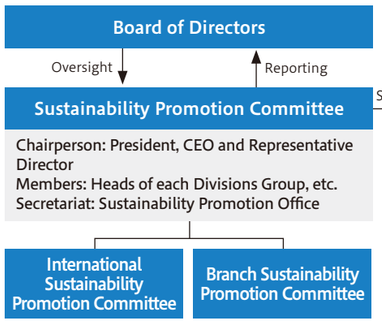
Practising Sustainability Management

The Penta-Ocean Construction Group believes that its greatest contribution to society is the construction of high-quality infrastructure, and practises ESG-oriented sustainability management. By offering reliable quality backed by safety, environmental considerations, and technology, we aim to be a company that appeals not only to our shareholders, customers, business partners, and employees, but also to the local communities we serve.

Sustainability Management Governance Structure

We believe that appropriate responses to sustainability-related issues are important management issues that reduce risks and also increase profit-earning opportunities. In this context, under the Sustainability Promotion Committee chaired by the President, CEO and Representative Director, we have established the Human Rights Committee, the Carbon Neutral Promotion Committee, the Risk Management Committee, the Environment Health and Safety Committee, the Quality and Environment Management Committee, and the Diversity, Equity & Inclusion (DE&I) Promotion Committee to promote ESG-oriented sustainability management. The Sustainability Promotion Committee, which meets four times a year, implements specific initiatives and monitors achievements for each issue identified as Materiality (key issues). Strategies and progress related to sustainability are regularly reported to the Board of Directors and supervised from the perspective of enhancing the corporate value over the medium to long term.

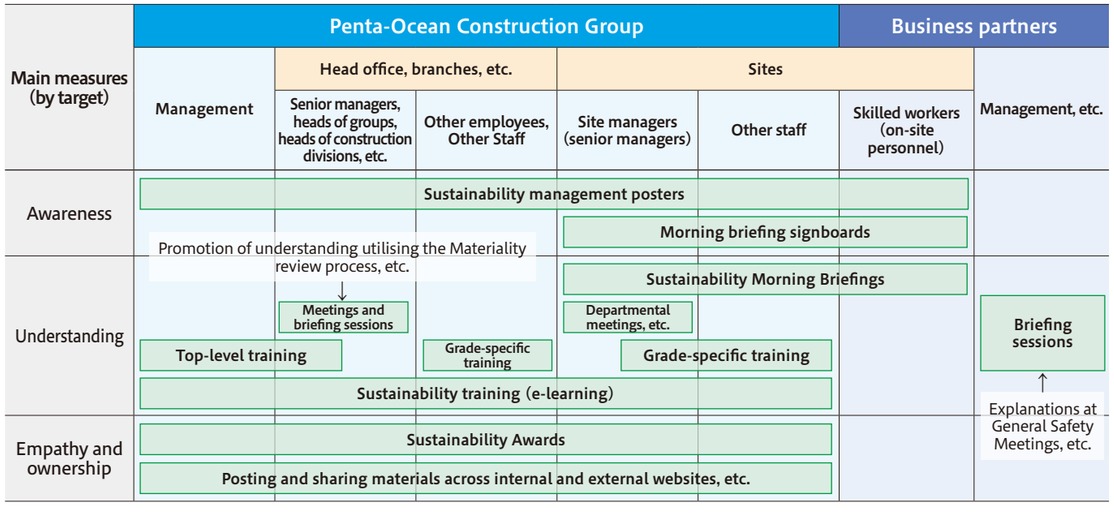


	Chairperson	Number of meetings held in FY 3/26
Human Rights Committee	President, CEO and Representative Director	4 times
Carbon Neutral Promotion Committee	President, CEO and Representative Director	2 times
Risk Management Committee	Executive Vice President and Representative Director	11 times
Environment Health and Safety Committee	Managing Executive Officer, Head of Safety, Quality and Environment Management Divisions Group	12 times
Quality and Environment Management Committee	Managing Executive Officer, Head of Safety, Quality and Environment Management Divisions Group	2 times
DE&I Promotion Committee	Executive Officer, Head of Human Resources Division	7 times

web Outline of activities of each committee

Creating Mechanisms to Advance Sustainability Management

Based on the Materiality (key issues) reviewed and announced in May 2026, we are building mechanisms to evolve sustainability management both within the Penta-Ocean Construction Group and across our business partners. To promote awareness and understanding, we display posters and other materials on sustainability management at all offices including the headquarters, branches, sales offices, and site offices, as well as at worksites, and we globally conduct sustainability training every year for all executives and employees of the Group (FY 3/26: participation rate 100%). We also provide education through grade-specific training and training sessions hosted by business units.



Instilling Sustainability Management at Worksites—Sustainability Initiatives Begin on Site

Sustainability Morning Briefings

In order to share sustainability management initiatives, we have held Sustainability Morning Briefings once a week at worksites in Japan since September 2024, both within the POC Group and with subcontractors, using each Materiality theme as a topic. From September 2025, we have been preparing morning briefing posters in five languages (Japanese, English, Chinese, Vietnamese, and Indonesian) for the increasing number of international workers. Since January 2026, we have also been conducting Sustainability Morning Briefings overseas.



Sharing the Content of Morning Briefings through Posters and Videos

Sustainability Awards

In FY 3/25, we launched the Sustainability Awards in Singapore, which recognise on-site sustainability initiatives, and since FY 3/26, we have expanded the Awards to Japan and Hong Kong.
At the award ceremonies, outstanding cases were presented to the management and the awardees were commended by the President.
Outstanding initiatives at each worksite are introduced on the intranet and at meetings, etc., and rolled out across other worksites.



Singapore 2nd Sustainability Awards Ceremony (December 2025)

Case Example

Sustainability Awards (Japan)

Excellence Award "Creating Safe Worksites through Diverse Human Resources (DE&I Gosunakai)"

In February 2026, at the 1st Sustainability Awards, an initiative at a worksite of the Tokyo Building Construction Branch was selected for the Sustainability Excellence Award from among 262 applications. At a worksite where nearly 40% of workers were international workers, there was a risk that safety rules and other information would not be communicated accurately due to insufficient communication. The team pooled its wisdom and worked on promoting the use of AI translation tools and improving signage in foreign languages. In addition, the DE&I Gosunakai safety patrol group, led by international workers, conducted weekly patrols in the three areas of safety, environment, and cleaning separately from the ordinary foremen's meetings. The initiative was highly evaluated for preventing occupational accidents and enhancing worksite productivity through communication that transcended language barriers.
Comments included: "Through safety instruction in multiple languages, international workers' understanding of the rules improved dramatically, and rule violations and dangerous entry decreased"; "Morning briefings by language group built a sense of unity across the site, including subcontractors"; and "By promoting the use of translation tools, workers grew closer and shared more smiles".
We are rolling out these voluntary on-site initiatives nationwide, guided by our vision of creating worksites where no one is left behind.



DE&I Gosunakai of the Tokyo Building Construction Branch, Recipient of the Excellence Award



Safety Patrols by International Workers Using AI Translation Tools

web Practising Sustainability Management

Materiality（Key Issues）

Under the Medium-term Management Plan（FY 3/27–FY 3/29）announced in May 2026, the Penta-Ocean Construction Group set as its vision becoming "a Genuine Global General Contractor that practises sustainability management and builds new horizons in construction."
In promoting sustainability management, in 2023, we identified Materiality（key issues）as the issues to which we should allocate resources with the highest priority, aiming to achieve both medium- to long-term corporate growth and the sustainability of society. Taking into account subsequent changes in the social environment and expectations from stakeholders, as well as changes in our own business environment, we conducted a review in 2026. As a result, while the eight Materiality issues remain unchanged, we revised the highly important initiative items and KPIs. More specifically, the following are our eight Materiality: (1) Responding to Climate Change Issues, (2) Creation of a Rich Environment, (3) Construction of High-quality Social Infrastructure and Buildings, (4) Enhancing Technology Development and Technical Capabilities, (5) Promotion of DE&I, (6) Respecting Human Rights and Building Sustainable Supply Chain, (7) Ensuring Occupational Health and Safety, (8) Promotion of Effective Governance. For each of the issues above, we established specific policies, structures, and metrics to assess the implementation progress. We plan to review Materiality on a regular basis going forward.

Materiality Review Process

Step 1
1. Review of the current version
2. Review of issues to be considered

Step 2 Assessment of selected issues
1. Assessment of importance to stakeholders
2. Assessment of importance to POC

Step 3 Review of Materiality and consideration of KPIs

Step 4 Management decision and disclosure Reflection in measures

Step 1 Review of the current version and of issues to be considered（November 2025 to February 2026）

1. The responsible departments reviewed the status of initiatives based on the current Materiality
2. We collected and analysed megatrends, global ESG standards（SASB, the GRI Standards, etc.）, peer trends, opinions of outside experts, and other information, and reviewed 23 social issues to be considered

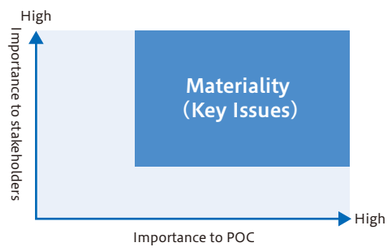
Step 2 Assessment of selected topics（February to March 2026）

1. Assessment of importance to stakeholders
Based on various types of information including questionnaires received from clients, external research organisations, and reports from international organisations and NGOs, we analysed the level of interest of our stakeholders in each issue and conducted a comprehensive evaluation of their importance to stakeholders.

2. Assessment of importance to POC
37 members selected from the Domestic Civil Engineering Divisions Group, the Domestic Building Construction Divisions Group, the International Business Unit, the Corporate Administration Divisions Group, and branch offices participated.
Through briefing sessions and other opportunities involving outside experts, we deepened our understanding of the 23 issues reviewed in Step 1, and discussed risks and opportunities that we shall focus on from medium- to long-term perspectives, as well as their importance to our businesses.

Step 3 Review of Materiality and consideration of KPIs（March to April 2026）

・In accordance with the results of Step 2, a draft review of Materiality was created based on the two-axes assessment: importance to stakeholders and importance to POC.
・Considered key indicators and targets（KPIs）



Step 4 Management decision and disclosure, and reflection in measures（from April 2026）

・After review by the management, the results of the Materiality review were reported and deliberated at the Sustainability Promotion Committee in April 2026
・Upon approval by the Board of Directors, it was announced in the Medium-term Management Plan（FY 3/27–FY 3/29）and reflected in measures

Penta-Ocean Construction Group's Materiality（Material Business Issues）

Vision

Practicing Sustainability Management and Building New Horizons in Construction

A Genuine Global General Contractor

～ Contributes to the sustainable development of society through sustainable construction business activities

Materiality（(1) to (8)）

（Practicing Sustainability Management）

Creation of a Sustainable and Rich Global Environment
Environmental
(1) Responding to Climate Change Issues
- Reduction of CO_2 emissions
- Contribution to carbon neutrality (offshore wind, ZEB, etc.)

(2) Creation of a Rich Environment
- Advancement of nature positive initiatives
- Biodiversity conservation（creation of aquatic environments）
- Prevention of environmental pollution, effective use of water resources
- Promotion of resource recycling（effective use of construction-generated soil and industrial waste）

Sustainable Construction Business Activities
Social
(3) Construction of High-quality Social Infrastructure and Buildings
- Ensuring quality
- Coexistence with local communities

Creation of a Society Where Diverse People Can Thrive
Social
(5) Promotion of DE&I
- Securing and developing diverse human resources and promoting their active participation
- Development of workplace environments that are easy to work in and enhance work engagement
- Enhancement of well-being
- Support for securing workers at subcontractors

(4) Enhancing Technology Development and Technical Capabilities
- Promotion of DX through the use of AI
- Promotion of GX
- Development of technologies to strengthen the resilience of social infrastructure

（Base of Sustainability Management）

Integrity in Corporate Activities
Governance
(8) Promotion of Effective Governance
- Corporate governance
- Risk management
- Business ethics, compliance, anti-corruption
- Information security and personal information protection
- Tax governance
- Transparent information disclosure

Respect for Individuals and Human Rights
Social
(6) Respecting Human Rights and Building Sustainable Supply Chain
- Respect for human rights
- Sustainable supply chain

(7) Ensuring Occupational Health and Safety

Risks and Opportunities

Through the process of identifying and reviewing Materiality, we analyse global ESG standards such as SASB and the GRI Standards, regulatory trends, and stakeholder requests to understand medium- to long-term risks and opportunities related to material business issues.
Major risks are monitored by the Sustainability Promotion Committee, and the results are reported to the Board of Directors. At the same time, for individual risks, progress is managed by the committees under the Sustainability Promotion Committee, and we review initiatives from the perspectives of policies, structure, strategies, etc., to identify shortfalls and excesses in our efforts and make improvements accordingly. Risks that have a particularly large impact on management and require a company-wide response are managed by the Risk Management Committee.

Materiality（Example of Initiatives and Indicators）▶P73
web Materiality（Key Issues）