmed that these two headquarters offer harassment prevention training on a periodic basis, and the North American Regional Headquarters has developed its own relief mechanism. From now on, we will make efforts to grasp current circumstances involving group companies of the two headquarters.

***The Asia-Pacific Regional Headquarters and offices and companies under the supervision of the Headquarters:**
Australia Office, Taiwan Office (Taiwan Obayashi Corporation), Cambodia Office, Bangladesh Office, Middle East Office, Thai Obayashi Corporation Limited, Obayashi Vietnam Corporation, Obayashi Singapore Private Limited, PT Jaya Obayashi

The North American Regional Headquarters and offices and companies under the supervision of the Headquarters:
Guam Office, J. E. Roberts-Obayashi Corporation, JS Builders LLC, Kenaidan Group Ltd., Kraemer North America LLC, Webcor L.P., E.W. Howell Co. LLC, MWH Management Inc

Other: OPUK (Europe Office)

3. Development of the Human Rights Due Diligence Roadmap

We have developed a roadmap (action plan) for human rights due diligence for FY2023 through FY2026. Based on the human rights issues identified above and the circumstances recognized, we have developed specific measures to build implementation processes for human rights due diligence. We promote our initiatives for respect for human rights based on this roadmap.

See the following website link for further information on Obayashi's sustainability promotion framework:
<https://www.obayashi.co.jp/en/sustainability/#section1>

4. Specific Initiatives

4-1. Occupational Safety Initiatives

In connection with “abusive working and living conditions,” one of the International Labour Organization’s Indicators of Forced Labour, we believe that the risks of forced labor among foreign workers at our suppliers who cannot easily leave their jobs voluntarily will increase if there is also a poor working environment. For this reason, Obayashi Central Health and Safety Committee chaired by the president was established for appropriate work environments. The committee meets at least twice a year to discuss and consider basic matters concerning health and safety, such as preventing occupational accidents, preventing impairment of health, and maintaining and improving health.

We operate Obayashi’s Occupational Health and Safety Management System, which has systematized methods of safety management in order to ensure implementation of the

following Health and Safety Principles and Policies at all our construction sites in Japan.

Health and Safety Principles

Ensure the health and safety of all workers at construction sites and create comfortable workplace environments.

Health and Safety Policies

- ① Comply with the Industrial Safety and Health Act, other relevant laws, and Obayashi Corporation's internal rules.
- ② Appropriately implement and use Obayashi's Occupational Health and Safety Management System.
- ③ Help improve independent health and safety management efforts of suppliers.

Obayashi's Occupational Health and Safety Management System helps each organization clearly delineate its own Health and Safety Policy. The system manages the operational structure, plan formulation, and procedures for the entire cycle, from implementation to achievement, revision, and maintenance. Under the Occupational Health and Safety Management System, there are important goals that contribute to preventing poor working environments that lead to modern slavery—namely, to “improve health and safety management skills and provide better education” and to “promote creation of an environment that takes health into consideration.”

The Company develops specific implementation measures for achieving the goals, follows the PDCA cycle, and monitors the implementation of the measures on a periodic basis, aiming to continuously improve health and safety management activities. Twice a year (every six months), we confirm with all field offices at construction sites the level of their achievement of evaluation indicators under the Occupational Health and Safety Management System, and implement improvement measures.

In addition to daily safety patrols by the Company's employees who work at construction sites and by subcontractors, the departments in charge of safety and the departments in charge of construction carry out regular patrols, and the central officer in charge of health and safety and the health and safety officers of the head office and branch offices conduct safety patrols at construction sites. As a specific measure to improve health and safety management skills and provide better education, we introduced in FY2022 an “interactive method of patrol,” which is considered to be effective because it helps identify potential risks and problems through dialogue at construction sites.

We will continue safety and health training for our employees and support the education of suppliers in order to prevent occupational accidents, raise awareness of safety and health, and deepen understanding of safety-related laws and regulations.

See the following website link for further information on Obayashi's Occupational Health and Safety Management System:
<https://www.obayashi.co.jp/en/sustainability/safeenv.html#section2>

4-2. Initiatives in Preventing Long Working Hours

Under the revised Labor Standards Act of Japan, a maximum limit on overtime work in the construction industry will be imposed in FY2024. To prepare for this, the Company has formulated a “workstyle reform action plan” and is implementing the following initiatives to reduce total working hours.

- Thorough and appropriate attendance management
- Use of ICT technology to improve work efficiency
- Reduction in overtime hours worked
- Promotion of taking vacation
- Leveling of work volume

To further improve employee awareness, in FY2023, we provided all of our officers and employees with online training relating to viewpoints on working hours in excess of statutory limits, etc., and proper management of individual working hours (such training was conducted four times in the fiscal year, and the participation rate was 85.2%, 87.2%, 87.5%, and 85.9%).

4-3. Supply Chain Management

The Group emphasizes building stronger mutual trust with suppliers in the Obayashi Code of Conduct. We recognize that initiatives encompassing the entire supply chain are essential to achieve this. To ensure that suppliers comply with the Obayashi Group CSR Procurement Guidelines, we have incorporated the main actions of compliance with laws and regulations, respect for human rights, assurance of safety and health, ensuring quality, and others into contract provisions and confirm compliance when concluding contracts with suppliers.

1. Initiatives Implemented at Construction Sites

In the construction work for which the Company accepts contracts in Japan, we confirm the required facts (gender, age, whether someone is a migrant worker, years of experience, health status, and other factors that must be considered for occupational safety) in advance

for all people who will be involved in construction work. The people at high risk of having their human rights violated are thereby specified, such as minors employed within the scope permitted by law, women, people of advanced age, and migrant workers including foreign technical trainees. This information is shared among relevant employees and preventive measures are implemented, such as considering work assignments and restricting performance of hazardous work. All workers at construction sites must also undergo mandatory advance training on the laws and regulations of the country, laws and regulations pertaining to safety, and international standards. Some of the documents related to occupational safety have been translated into the native languages of the migrant workers.

2. Promotion of CSR Procurement

The Company carries out the following surveys and inspections for member companies of the Obayashi Rin-yu-kai and major domestic suppliers, aiming to deepen the understanding and awareness of CSR procurement, and monitors the soundness of these companies on a periodic basis.

(1) Questionnaire Surveys Concerning the CSR Procurement Guidelines

Every fiscal year, we send the CSR Procurement Guidelines to member companies of the Obayashi Rin-yu-kai and major suppliers to ensure that they fully understand and comply with the Guidelines. We also conduct questionnaire surveys to determine the level of understanding of the Guidelines. We aim that the companies responding to the questionnaire surveys will account for over 70% of the total value of the Company's procurement, and we use this as a KPI.

Since FY2022, we have expanded the content of our surveys to include the employment conditions of foreign workers and foreign technical trainees and the handling of conflict minerals and wood products procured. The survey response rate in FY2023 was 83%. (The respondents accounted for approximately 78% of the total value of the Company's domestic procurement.)

(2) Traceability Surveys on Materials Procured

We confirm with suppliers of materials and equipment that the quality of the goods they deliver complies with relevant laws and regulations, international standards, and other criteria. In addition, among materials that are used at construction sites in Japan, wood products and solar panel components procured overseas are considered to carry high risks of human rights violations. Therefore, we conduct traceability surveys on these materials

every year. The FY2023 survey results confirm that there is currently no obvious risk of environmental destruction and human rights violation. We aim that the number of companies responding to the traceability surveys will be higher than the previous year, and we use this as a KPI.

(3) Surveys Concerning Hiring of Foreign Technical Trainees

Since FY2022, we have been conducting questionnaire surveys to grasp the details of the situation of hiring of foreign technical trainees by suppliers. Based on survey results, we held individual hearings with several of these companies in order to directly confirm the working environment for their foreign technical trainees and the specific initiatives that they are carrying out. The questionnaire surveys and interviews include issues related to the ILO's 11 Indicators of Forced Labour, such as working hours, payment of wages, housing accommodations, and movement restriction.

The results of the FY2023 surveys show that among foreign technical trainees hired by the Company's primary suppliers (2,682 persons), approximately 32% (855 persons) have worked at the Company's construction sites, and approximately 60 % of them are Vietnamese nationals. Furthermore, we were able to confirm that all of the respondent companies pay wages in accordance with the pre-approved plans, do not confiscate trainees' passports or other identification documents, and do not impose illegitimate movement restrictions on trainees. We will continue our surveys to understand the situation of hiring of foreign technical trainees.

(4) Raising Awareness about Supply Chain Management

- In-house training (in FY2023)

We offered online training on the materials procurement from the viewpoint of human rights and protection of environment for all of the Group's officers and employees (the participation rate was 94.1%).

- Raising awareness among suppliers (in FY2023)

We provided training relating to human rights and CSR procurement for member companies of the Obayashi Rin-yu-kai (68 companies participated in the training).

We will continue to educate suppliers to further improve their understanding in the future.

3. Initiatives by Group Companies (FY2023)

Our Group companies in Japan made efforts to familiarize their suppliers with our CSR

procurement policy by, for example, sending relevant information by email and postal mail, putting up posters at their offices, and posting information on their websites. In addition, we examined the employment conditions of foreign workers, including foreign technical trainees, at our Group companies in Japan, and we interviewed foreign workers at two of these Group companies about their employment conditions, working hours, wages, etc. We confirmed that there is currently no obvious risk of human rights violations.

See the following website link for further information on the Obayashi Group ESG materialities and KPIs:
https://www.obayashi.co.jp/en/sustainability/upload/img/en_esg_kpi_20240417.pdf

4-4. Establishment of the Consultation Desk

We have established a human rights-related consultation desk under the Corporate Ethics Consultation and Reporting System. We have also established a consultation desk dedicated to harassment cases. Both desks are open to all officers and employees of the Group as well as to the Group's suppliers and other external stakeholders. We provide an environment that makes it easy for reporters to use the desks by enabling them to choose whether to report by phone, email, or by post. Any report received by a desk is dealt with promptly in accordance with its rules while ensuring that the person who has reported is protected and is not subjected to disadvantageous treatment.

Number of consultations and reports received in FY2023

- Corporate Ethics Consultation and Reporting Desk: 78*

*Including other issues than human rights cases, like violation of laws.

- Harassment Consultation Desk:194

In FY2023, no report or request for consultation was received concerning activities that might lead to slavery, human trafficking, and other violations of human rights.

1. Corporate Ethics Consultation and Reporting System

Under this system, two consultation desks are available for reporting illegal or suspicious acts and raising various issues concerning human rights. One is an internal desk with a direct link to the Corporate Ethics Committee and the Audit & Supervisory Board. The other is an external desk (law firm and others).

On various occasions, we endeavor to familiarize the persons concerned with the Corporate Ethics Consultation and Reporting System. For the Group's officers and employees, we post it on our intranet, advertise it on in-house posters, explain it in regular training sessions, and send an email once a year calling attention to it. For external stakeholders, we

post it on our website so that anyone can check it out. We also advertise it on posters in offices and at construction sites and explain it at liaison meetings with our suppliers.

2. Harassment Consultation Desks

We have in place special consultation desks that provide harassment consultations, accept reports, and deal with grievances. They come in three types: an internal desk (at each of Obayashi's main offices, branches, and overseas offices as well as at each Group company), an external desk (domestic hotline), and a desk dedicated to job seekers.

On various occasions, we endeavor to familiarize the persons concerned with these consultation desks. For the Group's officers and employees, we post them on our intranet, advertise them on in-house posters, explain them in training sessions of various kinds, and call attention to them at the time of the annual questionnaire survey. By posting information about these consultation desks on our recruiter's website, we also enable job seekers to learn about them at any time. Furthermore, as for student job seekers, our job interviewers are required to inform them about the consultation desks.

3. Consultation and Reporting Desk for Foreign Workers Working at Construction Sites in Japan

We use an external consultation and reporting service called "JP-MIRAI Assist" for our foreign workers working at construction sites in Japan. JP-MIRAI Assist is offered by JP-MIRAI, a collaborative platform established in 2020 by private-sector corporations, local governments, NPOs, academics, attorneys, and various other stakeholders. This service responds to inquiries from foreign workers in Japan in easy-to-understand Japanese and 21 other languages. The service not only accepts reports involving possible human rights violations, but also offers consultation relating to everyday troubles.

The Company obligates all workers to take training regarding legal compliance and laws, regulations, and international standards concerning safety and other issues before starting to work at each construction sites in Japan. It is ensured that during such training, foreign workers are thoroughly informed about the consultation and reporting desk.

In addition to the Group's consultation desks, in FY2020, OPUK established its own consultation and reporting policy and has created whistle-blowing desks in charge of general corporate ethics: an internal desk (staffed by persons in charge of whistle-blowing) and an external desk (a whistle-blowing support organization).

See the following website links for further information on "the Obayashi Group Corporate Ethics Reporting System" and "Harassment Consultation Desks":

4-5. Effectiveness

The Board of Directors has decided on the management policy on sustainability, which also encompasses respect for human rights. Based on this policy, two kinds of committees have been established on the executive side: the Business Plan Committee and two expert committees in the area of sustainability (the Human Rights Expert Committee and the Supply Chain Management Expert Committee). All these committees formulate policies on human rights issues, develop and implement measures to address them, assess the implementation status in each department, check the KPI performance, evaluate relevant efforts, and improve them for better effectiveness.

In addition, the Sustainability Committee, established under the Board of Directors, studies policies on how to address sustainability issues, including human rights issues, provides relevant reports to the Board of Directors, and assesses the status of implementation at the business execution departments.

The chairpersons of the expert committees in the sustainability field, the frequency of committee meetings, and the main topics brought up for discussion in FY2023 are as follows:

1. Human Rights Expert Committee

Chairperson: Executive officer responsible for human resources

Frequency of meetings: One regular meeting a year and special meetings as necessary

Main topics brought up for discussion in FY2023:

- Implementation of human rights due diligence
- Interview surveys for overseas headquarters
- Investigation of Group companies in Japan and their activities
- Implementation of online training relating to human rights, etc.

2. Supply Chain Management Expert Committee

Chairperson: Head of the procurement division

Frequency of meetings: At least one regular meeting a year

Main topics brought up for discussion in FY2023:

- Considering development of an action plan relating to working environment improvement at construction sites

- Identifying risks in domestic and overseas supply chains and developing solutions
- Implementing measures to deepen the understanding and awareness of CSR procurement policy, etc.

5. Training on Modern Slavery and Human Trafficking

5-1. Promoting Awareness of Human Rights

The Group concentrates on raising awareness of human rights among its officers and employees. We have established the Human Rights Expert Committee, which is chaired by the officer in charge of the human resources. This committee prevents infringement of human rights, ascertains human rights issues, and resolves such issues. It also promotes initiatives aimed at increasing awareness of human rights.

Every fiscal year, we provide education concerning basic knowledge on human rights during training sessions for newly hired employees and rank-specific training sessions. In FY2023, we provided all of the Group's officers and employees with online training on the materials procurement from the viewpoint of human rights and protection of environment (the participation rate was 94.1%). During these training sessions, we make thorough efforts to fully familiarize our officers and employees with our CSR procurement policy and human rights policy and our consultation desks.

The Harassment Prevention Department, a specialized unit, plays a central role in raising awareness of harassment. Under our Harassment Prevention Guidelines, we are working to prevent harassment by communicating the corporate policy on harassment, defining each type of harassment, and providing information on the specific response when a harassment incident occurs to all officers and employees.

Furthermore, every fiscal year, we provide all of our officers and employees with online training on the subject of harassment. The participation rate in FY2023 was 88.4%.

Training for our suppliers is detailed in "4-3 Supply Chain Management".

See the following website link for further information on Obayashi Group initiatives on human rights:
<https://www.obayashi.co.jp/en/sustainability/employee.html#section1>

5-2. Compliance Training

The Group has established the Corporate Ethics Committee, which is chaired by the president. This committee works to ensure compliance and maintenance of corporate

ethics. As one of these initiatives, the committee has mandated that all officers and employees of the Group undergo compliance training every year. This training provides an opportunity to make officers and employees aware of their own actions from a corporate ethics perspective. Additionally, this is intended to help them acquire abilities to root out illegal conduct and corporate ethics violations within the Company and its supply chain.

For corporate ethics training KPI, we have set our goal for employees taking the training by FY2023 as 100%, and we have achieved 100% in FY2023. We will continue to promote compliance education to ensure that compliance awareness takes root in our corporate culture.

See the following website link for further information on the Obayashi Corporate Ethics program:
<https://www.obayashi.co.jp/en/sustainability/ethics.html>

6. Cooperation with Domestic, Overseas, and Group Companies

We formulated operating rules on management through alliances between each company and the managing department and business division at headquarters from FY2019. Such operating rules not only apply to the Company itself, but also to the businesses of Group companies in Japan and overseas. The local office and local Group company of the UK business and the local office of the Australian business covered by this Statement continually share information between the local office and the managing department and business division at headquarters in Japan. They strive to form timely, appropriate alliances with a wide range of individual Group companies through our networks in Japan and overseas, in addition to alliances with Obayashi, when necessary.

In addition to sharing management policies and goals, the Company also works to strengthen alliances between Group companies by having top management from Group companies in Japan and overseas participate in the regularly scheduled executive officers' meetings along with the executive officers. We are also working to strengthen the network between locations through regular business reporting meetings and liaison meetings held by Group companies in each overseas region, mainly in our North American Regional Headquarters and the Asia-Pacific Regional Headquarters.

At executive officers' meetings, we offer training on such topics as "harassment prevention" and "diversity and inclusion" and also explain the importance of initiatives aimed at respecting human rights. Moreover, those responsible for human resources at the main Group companies in Japan participate in the Company's Human Rights Expert Committee to share the awareness of human rights issues and launch joint initiatives aimed at preventing

human rights violations.

The Human Rights Expert Committee and the Supply Chain Management Expert Committee will work together to take the lead in implementing specific initiatives with a view to strengthening cooperation throughout the Group and promote respect for human rights and human rights due diligence.

7. Future Initiatives

In accordance with the human rights due diligence roadmap developed in FY2022, we will implement specific initiatives to deal with the human rights issues identified. Our main initiatives are as follows.

1. Monitoring of Human Rights Risks

On a trial basis, we developed in FY2023 a check system for the Company's three major domestic operations: civil engineering, building construction, and real estate development. Based on trial results, we plan to improve the system in FY2024 and apply it to other corporate divisions. As for our overseas business, we will conduct interview surveys with each Group company.

2. Promotion of Supply Chain Management

We will provide training to member companies of the Obayashi Rin-yu-kai and major domestic suppliers, aiming to raise their awareness about human rights and to further familiarize them with the CSR Procurement Guidelines. As for the situation of hiring of foreign technical trainees and traceability of materials procured, we will continuously carry out surveys and inspection.

This statement has been approved by Board of Directors of Obayashi Corporation on August 6, 2024.

August 6, 2024



Kenji Hasuwa

Representative Director

President and CEO

Obayashi Corporation