

Quality

Quality management system

Our quality management system conforms to ISO 9001 standards. The quality management system is controlled by the Quality and Environmental Management Committee, established under the CSR Committee chaired by the President and Representative Director, and applies to all of POC's business activities (construction activities and business activities in our offices). We formulated the "Integrated Manual" that outlines the rules and procedures for corporate management in conformity with the certified environmental management system and quality management system, and implement it across the organization. In addition, we continuously provide training sessions to employees, including management system training for young employees, to inform and educate our employees.

Clients satisfaction survey

As part of our efforts for the improvement of client satisfaction based on the quality management system, we aggregate and analyze the results of client satisfaction survey and project evaluation scores to

identify items that are evaluated highly and those evaluated lowly. Compiled analytical results are made known to individual branches and construction offices through project manager meetings and director and supervisor meetings. In particular, regarding items that were particularly lowly evaluated in the survey, we formulate materials to clarify the causes and countermeasures thereof, and build a system that enables us to make company-wide improvement efforts, aiming to further improve client satisfaction.

Quality patrols

To ensure quality to meet the requirements of clients, activities related to the quality of an individual construction project are recorded in a quality plan, which is managed by a project manager. A civil engineering manager and a building construction manager of each branch make sure in a quality patrol that the items listed in the quality plan are effectively implemented, and whether measures to prevent the occurrence of unconformity are functioning effectively.

External Awards

Received the Minister of Internal Affairs and Communications Award at the Seventh Infrastructure Maintenance Awards

We received the Minister of Internal Affairs and Communication Award (Technological Development Category) on excellent utilization of information and communication technologies for our "Total System for Maintenance and Management of Port Structures Using 3D Image Processing and AI" at the Seventh Infrastructure Maintenance Awards. The Infrastructure Maintenance Awards are presented for outstanding initiatives and technological developments related to infrastructure maintenance in Japan to promote the efforts of infrastructure maintenance companies, associations, and researchers to revitalize the maintenance industry and spread the philosophy of infrastructure maintenance more widely (Please refer to p.22 for the outline of the technology.)



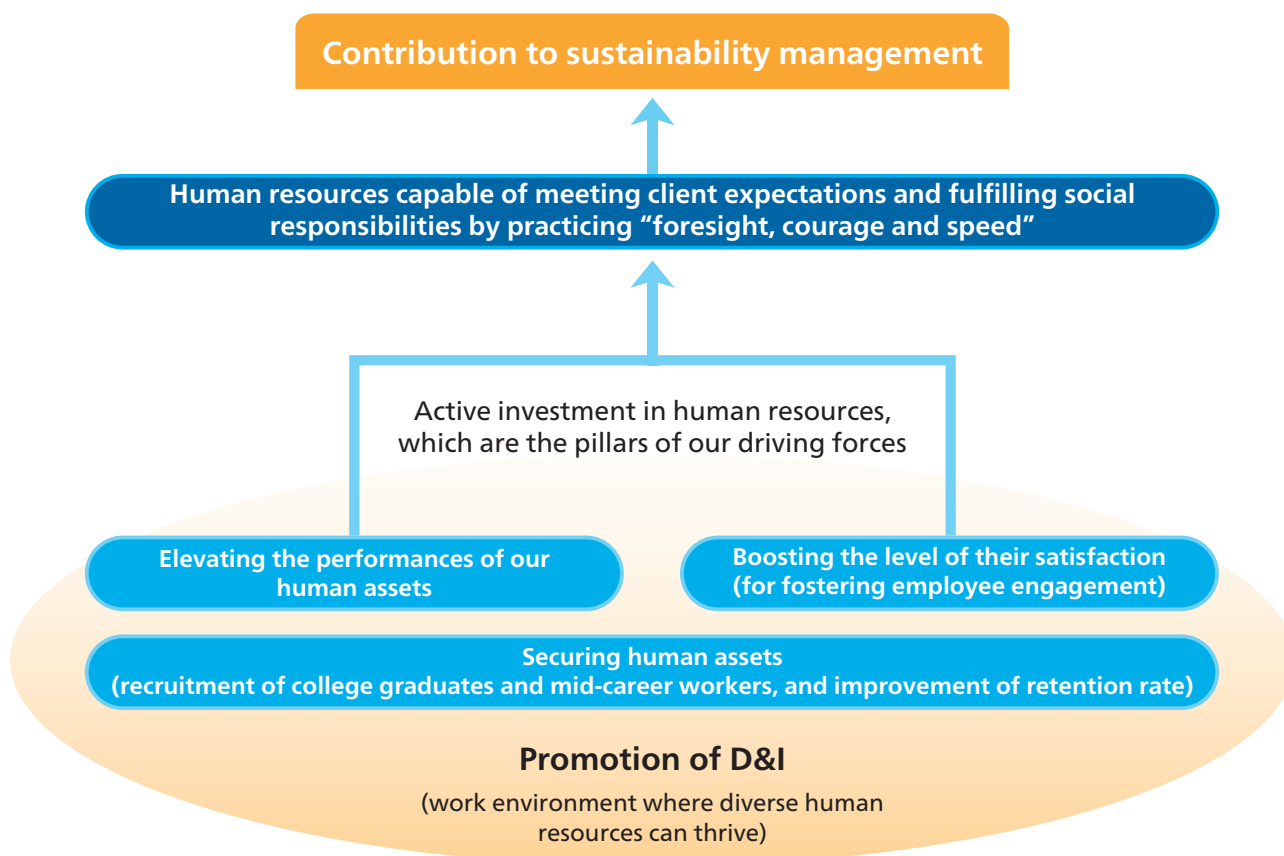
Received Nikkenren's 2023 Civil Engineering Award

We received the Civil Engineering Award for the construction of the Tamagawa Sky Bridge at the Nikkenren Award 2023. This award recognizes achievement of those who involved in the construction of high-quality social infrastructure and excellent buildings, for the purpose of contributing to improvement of human lives and industrial infrastructure, cultural development, regional revitalization, and global environmental conservation. This construction project involved the development of roads and a bridge connecting both banks at the mouth of the Tamagawa River in the vicinity of Haneda Airport. The project requires maintaining harmony with the natural environment and the landscape of the area under various constraints such as airspace limitation near the airport and securing of sufficient space for vessel traffic. Despite such difficult conditions, by combining structural devices and various construction methods, we succeeded in constructing a slender bridge with a middle span of 240m, which is the longest in Japan as a bridge with hybrid rigid-frame structure. The construction process with deep considerations for the environment and landscape of the area, which was implemented in cooperation with various stakeholders, was highly evaluated.



Human Resources Strategy

In line with our corporate policy of securing and nurturing human resources capable of meeting client expectations and fulfilling social responsibilities by practicing “foresight, courage and speed”, we are promoting D&I to realize a society where diverse human resources can thrive. We implement various human resources strategies to help achieve sustainability management, which is a goal our company aims for.



» Elevating the performances of our human assets

- Human resource development (improvement of human capital [individual capacity and skills] through appropriate education and development of comfortable working environment)
- Improvement of employee health (well-being)
- Promotion of D&I (for generating more creative ideas and enhancing organizational power)

» Boosting the level of their satisfaction (for fostering employee engagement)

- Personnel system (implementing a fair evaluation system, and development of compensation structure corresponding to the system)
- Promotion of work-life balance (improvement of fringe benefit programs, childcare/nursing care leaves, etc.)
- Creation of work environment (fostering high level of trust by developing a working environment with appropriate response and preventive measures to harassment, and building an open and inclusive working environment)

» Securing human assets (recruitment of college graduates and mid-career workers, and improvement of retention rate)

- Continued the recruitment of about 200 new graduates with a starting monthly salary for college graduates of 280,000 yen (for those who joined POC in April 2024)
- Promoting mid-career recruitment of talents with various backgrounds including not only in civil engineering and building construction, but also in offshore wind power generation, ICT, etc.
- Improving retention rate by developing and implementing a personnel system designed to promote human resource development, education and support for self-development (p. 44), as well as to understand employee’s aptitude, improve their motivation, and secure fair treatment

D&I

》Creating a system in which diverse human resources can thrive

In the Diversity and Inclusion (D&I) promotion efforts, POC is committed to securing and fostering diverse human resources regardless of gender or nationality. In addition, to promote women's active participation and improve work-life balance of all officers and employees, we have established a working environment to help them navigate their career path when important life events happen. We respect races, nationalities, religions, genders, ages, disabilities, LGBT, work styles, and diverse values, and have established an environment and system in which diverse human resources can thrive. As specific numerical targets for D&I, we have been aiming to achieve the hiring ratio of career-track female new graduates of 25% or more since FY 3/24 (new graduate hires in 2024) and to increase the ratio of female management-level employees to 15% or more by FY 3/36.

Promotion of Female Empowerment

To create a work environment where women can work comfortably and feel empowered, we examine the conditions of work environment (installation of changing rooms, break rooms, comfortable restrooms, etc.) based on the checklist at site offices where female employees are assigned. We also carry out harassment training for on-site workers and subcontractors.

Senior female staff members play key roles in regularly conducting interviews with young female staff members (consultation on female-specific troubles and career-related matters) and conducting training for young female employees in career-track position, where they share career experiences and role models, and provide information on company systems and balancing childcare and work.



Female employees working outside Japan

Empowerment of Non-Japanese Employees

Every year we hire outstanding foreign students who are not native speakers of Japanese (from universities and graduate schools in Japan and ASEAN), and have introduced a system called "Global Career-track Position" for providing Japanese language education and training for non-Japanese employees after their joining the company for them to grow into human resources who can play active roles in Japan and overseas. We have a high hope that they will act as a bridge between Japanese staff and local staff as engineers who are able to solve on-site problems, and take on managerial positions in the future.

Global Personnel System

Since FY 3/18, we have adopted a personnel evaluation system for locally-hired non-Japanese workers in Singapore and Hong Kong, which are the major footholds of our International Business Unit, and in July 2018, we introduced a grading and remuneration system.

The objective of the personnel evaluation system is to motivate employees to attain their goals, promote personnel development, and facilitate communication between superiors and subordinates, and the grading and remuneration system boosts the incentive to perform well and achieve goals by reflecting performance and evaluation in the International Business Unit in remuneration, and enhances non-Japanese workers engagement in efforts to achieve their individual targets.



Meeting at our office in Singapore

Empowerment of Senior Employees

Based on the revised Act on Stabilization of Employment of Elderly Persons, we offer new jobs and new working conditions to all career-track and administrative employees who wish to continue working after reaching the retirement age. We also create opportunities for active participation of senior employees, for example, by utilizing senior employees with abundant knowledge and experience as instructors to train young employees at the Safety and Quality Education Center.

Employment of Persons with Disabilities

Following the legislative intent of the Act for Promotion of Employment of Persons with Disabilities, we are making efforts to expand the employment of persons with disabilities using our satellite offices. Presently, we have workrooms in Tokyo (Shinjuku and Mitaka) and Kanagawa (Yokohama) to provide an environment where persons with disabilities can work comfortably.

Human Resources Development

To demonstrate our collective strength as a genuine global general contractor, we not only develop the strengths of each individual but also promote skill development that brings these strengths together to enhance organizational strength.

On the Job Training (OJT)

Based on our belief that growth through work (OJT) is imperative in the construction industry, we appoint a senior employee in charge of OJT for each new employee and provide far-reaching training. Thus, we strive to promote a "Co-educational Culture" in which both trainer and trainee can grow together.

Off the Job Training (Off-JT)

Since group training (Off-JT) is aimed at acquiring knowledge, abilities, perspective and ways of thinking that cannot be acquired by experience alone, we conduct job-specific training sessions provided by each divisions group to acquire specialized knowledge including grade-specific training depending on the level of growth in job performance.

Support System for Gaining Qualifications and Support Grant System for Self-development

We encourage our employees to obtain the official qualifications and licenses necessary to work in the construction industry, and provide a comprehensive backup, such as organizing in-house training sessions, paying exam fees and other acquisition costs, as well as offering success incentives corresponding to the importance of qualifications. In addition, we newly established a support grant system for employees' self-development in FY 3/24 to provide support for self-development, and have recommended selection-based training where each employee can choose to participate in externally sponsored training sessions. Thus, we offer a variety of possibilities and opportunities for advancing their learning.

Safety and Quality Education Center

The Safety and Quality Education Center provides individual education and group education for young staff.

Experienced employees who are familiar with civil engineering, building construction, safety, quality, and laws and regulations provide guidance as an instructor to young employees (from the 2nd to 8th year after joining the company), whose number is increasing year by year due to more new graduate hires in recent years. The purpose is to pass on skilled engineers' knowledge and experiences to train young employees.

One-on-one education (individual education)

Tailor-made education customized for each learner's needs



As part of the education that supplements on-the-job training at construction sites, we assess each learner's current status, provide education customized for each learner's needs and raise their awareness to improve the current situation. By explaining the learner's education results to their onsite superiors, on-the-job training will become more effective.

First-Timer series (group education)

Education for conducting an unexperienced work without trouble



We train young employees with no experience to make them familiar with new types of constructions from a learner's perspective. We will provide practical education that can be applied at sites, focusing on showing the site (including photos and videos) instead of relying on classroom lectures.

Work Style Reform

Our company is accelerating company-wide initiatives, aiming to be a pioneering company in the promotion of work-style reform and productivity improvement. In July 2024, to promote D&I (Diversity & Inclusion) to facilitate active participation by diverse human resources while further promoting work-style reform, we reorganized the previous Work-Style Reform Promotion Committee into the D&I Promotion Committee. At POC, employees and the management are making concerted efforts to promote D&I with the aim of realizing a comfortable and satisfying work environment where diverse human resources can thrive both physically and mentally, while maximizing their enthusiasm for their work and encouraging them to demonstrate their capabilities to the fullest, in addition to further promoting the work-style reform.

Objectives of Workstyle Reform Promotion

- To reduce overtime work and encourage employees' planned holiday acquisition
- To create a comfortable workplace environment and secure future workforce
- To promote productivity improvement backed by advanced technologies

Penta-Ocean Construction Group Goals

1. (Site closures)
Establishment of 8 site closures per 4 weeks, thorough implementation of site closures on weekends (Establishment of 8 days off per 4 weeks for sites even under excusable circumstances)
(Holidays)
Establishment of 8 days off per 4 weeks, through taking 2 days off per week (Sat. and Sun.)
(Overtime)
To reduce non-scheduled hours worked to 720 hours/year or less
Compliance with overtime hour cap
2. Promotion of labor-saving and streamlining
3. Promotion of flexible work styles
4. A turnover rate of 5% or less for young employees within their first three years after joining the company
5. Supporting work-style reform for skilled workers

		2021	2022	2023	2024 (Upper-limit regulation)
Site closures and holidays	Site closures on Saturdays and Sundays	Promotion	Thorough implementation		Establishment
	8 site closures per 4 weeks*		Thorough implementation	Establishment	
	8 days off per 4 weeks	Thorough implementation	Establishment		
Overtime	720 hours or less per year		Thorough implementation	Establishment	
	6 times a year or more 45 hours or less per month	Promotion	Thorough implementation		Establishment
Subcontractors	2 days off per week (Sat. and Sun.)	7 days off per 4 weeks	8 days off per 4 weeks	8 days off per 4 weeks	2 days off per week

* For sites with construction period deadline, etc.: 8 days off per 4 weeks

D&I Promotion Committee

We have established the D&I Promotion Committee consisting of employees and the management at the headquarters, the branch offices, the International Business Unit, and our subcontractors. The Committee formulates measures and policies to promote D&I including work-style reform that need to be implemented company-wide, including at subcontractors, conducts monitoring of implementation status of such measures, disseminates necessary information, and provides guidance and advice towards their implementation. In addition, the Committee members periodically visit branch offices to grasp the actual situation, ensuring that employees and the management discuss solutions for individual matters in a concerted manner.

“No Overtime” Days

The D&I Promotion Committee sets a monthly payday as a “no-overtime day” and a bi-annual bonus payday as a “super no-overtime day”. A reminder notification is sent by e-mail to all officers and employees for the spread of the initiative toward reducing overtime work.

Achieving a flexible way of working

To achieve a flexible way of working, departments where main tasks are inside duties have principally a flextime system in place. Site offices also work on the development of an environment that allows employees to flexibly choose work hours by the introduction of a staggered work shift based on prior approval and a rotating shift for morning assemblies. Additionally, site offices have also introduced a flextime system since FY 3/25 to promote the setting of further flexible work time. Moreover, by continuing to support the practice of working from home, which was institutionalized in FY 3/21 and established during the COVID-19 pandemic, we will further promote the diversity or working styles.

Employees’ Mental Health Management

We are also working to manage the mental and physical health of our employees through initiatives such as providing consultations with industrial physicians for employees with excessive overtime record and establishing a mental health care system. In particular, to cope with mental illness issues, we carry out stress checks of employees once a year for early detection and prevention, and carry out medical examinations and individual guidance by psychiatrists.

》Promoting Work-life Balance

To create a flexible work-life (child care and nursing care, etc.) balance, we developed the “Fifth Action Plan for Supporting the Development of the Next Generation” in FY 3/23. We are developing a three-year plan to achieve “80% or greater rate of male employees taking childcare leave”, “Creating an environment in which parenting employees can balance childcare and work and take an active role”, and “Continuing to provide opportunities for work experience and for understanding the construction industry to children and young people who will lead next generation”.

As specific efforts, we have formulated a handbook for supporting balancing child care and work, and for balancing nursing care and work, and work to create an environment that allows both male and female employees to easily take child care leave, nursing care leave, sick/injured childcare leave, and days-off to care for a sick family member. We are also making efforts to deepen mutual understanding between employees and the company and their supervisors on work styles and career paths after returning to work from childcare leave by utilizing interview sheets.

In addition to enhancing the system to provide support for balancing child care and work, in 2022 we established a system to promote diverse work styles, including encouraging employees returning to work (to promote the re-employment of employees who have left the company due to childcare, nursing care, spouse transfer, etc.), and the use of the working from home system. We encourage employees to take five days of planned vacation per year, and we have created an environment where they can take days off without negative implications.

We also host an annual diversity conference for officers and employees to raise their awareness about balancing work and private life.

In FY 3/25, as part of measures to address the nation’s declining birthrate, we began to provide our employees with a match-making app exclusively for single people working at trustworthy companies. Additionally, we will consider a leave program for employees who have fertility treatment and assistance to cover expenses necessary for such treatment.

Childcare Leave

We have a childcare leave system so that employees can continue to work when they have a life event such as childbirth or childcare. Since FY 3/23, we have encouraged male employees to take paternity leave by allowing them to work during their paternity leave. We also conduct a questionnaire survey about parental leave to develop an environment that allows male employees to take paternity leave easily.

As part of our childcare support system, we have prepared a system that allows shortened working hours and adjusting the starting and ending time of the workday (until the child graduates from elementary school at the longest) to provide an environment where both men and women can easily balance work and childcare.

• Nursing Care Leave and Days-off to Care for a Sick Family Member

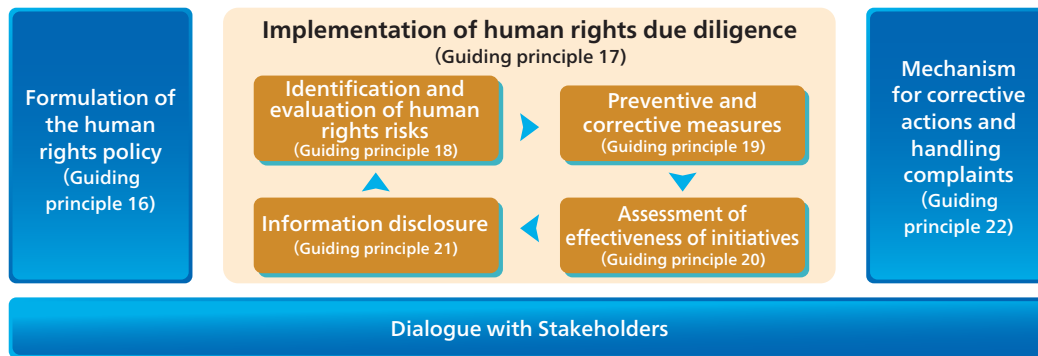
• We offer a long-term nursing care leave system so that employees who need to take care of their families can continue their work. We create an environment where it is easy to balance caregiving and work using the working from home system. Also, if an employee has a family member requiring caregiving or has a child yet to complete elementary school, and needs to care for a family member or a child, the employee can take from 6 to 12 days of leave in addition to the annual paid holidays.

Promotion of taking annual paid holidays

In FY 3/18, it became possible to take paid holidays on a half-day basis, and since FY 3/22, it has been possible to take paid holidays on an hourly basis. As a result, for example, employees posted away from their families can now take flexible leave from Friday noon to Monday noon, which we believe will contribute to the promotion of work-life balance.

Respect for Human Rights

As a signatory company of the UN Global Compact (UNGC), POC undertakes initiatives for embracing respect of human rights in accordance with the framework of the UN Guiding Principles on Business and Human Rights, in addition to supporting and respecting international norms such as the International Bill of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.



» Human Rights Policy

To fulfill our corporate responsibility to respect human rights, we have established the “Penta-Ocean Construction Group Human Rights Policy” and we are practicing corporate activities based on this policy. This policy was drafted after consultation with external experts and issued by a resolution of the Board of Directors.

In two other guidelines, the Penta-Ocean Construction Group Code of Conduct, which specifies standard behavior requirements for officers and employees of POC Group, and the Sustainable Supply Chain Policy and Guidelines, which is intended for our business partners, we refer to respecting human rights as an important compliance requirement and request their cooperation in this initiative.

[Click here for the Penta-Ocean Construction Group Human Rights Policy](#) ▶



Promotion structure

In May 2023, we established the Human Rights Committee chaired by the President, CEO and Representative Director to strengthen our efforts to respect human rights, which is the basis of sustainability management. As an organization under the CSR Committee chaired by the President, CEO and Representative Director, this Committee is responsible for formulating the Group’s human rights policy, identifying significant human rights risks through regular human rights impact assessment, conducting human rights due diligence, and monitoring the effectiveness of relief and corrective measures.



Providing education to raise awareness for respecting human rights

In October 2023, we provided in-house training (e-learning) to all officers and employees to deepen their understanding of our human rights policy. In a briefing session for the Sustainable Supply Chain Guidelines for our major business partners, we gave concrete explanation about our initiatives in terms of respect of human rights. Besides these, we annually provide training on topics including discrimination, harassment, persons with disabilities, and mental health at various training sessions such as rank-based training sessions, and hold a Training Workshop for Executives to Raise Awareness for Human Rights targeted for officers and employees in management positions every year. In February 2024, we held a lecture meeting where an outside expert spoke on the theme of “Business and Human Rights”. Additionally, aiming to create a comfortable and lively workplace where the human rights of each individual are respected, we strive to enhance understanding of human rights across the organization by recruiting slogans for respecting human rights from employees and their families and creating human rights-related posters and leaflets.

» Dialogue with Stakeholders

To ensure the effectiveness of our business and human rights initiatives, we held an opinion exchange with experts from the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI) on the human rights of foreign migrant workers in 2024. Additionally, we participated in individual guidance sessions at the B+HR (business and human rights) Academy presented by the United Nations Development Programme (UNDP), and received advice on our business and human rights initiatives from experts.

» Human rights due diligence

POC implements human rights due diligence based on the UN Guiding Principles on Business and Human Rights. In FY 3/24, our efforts were focused on identifying and assessing possible risks concerning human rights within POC Group, deliberating on measures for risk prevention and correction, and building a system for those measures. From FY 3/25 onwards, we will expand the scope of human rights DD to include subcontractors and material suppliers, and enhance our efforts in evaluating the effectiveness of measures taken as well as information disclosure.



Identification/evaluation of human rights risks, and preventive/corrective measures

[FY 3/23] Identifying human rights risks in the construction industry

- Based on reports issued from international organizations, industry groups, NGOs, etc. and cases of human rights abuses, we identified human rights risks in the construction industry.
- We performed mapping of stakeholders on the value chain that are susceptible to each anticipated risk.

[FY 3/24] Determining the state of human rights risk control in Penta-Ocean Construction Group

- We held internal dialogue meetings to promote the understanding of identified human rights risks among relevant parties. Additionally, we conducted hearing and monitoring surveys for our branch offices, overseas offices and companies of the Group to confirm "presence or absence of rules", "grasping the current state", etc.
- The Human Rights Committee deliberates on how to implement preventive and corrective measures that should be prioritized, and continues to monitor their progress.

[From FY 3/25] Extending initiatives for respecting human rights to business partners

After conducting monitoring surveys on our major subcontractors and material suppliers, the progress of their initiatives regarding respecting human rights are evaluated by way of self-assessment questionnaires (SAQs) based on the Sustainable Supply Chain Guidelines.

Human rights risk map	Issues to be discussed preferentially	People to whom special attention should be paid among stakeholders susceptible to negative impacts			
		POC employees	Employees at subcontractors	Workers at material suppliers (sites/factories)	Local residents
Malfunction of complaint handling mechanism			●	●	
Occupational Health and Safety	●	●	●	●	
Prohibition of discrimination		●	●	●	
Inhumane treatment and harassment	●	●	●	●	
Working hours	●	●	●	●	
Wages and working conditions	●	●	●	●	
Forced labor	●		●	●	
Child labor			●	●	
Freedom of association and collective bargaining rights			●	●	
Human rights abuses against foreign migrant workers (foreign technical intern trainees, etc)	●	●	●	●	
Rights of indigenous people and local residents					●

Establishment of the human rights consultation desk

In August 2023, we established the human rights consultation desk for all people affected by the POC Group's corporate activities with the aim of early detection and correction of negative impact on human rights. The number of consultations accepted at the human rights consultation desk is disclosed on the ESG Data sheet.



Sustainable Supply Chain

At Penta-Ocean Construction Group, we will conduct fair and equal transactions with our business partners on an equal footing and promote partnerships aiming for cooperation, coexistence and co-prosperity. Together with our business partners, we will strive to comply with laws and regulations, respect human rights, and incorporate environmental considerations to build a sustainable supply chain.

》Sustainable Supply Chain (SSC) Policy and Guidelines

As specified in the Penta-Ocean Construction Group Code of Conduct, we will promote the building of partnerships with business partners and establish a sustainable supply chain, aiming to continue to grow while contributing to the sustainable development of

society together with business partners. To promote this idea with our business partners, we formulated and disclosed the Sustainable Supply Chain Policy and the Sustainable Supply Chain Guidelines by a resolution of the Board of Directors dated November 21, 2023.

Click here for the sustainable supply chain policy and guidelines ►



》Promotional structure

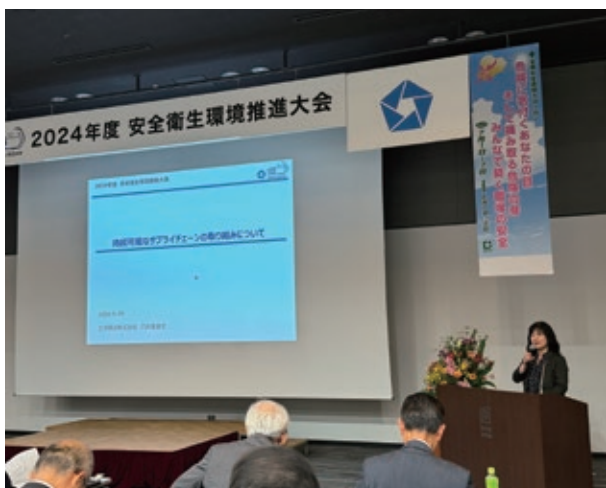
In May 2023, we added the formulation and promotion of strategies related to the sustainable supply chain as new roles of the CSR Committee chaired by the President, CEO and Representative Director, clarifying how this initiative is carried out.



》Dialogue meetings and implementation of self-assessment questionnaire (SAQ) surveys

Prior to extending the policy and guidelines to our business partners, we provided e-learning training to all officers and employees, and held a total of 19 dialogue meetings for domestic branch offices, overseas offices and companies of the Group from December 2023 to June 2024. In addition to mailing the policy and guidelines to all business partners in writing, we held a total of 12 dialogue meetings for our major business partners from February 2024, in which the background of the initiatives is explained and the examples of such initiatives are introduced by using explanatory materials of the guidelines.

Additionally, since July 2024, we have requested 159 major business partners (domestic) to conduct self-assessment of implementation status of initiatives related to Sustainable Supply Chain by using questionnaires (SAQs) composed of questions based on the SSC Guidelines. Based on the SAQ results, if we deem that certain business partners require further inspection, we conduct additional hearing on them. If and when their issues are identified, we will request them to take corrective measures, and POC Group will also support their improvement initiatives. Overseas we will hold briefing sessions and assessment by SAQ, starting with our major offices in Singapore and Hong Kong.



Lecture at safety contest (domestic)



Dialogue meeting in Singapore

》Safety and quality initiatives promoted jointly with subcontractors

To ensure quality and safety together with subcontracting companies, we established the “Penta-Ocean Construction Labor Safety Council” which has 1,091 members. The Labor Safety Council works to improve knowledge levels and skills regarding labor safety and carries out various activities to prevent accidents and create a foundation for smooth cooperation between POC and subcontracting companies.

<Examples of the Penta-Ocean Construction Labor Safety Council’s Activity>

● Safety and health patrols

Based on an annual plan, the headquarters, branch offices, and subcontracting companies perform patrols on a regular basis, in addition to the President’s patrols twice a year.



President’s Patrol (November 2023)

● Safety and Health Environment Promotion Contest

In June, the headquarters, branch offices, and the Labor Safety Council jointly hold a “Safety and Health Environment Promotion Contest.” This is in preparation for the National Safety Week, which is observed every July. In June 2023, we held the “2023 Safety and Health Environment Promotion Contest” at our headquarters in collaboration with the Labor Safety Council Association, with the President, CEO and Representative Director in attendance.

● Implementation of various types of education and training

We aim to improve the knowledge levels and skills of our members by holding a variety of training programs, including education of foremen and safety and health managers, training for safety officers, risk sensitivity education, seminars for senior members of the Labor Safety Council Association, and business owner education.

Foremen’s Associations

We organize foremen’s associations (organizations consisting of foremen and safety and health managers of multiple subcontracting companies) at each site to raise awareness of safety and health among all workers.

》Work-style reform support for subcontracting companies, and securing future workforce

We support the work style reforms of subcontractors and skilled workers, for example, by promoting the provision of incentives for skilled workers who achieve two days off per week (increasing the labor costs when the holiday acquisition target is achieved). We also improve payment conditions for subcontractors (payment in 100% cash), promote and support enrollment in the Construction Career Up System (CCUS*), and provide allowances under the Excellent Foreman System (for CCUS members).

* Construction Career Up System

The system registers working record and qualifications of each skilled worker, enabling fair evaluation, quality improvement as well as productivity improvement at construction sites.

Implementation of the excellent foremen system

In FY 3/14 we introduced an Excellent Foreman Certification System to “secure and train future leaders” and to “improve the treatment given to construction engineers.” Certified foremen are paid an excellent foreman allowance of 2,000 yen per day depending on the number of days they have worked at our company’s sites. Further 1,000 yen per day are paid when their annual work days exceed 100 days. In addition, the employer’s share of social insurance premiums for allowances is paid separately. In FY 3/24, 461 foremen including 54 newly certified foremen were certified as excellent foremen.

Providing incentives to skilled workers for holiday acquisition

With the aim of stabilizing incomes of skilled workers whose wages change depending on the number of working days and bringing about a change in the consciousness of skilled workers and subcontractors, since the project that POC newly won in July 2019, we have been working on an initiative to increase the labor costs of skilled workers who have acquired more holidays than the number of holidays set by the site as a target. Additionally, since the project that we newly received in July 2020, we have revised correction factors, making this arrangement easier to handle and more satisfying.

Practice of making cash payment to subcontractors

With the aim of strengthening the management base of subcontractors, and promoting their enrollment in social insurance schemes and work-style reform at sites, we always make payment to subcontractors in cash. Since the new contract in July 2017, we have changed our payment methods for our subcontractors (including material suppliers) from the conventional payment by bill (including payment using electronically recorded monetary claims, and payment on due date) to cash payment.

Occupational Health and Safety

Recognizing that occupational health and safety initiatives are the foundation of sustainability management, we work with subcontractors to promote workplace accident prevention activities.

》Safety First in Construction Work

Our commitment to construction safety stems from basic respect for humanity. We established an occupational health and safety management system to 1. eliminate/reduce potential risk of occupational accidents, 2. promote workers' health and create comfortable workplaces and 3. improve corporate standard for health and safety.

We are one of the first companies in the construction industry to receive the "COHSMS Certification" from the Japan Construction Occupational Safety and Health Association in 2008, and have been renewing the certification by undergoing an audit every three years. We named said certified occupational health and safety management system "PENTA-COHSMS" and are conducting continuous health and safety management in compliance with the system.

Several of our overseas offices acquired the international standard for occupational health and safety management systems (ISO 45001), and we are working to continuously improve our occupational health and safety performance through the operation of the system.

Environment Health and Safety Committee

Under the CSR Committee chaired by the President, CEO and Representative Director, we established the Environment, Health and Safety Committee as a central organization for safety and health environment conservation activities. This Committee deliberates and decides on basic policies and measures to effectively promote health and safety environment activities. Additionally, based on an annual plan, we regularly carry out the Environment, Health and Safety Committee Patrols in all branch offices.

Initiatives to Enhance On-site Communication

Since 1998, we have been promoting a Compassionate and Friendly Greeting Campaign that aims to create a safe, healthy, and lively workplace culture based on the stronger harmony among workers, and to achieve "no accidents, no incidents and no illnesses." In particular, we make every construction staff to call each other by name for deepening the sense of fellowship.

Initiatives to Prevent "Specific Accidents"

We designate crash accidents, fall accidents and heavy machinery (crane) accidents as "Specific Accidents" and focus our efforts on preventing these accidents amongst all other accidents. Regarding the prevention of crash and fall accidents, we introduced a "Immediate 'Red Card' System for Workers Who Do Not Use Safety Belt*1," which suspends a worker from the construction site when he/she is found not using a fall prevention equipment (commonly, a safety belt) in a place where a safety belt is mandatory. As for the prevention of heavy machinery and crane accidents, we enforce the "Zero Heavy Machinery Accident Declaration" to reconfirm prohibition of entering a working radius of the equipment, and to assign guards to prevent any entry. Also, we enforce the "Zero Crane Accident Declaration," "Exercise 333*2."

*1 Workers who were suspended will return to the site after receiving the safety training again.

*2 Exercise 333: (1) 3m away from the suspended load when slinging. (2) Stop hoisting the lifted load at 30cm. (3) Roll up after counting 3 seconds when hoisting the lifted load (introduced in 2008).

Initiatives to Ensure Thorough Communication and Coordination between Operations

In principle, unscheduled work is prohibited. If it is unavoidable, we have the following procedures in place and ensure thorough communication and coordination between operations.

1. Temporarily suspend the work and report to the main contractor
2. Review procedures, and create a "Record of Meeting for Unscheduled Work"
3. Obtain approval from the main contractor, notify workers, and conduct risk prediction on-site.

In addition, we post "Posters Prohibiting Unscheduled Work" to warn workers.



Click here for the health & safety activity guidelines ▶

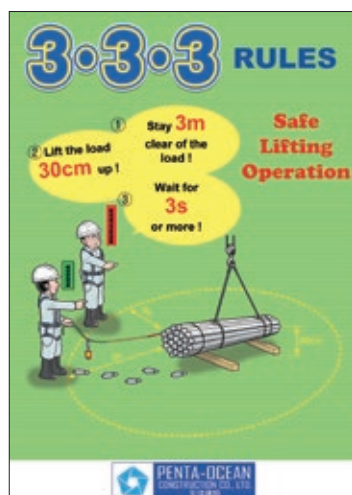


Implementation of POC Standard at Home and Abroad

We have been implementing occupational accident prevention and quality management measures that prioritize safety and quality in Japan, and named it the Penta-Ocean Construction Standards. We spread these standards not only in Japan but also overseas and carry out occupational accident prevention activities in collaboration with subcontracting companies.

<Specific efforts>

- Special Safety Day (March 30), Safety Contest (1st day of every month), Safety Week (preparation period: June 1-30, the actual safety week: July 1-7)
- Implementation of Penta-Ocean Construction self-regulation and accident prevention activities (Exercise 333, etc.)



English version of Exercise 333 poster

Designating a Special Day to Pledge Safety

- Special Safety Day (March 30)
On March 30, 2014, a major accident occurred in the Okinotorishima port construction site, taking precious lives of seven people.
Every year on March 30, a memorial service is held with the attendance of the bereaved families and the clients (only in the presence of clients from FY 3/21 to FY 3/24, due to the COVID-19 pandemic). In addition, not to forget this accident, March 30 is designated as a Special Safety Day, where we conduct simultaneous onsite inspections to reconfirm safety.
- Fire Prevention Day (April 20)
On April 20, 1998, a major fire occurred at our construction site, with one deceased, 16 people mildly/seriously injured, and one building completely burned down. Taking this accident as a lesson, we designated April 20 as Fire Prevention Day to reconfirm fire prevention measures.



Overseas safety patrol



Safety Week notice board at an overseas site

Safety Results

<Domestic: 4 or more days lost>

(Non-consolidated)

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number of accidents	19	11	9	23	17
Number of fatal accidents	1	0	1	1	0
Number of deaths (employees)	0	0	0	0	0
Number of deaths (subcontractors)	1	0	1	1	0
Frequency rate	0.70	0.59	0.47	1.30	0.97
Severity rate	0.31	0.03	0.42	0.52	0.06

<Overseas: 4 or more days lost>

(Non-consolidated)

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Number of accidents	3	11	9	12	7
Number of fatal accidents	0	0	2	0	1
Number of deaths (employees)	0	0	0	0	0
Number of deaths (subcontractors)	0	0	2	0	1
Frequency rate	0.07	0.35	0.30	0.36	0.20
Severity rate	0.00	0.00	0.46	0.01	0.22