

## N-VISION 2020 – CSR Goals

### Fiscal2016 Targets and Results

## I – Construction and Customers

### Vision for 2020

- Providing the highest level of construction work and maximizing the quality of services
- Ensuring that satisfaction is maximized for all customers

KPIs	Fiscal 2016 Targets	Results	Self-Evaluation
1. Civil Engineering Division: Average annual construction performance evaluation scores for public works projects	78 points or more	80.3 points	◎
2. Building Division: Percentage of "A" ratings in customer questionnaires	77%	80.4%	◎
3. International Division: Number of on-site quality patrol inspections carried out	Twice a year	Twice a year or more	◎
	<b>Action Plan</b>	<b>Actions Taken</b>	
	<ol style="list-style-type: none"> <li>1. Reinvigorate quality patrol inspections and active utilization of technical advisory committees.</li> <li>2. Carry out construction with an accurate understanding of customer demands and requests.</li> <li>3. Conduct training and education along with patrol inspections according to the circumstances in each country.</li> </ol>	<ol style="list-style-type: none"> <li>1. Held safety seminars led by the Construction Engineering Committees to eliminate occupational injuries.</li> <li>2. Shared customer demands and requests with construction departments and received high evaluations.</li> <li>3. Conducted training in Japan for overseas local staff.</li> </ol>	
	<b>Self-Evaluation:</b> ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved		

### Issues Identified and Planned Countermeasures

1. By enhancing the activities of the Construction Engineering Committees and through active cooperation with work sites on the part of civil engineering departments at Head Office and regional headquarters, we will work to discover and resolve problems early.
2. Proposal deficiencies in a number of design and construction projects were pointed out. We will work to further improve our proposal capabilities.
3. In addition to continuing training overseas, we will conduct participatory study sessions and other interactive training rather than one-way instruction.



## II – Safety and Health

### Vision for 2020

- Achieving the goal of zero occupational injuries
- Eliminating long working hours and creating comfortable workplaces

KPIs	Fiscal 2016 Targets	Results	Self-Evaluation
1. Rate of injuries requiring 4 or more days of absence from work	0.7 or lower	0.67	⊙
2. Rate of injuries requiring 1 or more days of absence from work	1.4 or lower	0.88	⊙
3. Number of compensatory days off taken	—	—	—
4. Percentage of vacation days actually used by employees posted overseas	90% or higher	92.5%	⊙
	<b>Action Plan</b>	<b>Actions Taken</b>	
	<ol style="list-style-type: none"> <li>Promote initiatives for eliminating injuries caused by slips and falls.</li> <li>Strengthen production and common knowledge of documentation for operating procedures and work plans.</li> <li>Use and monitor overtime planning documentation.</li> <li>Encourage employees to take vacation days.</li> </ol>	<ol style="list-style-type: none"> <li>Conducted focused inspections of facilities and equipment during site compliance, and discontinued their use until any problems were resolved.</li> <li>Added risk assessment to documentation for operating procedures.</li> <li>Through use, the number of compensatory days off taken increased.</li> <li>Promoted awareness around Christmas holidays and other periods when it is easier to take days off.</li> </ol>	

**Self-Evaluation:** ⊙ = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issues Identified and Planned Countermeasures

- We need to work to prevent occupational injuries caused by unsafe facilities and unsafe actions. We will conduct focused management through patrol inspections and other activities.
- We will make efforts to reduce injuries in ways such as stricter application of suspension of use orders.
- While the number of compensatory days off taken increased compared with fiscal 2015, we need to improve awareness toward reducing long working hours. In fiscal 2017, we will strive to cut down on long working hours by (1) carrying out on-site inspections by managers, (2) carrying out monitoring, (3) encouraging the use of ICT devices, and (4) communicating information on improvement measures.
- To increase the percentage of vacation days taken by employees posted overseas, two years ago we revised Company regulations in line with actual work conditions to make it easier to use vacation days. We will continue educational efforts to promote their use.



## III – Employment and Human Rights

### Vision for 2020

- Proactively invest in human resources to ensure sustainability
- Increase employee satisfaction to retain personnel

KPIs	Fiscal 2016 Targets	Results	Self-Evaluation
1. Percentage of employees with certifications	(Varies by business division)	<b>Civil Engineering</b> Number of professional engineers: 228 (increase of 2 from previous fiscal year) Number of first-class civil engineering works execution managing engineers: 729 (unchanged from previous fiscal year) <b>Building Construction</b> Number of first-class architects: 411 (increase of 9 from previous fiscal year) Number of first-class architectural works execution managing engineers: 809 (increase of 19 from previous fiscal year)	—
2. Percentage of female employees on a career track	2.5%	3.0%	◎
	<b>Action Plan</b> <ol style="list-style-type: none"> <li>1. Make detailed plans for each division and assist employees in acquiring certifications.</li> <li>2. Form a five-year action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace.</li> </ol>	<b>Actions Taken</b> <ol style="list-style-type: none"> <li>1. Provided individualized instruction, distributed past exam questions and conducted mock exams.</li> <li>2. Revised internal Company rules in accordance with the amendment of related laws and regulations.</li> </ol>	

**Self-Evaluation:** ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issues Identified and Planned Countermeasures

1. Among various support measures, we implemented e-learning courses that can be taken anywhere at any time, however, this was not reflected in the results. Since it is necessary to change employees' awareness toward acquisition of certifications, we will continue educational activities and concrete support measures.
2. Diversity initiatives progressed; however, there is further room for improvement. Measures are being taken to raise employee retention and reduce overtime work.



## IV – Governance

### Vision for 2020

- Establishing corporate governance to achieve accountability
  - Earning trust by visualizing operations and organization
  - Ensuring thorough compliance
- Securing business sustainability and becoming a trustworthy company through complete risk control

KPIs	Fiscal 2016 Targets	Results	Self-Evaluation
1. Compliance awareness score within employee satisfaction survey (5-point scale)	3.8 or higher	3.7	△
2. Percentage of Company-owned PCs using encryption	50% or more	50%	○
	<b>Action Plan</b>	<b>Actions Taken</b>	
	<ol style="list-style-type: none"> <li>1. Conduct effective and practical training.</li> <li>2. Implement stronger encryption measures when updating and replacing Company-owned PCs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Made an anti-power harassment declaration by top management and conducted various training according to career stage as well as training for compliance committee chairpersons.</li> <li>2. Introduced an e-mail security system, an unauthorized access detection system, and more.</li> </ol>	

**Self-Evaluation:** ● = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issues Identified and Planned Countermeasures

1. The compliance awareness score fell slightly short of target. The results of the survey revealed issues such as recognition of harassment and awareness of overtime work. In response, we will continue with training and work to further improve compliance awareness and ensure that it permeates throughout the Company in order to achieve our goal of being a compliance-focused company that meets the expectations and demands of all stakeholders.
2. We are introducing stronger encryption measures when updating and replacing Company-owned PCs. In addition, we will strengthen measures and training to prevent information leaks due to causes other than PC theft.



## V – Environment

### Vision for 2020

- Stepping up efforts to be a company with advanced environmental management
- Establishing the foundations to maintain environmental compliance and ensuring they last
  - Actively engaging in the environmental solutions business

KPI	Fiscal 2016 Targets	Results	Self-Evaluation
1. CO <sub>2</sub> emission intensity (t-CO <sub>2</sub> /100 million yen)	28.4	24.2	◎
2. Percentage of construction waste sent to final landfill disposal (%)	3.0% or more	2.9%	◎
3. Percentage of sites where activities to preserve biodiversity have been implemented (%)	40%	84%	◎
	<b>Action Plan</b>	<b>Actions Taken</b>	
	<ol style="list-style-type: none"> <li>Promote introduction of biodiesel fuel (BDF) as a substitute for diesel and promote use of LEDs for temporary lighting at all sites.</li> <li>Implement Nishimatsu Construction's waste sorting rules and consign waste disposal to reliable contractors with high recycling rates.</li> <li>Conduct environmental education for employees.</li> </ol>	<ol style="list-style-type: none"> <li>Introduced approximately 150,000 liters of BDF. Promoted conversion to LEDs for temporary lighting at work sites, with successful introduction at 130 sites.</li> <li>Worked to minimize mixed waste, waste plastic and ceramic glass.</li> <li>Learned about biodiversity through holding environmental events to contribute to the local community.</li> </ol>	

**Self-Evaluation:** ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issues Identified and Planned Countermeasures

We generally achieved targets at a high level. However, there were some cases in which we were below the standard levels of practice in our waste sorting rules. Therefore, Company-wide efforts are necessary.

We will carry out the following actions in fiscal 2017.

- Bolster nationwide efforts for introduction of BDF.
- Continue to promote conversion to LEDs in leased office space.
- Implement Nishimatsu Construction's waste sorting rules more thoroughly.



## VI – Local Communities and Society

### Vision for 2020

- Taking an active part in society as a corporate citizen
- Making contributions by capitalizing on business skills

KPI	Fiscal 2016 Targets	Results	Self-Evaluation
1. Number of community service activities conducted during the year	80	88	◎
	<b>Action Plan</b> 1. Conduct community service activities that lead to building positive relationships with communities.	<b>Actions Taken</b> 1. We undertook a variety of activities in Japan and overseas. <ul style="list-style-type: none"> <li>• Support for Children's Cafeterias in Fukuoka Prefecture</li> <li>• Support for Nakayama Festival in Yokohama</li> <li>• Support for education with construction of a new elementary school in Mie Prefecture</li> </ul>	

**Self-Evaluation:** ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issued Identified and Planned Countermeasures

We carried out unprecedented new activities. In accordance with the following policy, we will continue to remind all employees of the significance of community service activities and work to further expand such activities.

#### Policy for Community Service Activities

- To achieve the UN Sustainable Development Goals (SDGs), we will execute activities that help to solve issues facing local communities in Japan and overseas.
- In keeping with our basic philosophy, we will carry out activities in cooperation with our various stakeholders to conduct valuable activities that have substance.

#### Action Plan

- Education support activities
- Disaster relief support
- Measures to address environmental problems
- Contribution to health, medicine and sports



## Ⅶ – Industry and Supply Chains

### Vision for 2020

- Building fair CSR supply chains

KPIs	Fiscal 2016 Targets	Results	Self-Evaluation
1. Rate of orders awarded to N-NET members for each fiscal year (value basis)	Civil Engineering: 60% Building Construction: Framing 80%, Finishing 60%  <b>Action Plan</b> 1. Strengthen ties between N-NET members and work sites, branches and regional headquarters.	Civil Engineering: 64% Building Construction: Framing 80%, Finishing 63%  <b>Actions Taken</b> 1. Improved the order rate with planned orders received and early placement of orders. 2. Disclosed the people in charge of future order plans on the N-NET website to make it easier to contact them.	◎

**Self-Evaluation:** ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issues Identified and Planned Countermeasures

Although targets were achieved, the significance of N-Net membership was insufficient. We will therefore implement the following measures:

- Clarify the advantages of placing orders with N-NET members, and promote a mechanism for encouraging the building of win-win relationships between the Company and members.
- Disclose ordering plans and information on the person in charge.



## +1 – Communication

### Vision for 2020

- Actively expanding CSR activities
- Maintaining appropriate CSR activities

KPI	Fiscal 2016 Targets	Results	Self-Evaluation
1. Number of construction site tours for investors held	At least one  <b>Action Plan</b> 1. Through construction site tours, provide the latest information and deepen understanding of our business.	One  <b>Actions Taken</b> 1. Held a tour of the Kouchigawa Dam Field Office, West Japan Regional Headquarters on October 4.	◎

**Self-Evaluation:** ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

### Issues Identified and Planned Countermeasures

Although our target was achieved, we did not fully satisfy the demands of participants. We will implement the following as countermeasures.

- Consider tours of shield tunnel construction sites in response to high demand.
- Conduct opinion exchange meetings.

