Kanadevia Corporation

Sustainability Disclosure Report 2026: Climate, Nature, and People & Society

~ Pathway to Resilience Eco Society®~

October 2026

*Reference frameworks: TCFD Recommendations, TNFD Recommendations, and TISFD Beta Version 0.1



Kanadevia

Technology for people and planet

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Taking on the challenge, through the power of technology, to create a world that lives in balance with nature.

The Earth we all inhabit is life, shelter, and promise. That it can be both kind and cruel simply means that we do not control it and cannot presume to force our will upon it. Through its unique technologies, Kanadevia will realize a society in harmony with the planet. It will act carefully and decisively to use the world's resources wisely, support the environment, and mitigate the threats of an uncertain future. This is Kanadevia's way to enable our coming generations to enjoy happier lives in unity and with total peace of mind.

Message

Challenges surrounding companies—including climate change, the degradation of natural capital, resource and energy constraints, and consideration for human rights and local communities—are no longer risks for the future; they are management issues that we must confront today. In this era, companies are expected to do more than respond passively to social change. They need the strong will and execution capability to support the sustainability of society through their businesses and create the value that will be needed in the future.

The Kanadevia Group's aspirations for 2050 are to "Realize zero environmental impact" and "Maximize people's well-being." The Resilience Eco Society® we seek to realise is a society that combines harmony with the environment with the resilience of social and economic activities. Protecting and enhancing the functions of social infrastructure essential to people's lives—including waste treatment, water, energy, and disaster prevention—will become even more important in the society ahead. That is why we regard our responsibility to support this social infrastructure as our mission and aspire to remain "indispensable" to society.

In this 2026 report, with reference to TCFD, TNFD, and TISFD Beta Version 0.1, we present Climate, Nature, and People & Society as a single management narrative. Rather than treating responses to climate change and natural capital solely as separate environmental issues, we connect them to dependencies, impacts, risks and opportunities, strategy, transition plans, and metrics and targets. We also connect them to our relationships with people affected by our businesses, people who support our businesses, local communities, and the supply chain.

This report presents where the Kanadevia Group stands today and the direction of its challenges towards 2050. It does not suggest that everything is complete. Rather, by candidly acknowledging that we are still on the journey, it sets out our determination to clarify the direction we must pursue, face our challenges without turning away, and put actions into practice one by one. By continuing to refine our technologies and implementation capabilities and accumulating experience in the field, we will create value that exceeds society's expectations.



Most important to achieving this is for each person to envision the lives of people, local communities, and the future of the next generation beyond their own work, and to act with pride and responsibility. At the same time, we want to engage candidly with our stakeholders, accept even difficult feedback, and think together about better forms of social infrastructure, resource circulation, coexistence with nature, and people's well-being. The accumulation of dialogue and action is what drives our transformation forward.

The Kanadevia Group will continue to take on challenges by bringing together the power of technology and the strength of our people on the ground to realise a society in which people and the environment are in harmony and everyone can continue to live with peace of mind. Through this report, we hope stakeholders will deepen their understanding of our initiatives and the challenges ahead, and we welcome your candid views on the Group's efforts.

October 2026

Michi Kuwahara

Group Chief Executive Officer,

Representative Director & President





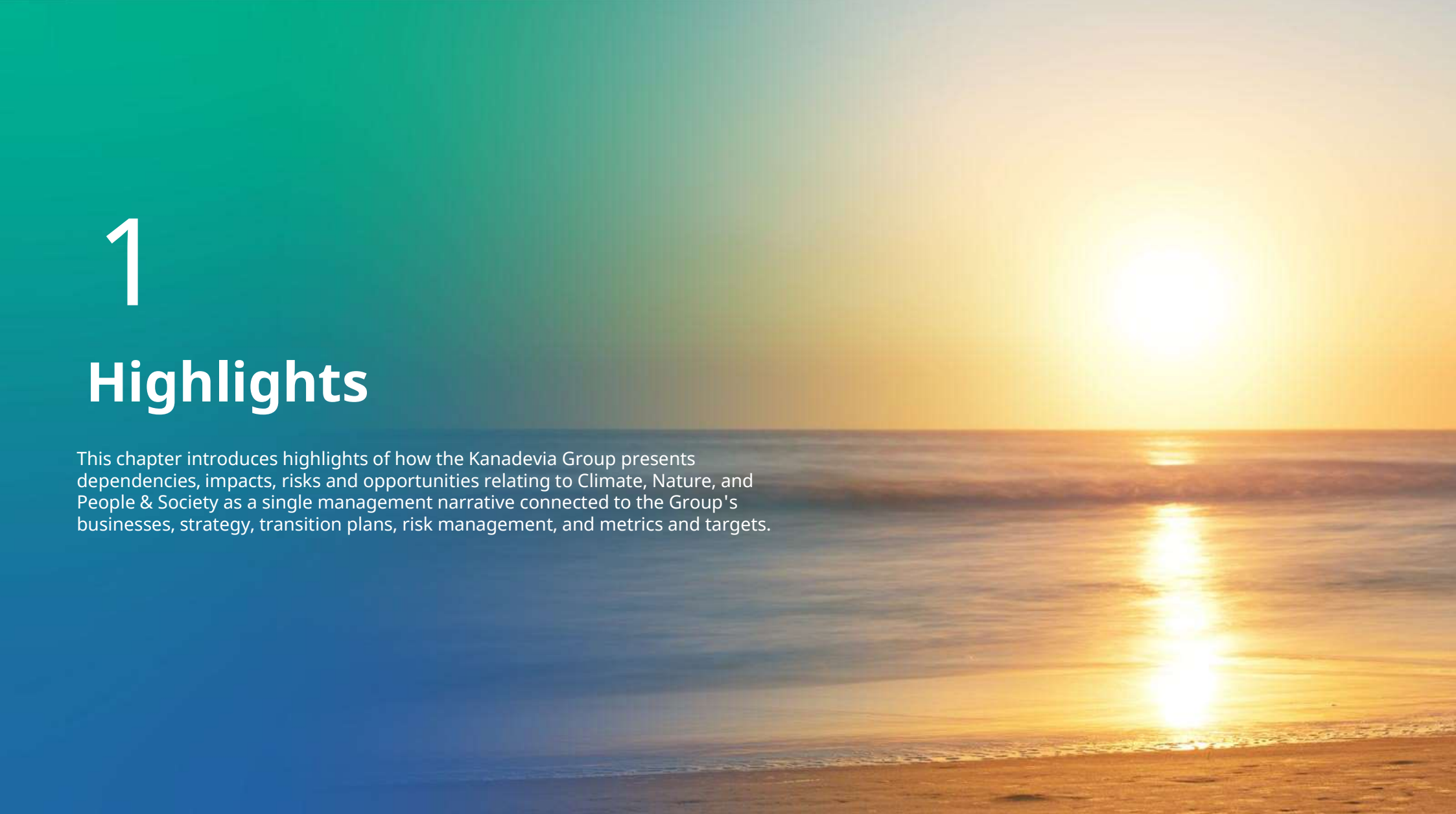


*CEO Kuwahara's On-Site Visit

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Highlights

This chapter introduces highlights of how the Kanadevia Group presents dependencies, impacts, risks and opportunities relating to Climate, Nature, and People & Society as a single management narrative connected to the Group's businesses, strategy, transition plans, risk management, and metrics and targets.



1.1 Role of This Chapter

This chapter provides highlights to help readers quickly grasp the overall picture of the 2026 Sustainability Disclosure Report: Climate, Nature, and People & Society (hereinafter, "this report"). It presents Climate, Nature, and People & Society-related dependencies, impacts, risks and opportunities as a single management narrative rather than as separate themes. It links them to the Kanadevia Group's businesses, strategy, transition plans[1)], risk management, and metrics and targets.

The 2026 report primarily covers results for the period from April 1, 2025 to March 31, 2026, and reflects climate- and nature-related events after the reporting period, as well as information newly obtained during the same period, through August 31, 2026. Backcasting from the Sustainable Vision[2)] for 2050, it presents directions for value creation towards 2030, 2040, and 2050. This chapter provides an overview of the key points; the basis of reporting, analytical results, management processes, and details of metrics and targets are explained from **Chapter 2** onward.

1.2 The Society the Kanadevia Group Aims to Realise

The Kanadevia Group's aspirations for 2050 are to "Realize zero environmental impact[3)]" and "Maximize people's well-being[4)]." These are not separate goals. Preventing the degradation of nature and the environment is a prerequisite for supporting people's safety and security, health, livelihoods, and the sustainability of local communities. At the same time, strengthening people's capabilities, trust, and connections across society provides the foundation for continuously implementing environmental value in society.

This approach is underpinned by "The Four Sustainability Principles[5)]" proposed by the international NGO The Natural Step. Principles 1 through 3 set out the environmental conditions—or ways of thinking—required for a sustainable society with respect to substances extracted from the Earth's crust, substances produced by human society, and the physical degradation of nature. Principle 4 calls for eliminating structural obstacles that prevent people from meeting their basic needs.

Through its businesses in waste, water, energy, disaster prevention, and social infrastructure, the Group aims to keep local environmental impacts within the environmental resilience[6)] of each region's natural capital. It also aims to support safety and security, health, ability, and equity for people and society. The sustainable society the Group seeks to realise—Resilience Eco Society®[7)]—is one in which a virtuous cycle is implemented as social infrastructure: preventing the degradation of nature and the environment supports people's well-being, while improving the relationship between people and nature supports the recovery of nature and the environment.

The Group CEO interview presents management's views on supporting social infrastructure as "indispensable" to society, translating environmental and social value into long-term corporate value, and transforming society across the entire value chain[8)]. Please see the **special column in Chapter 1** for details.

1.3 Key Features of the 2026 Report

The most significant feature of the 2026 report is that, with reference to TCFD[9], TNFD[10], and TISFD Beta Version 0.1[11] (hereinafter, "TISFD Beta"), Climate, Nature, and People & Society are presented as a single management narrative. Rather than presenting Climate, Nature, and People & Society as separate topics, the report seeks to explain dependencies, impacts, risks and opportunities, strategy, transition plans, metrics and targets, and data governance[12] as a coherent whole.

The second feature is that the Kanadevia Group has begun to treat "Maximize people's well-being" not merely as an aspiration but as a management issue. In the 2026 report, with reference to TISFD Beta, we consider both people affected by the Group's businesses and people who support those businesses. We then provide a preliminary mapping linking people- and society-related impacts, dependencies, risks and opportunities to strategy, transition plans, and metrics and targets. Analysis concerning people and society is still at an early stage, and this is an area in which data collection, management processes, and the establishment of metrics and targets will be enhanced over time.

The third feature is the more strategic treatment of water, resource circulation, and regional resilience[13]. Water is vital social infrastructure connecting natural capital, climate adaptation, resource circulation, and the foundations of people's lives. For the Water Business, we have set out how our activities contribute to the conservation of water resources and ecosystems through sewage treatment, biological methanation[14], seawater desalination, phosphorus recovery, nitrogen recovery, and other activities from the perspectives of natural capital and regional resilience. Water is an important implementation area connecting Climate, Nature, and People & Society, and we will further strengthen its linkage with the Group's strategy from the perspectives of water use, resource recovery, regional circulation, and co-creation with local communities.

The fourth feature is a clearer execution, management, and measurement framework alongside the integrated strategy and transition plans, including KGI/KPI[15] and data governance. Metrics and targets for climate and nature will be enhanced from the KPIs already established, while metrics for people and society and integrated value will be defined over time with reference to TISFD Beta. While using Greenhouse Gas (GHG)[16] as a leading area, we have set out the direction for data governance to upgrade non-financial data over time, including nature- and people- and society-related data, into management information suitable for future regulatory disclosure and third-party assurance[17].

The fifth feature is the report's explanation of the relationship between the Seven Pillars of Success[18]—our materiality[19] priorities—and Climate, Nature, and People & Society. The Seven Pillars of Success were established to realise the Sustainable Vision of "Realize zero environmental impact" and "Maximize people's well-being." To achieve them, we have further detailed goals and targets through 2050 and describe our transition plans.

1.4 From Analysis to Strategy and Transition Planning

This report analyses Climate, Nature, and People & Society-related dependencies, impacts, risks and opportunities, together with scenario analysis[20] and priority-location analysis, to consider how the Kanadevia Group can create environmental and social value while enhancing corporate value. For climate, a key issue is GHG emissions generated during the use of products sold, particularly emissions associated with the use of Waste to Energy (WtE)[21] facilities. For nature, resource circulation pursued through the Group's businesses, as well as land, freshwater and seabed use, water use, solid waste, and mineral use, are identified as material impacts and risk factors in business activities.

Dependencies and impacts are directly connected to the Group's business risks. For example, GHG emissions may affect additional costs and competitiveness in winning orders through carbon regulation, customer decarbonisation requirements, and higher environmental-performance expectations for products and technologies. Water use may constrain manufacturing, construction, and operations through water scarcity, drought, and withdrawal restrictions. Mineral and resource use may affect manufacturing costs and order opportunities through material prices, supplier concentration, and supply constraints. The analysis also identifies water use during design and manufacturing and solid waste during operations, in addition to environmental impacts associated with GHG emissions, water use, and mineral use, as issues that could lead to material financial risk.

These analyses provide a basis for considering how the Group can contribute—through its technologies and operational capabilities in waste treatment, water, energy, disaster prevention, and other social infrastructure—to reducing regional environmental impacts, advancing resource circulation and decarbonisation, stabilising essential living infrastructure, and strengthening disaster preparedness. Impacts on nature and society are therefore both negative effects to be managed and societal challenges that can be improved through the Group's technologies and business foundation. Expanding positive impacts such as proper waste treatment, improved public health, recovery of resources and energy, conservation of the water environment, and disaster preparedness can simultaneously create social value and open new business opportunities. Accordingly, this report positions dependency and impact analysis not only as risk management for reducing negative effects, but also as analysis for converting societal and regional challenges into business opportunities.

"Water" is essential social infrastructure that connects natural capital, climate adaptation, resource circulation, and the foundations of people's lives. Through sewage treatment, biological methanation, seawater desalination, and phosphorus and nitrogen recovery, the Group considers water from the perspectives of natural capital and regional resilience. In regions with high water stress in particular, water for daily life, public health, and service continuity are important issues alongside water quality and freshwater use, making it necessary to consider impacts on nature and on people and society together. The Group will look beyond the environmental performance of water treatment itself and connect reclaimed-water use, sludge resource recovery, phosphorus and nitrogen recovery, biogas[22] ,and other solutions with agriculture, energy, and living infrastructure as a cycle of "water, soil, biological resources, and food". Including flood-control and disaster-prevention businesses such as hydraulic gates, the Group will also advance businesses that support conservation of natural capital, climate adaptation, and regional living infrastructure together.

People and society are similarly characterised by mutual links between dependencies and impacts and business risks. The Group's businesses depend on engineers and skilled workers, a strong safety culture, suppliers' supply capacity, quality and delivery capabilities, and trusted relationships with customers, municipalities, and local communities. At the same time, business activities can create positive impacts through employment, skills development, safe and secure living infrastructure, sanitation and public health, and access to energy and water, while potentially creating negative impacts through occupational accidents, human-rights issues, excessive workloads, noise, traffic, emissions, and land and water use.

Such negative impacts are also linked to existing management risks. If ordering terms, specification changes, or delivery schedules place excessive burdens on people working for business partners, this is both a negative impact on people and society and a risk to the Group through quality, delivery, procurement stability, costs, and trust with business partners. Likewise, insufficient consideration of safety, noise, traffic, emissions, and other issues during facility construction and operation can create negative impacts on local communities and also affect social acceptance[23], business continuity, and customer trust. It is therefore important not to separate impact management from ERM[24] risk management, but to understand the pathways through which they affect one another.

The initiatives undertaken by Kanadevia Inova AG (hereinafter, "Kanadevia Inova"), the Group's Swiss subsidiary that plays a central role in its major overseas operations, represent an important leading example of how the Group is translating its vision of a Resilience Eco Society® into practical business implementation. In Europe, waste infrastructure is increasingly recognised as a critical component of societal infrastructure, contributing simultaneously to resource circularity, decarbonisation and energy security.

Kanadevia Inova combines a broad range of capabilities—including engineering, procurement and construction (EPC[25]), operation and maintenance (O&M[26]), asset management, project development and financing—across WtE, Waste-to-X (WtX) [27] and renewable gas businesses. By integrating these capabilities, the company is advancing a lifecycle-based approach to value creation[28] that extends beyond the one-off delivery of facilities and equipment. In addition, Kanadevia Inova is actively developing and deploying technologies that contribute to resource circularity and decarbonisation, including CO_2-capture solutions for Waste to Energy plants, for which it has already secured a contract. These initiatives offer important insights into how the Group can implement environmental value through its businesses and translate it into social value in forms that local communities and customers can continue to use.

Even technologies that create environmental value will not translate into social value without an implementation foundation that includes affordability[29], stable operation, trust with local communities, safety, human rights, skills, and the supply chain[30]. This report connects this concept to the integrated strategy and transition plans from the perspective of "just social implementation[31]."

The Group will reduce negative impacts on nature and on people and society while strengthening the natural capital, human and social foundations, supply chains, and trusted relationships with communities on which its businesses depend, and converting these into business value in decarbonisation, resource circulation, water circulation, disaster prevention, and regional resilience. This is at the core of Resilience Eco Society®.

In the 2030s, the Group will develop regional-challenge-solving models that combine existing businesses with decarbonisation technologies. In the 2040s, it will evolve these into businesses that integrate waste, water, carbon, energy, biological resources, disaster prevention, and other functions at the regional level. By 2050, it aims to deploy diverse Resilience Eco Society® models around the world and achieve both environmental and social value and sustainable earnings.

1.5 How to Read This Report

Rather than presenting Climate, Nature, and People & Society in separate chapters, this report uses a common management narrative. Please refer to the chapters below according to your interests. This chapter serves as the entry point to the report. If you want to grasp the key points quickly, start with this chapter; if you want to examine the basis for the analysis and strategy, focus on **Chapter 4**; and if you want to review metrics and targets, focus on **Chapter 6**. Individual analytical methods and case studies are supplemented in the **appendices** and **columns**.

Table 1-1: How to Read This Report

What you want to know	Main chapter to read	Content
Get a quick overview	**Chapter 1**: Highlights	Key points of the report, features of the 2026 edition, and main points of interest
Confirm the basis of reporting	**Chapter 2**: Reporting Foundations and Approach to Sustainability Disclosure	Scope, reporting period, reference frameworks, and approach to materiality
Understand management oversight	**Chapter 3**: Governance	Linkage among the Board of Directors, Group CxOs[32], Committees, and Enterprise Risk Management (ERM)
Review the analysis and strategy	**Chapter 4**: Strategy	Analysis of Dependencies, Impacts, Risks and Opportunities Related to Climate, Nature, and People & Society; Scenario Analysis; Strategic Implications; and Transition Planning
Understand the risk management framework	**Chapter 5**: Risk and Impact Management	Internal Control[33], Business Decision-making, Supply Chain Management, and Human Rights Due Diligence (DD)[34]
Review of metrics and targets	**Chapter 6**: Metrics and Targets	Global core disclosure metrics; climate- and nature-related targets
Review detailed methods and cases	**Appendices** and **Columns**	Life Cycle Impact Assessment (LCIA)[35], Supplier human rights due diligence, Kanadevia Inova, the Water Business, Regional Case Studies, etc.

Special Column: Group CEO Interview

Supporting the “Indispensable”. Becoming the “Indispensable”.



Michi Kuwahara

Group Chief Executive Officer, Representative Director & President

Linking Social Value to Corporate Value through a Resilience Eco Society®

What Kanadevia seeks to achieve is a “Resilience Eco Society®”, a society that fosters harmony with the environment while strengthening the resilience of people’s lives and social and economic activities.

Even when looking ahead to 2050, it is impossible to predict exactly what society will look like. Even with transitions like carbon neutrality[36], the pace of societal change may not always unfold exactly as we expect. Yet even if the timeline changes, the vision of the society we aspire to create remains the same. We are convinced that the technologies, solutions, and businesses Kanadevia provides will continue to be essential in realizing that future.

Supporting the “Indispensable” Becomes Social Value

Much of our business is closely connected to social infrastructure, including energy, water, and waste management systems that are indispensable to everyday life. Under normal circumstances, people may not always be aware of the importance of these systems. However, in an era marked by increasing uncertainty, whether from natural disasters, pandemics, geopolitical conflicts, or other disruptions, society is required to maintain its essential functions as far as possible under any circumstances.

I do not view social infrastructure as something simply “taken for granted.” Rather, I see it as something “indispensable.” Strengthening its resilience, improving its efficiency, and reducing its environmental impact are, in themselves, significant sources of value for society and contributors to people's well-being.

The concept of the Resilience Eco Society® reflects this belief. It is about more than environmental stewardship alone. It is about strengthening the resilience of society so that people can continue to live safely and with peace of mind. Achieving both is essential.

Overcoming Short-Term Trade-Offs Through a Long-Term Perspective

At the same time, environmental and social initiatives do not always align with economic rationality in the short term. For example, promoting responsible procurement that respects human rights may increase costs. Investments aimed at reducing environmental impacts do not necessarily generate immediate financial returns. Viewed through a short-term lens, social value and economic value can therefore appear to be in conflict.

Over a longer time horizon, however, I believe this relationship will change. Business practices that respect human rights and contribute positively to the environment will increasingly be recognised and valued by society. Sustainability performance will become an important consideration when customers select suppliers and partners. In public infrastructure projects and beyond, a company's commitment to sustainability itself will increasingly be regarded as part of its value proposition. When that happens, what is often viewed today as a “cost” can become a source of “value”. That is precisely why we must maintain a long-term perspective.

Building a Resilience Eco Society® takes time. Investment is also needed in fields such as offshore wind power and hydrogen, which require a long time horizon before social implementation. Yet we continue to invest because we have a clear vision of the society we seek to create.

Words alone are not enough to demonstrate that vision. Through investments, technological innovation, and business activities, we must show that this future is achievable. Through the accumulation of such actions, we hope to broaden stakeholders’ empathy with, and support for, the future we envision.

Transforming Environmental Value and Social Value into Corporate Value

Today, environmental value, social value, and economic value are not always regarded as synonymous. However, as we look toward 2050, I believe society will increasingly recognise and appropriately value the contributions companies make to the environment and to society. This is not merely an aspiration; it represents a fundamental long-term direction for the Kanadevia Group. To realise this vision, we cannot simply wait for society to change.

We must actively communicate the future we seek to create and engage with stakeholders to advance that vision. This means presenting our view of the world and society and, where appropriate, participating in dialogue on the design of public institutions. Such thought leadership is an important role that Kanadevia must continue to fulfill.

Transforming Society Through the Entire Value Chain

Kanadevia's business is also evolving.

Historically, many of our businesses served specific segments of a value chain. Today, however, our involvement is expanding beyond EPC into downstream services while also extending further upstream. Looking ahead, I believe the Kanadevia Group will become a company that participates across the entire value chain and creates value throughout it.

In the field of waste management, for example, our role is no longer limited to incineration. We are advancing from Waste-to-Energy toward Waste-to-X, recovering not only energy but also valuable resources and returning them to the circular economy.

Achieving this requires a deep understanding of local communities, how people live, what materials are generated, and how they are collected and managed. Developing solutions tailored to the needs of each region demands not only core technologies such as incineration, anaerobic digestion, and resource recovery, but also the ability to combine these technologies and provide them together.

Many companies around the world possess individual technologies. What makes the Group unique is our potential to integrate these capabilities across an entire value chain and deliver them as comprehensive solutions. Our business platforms in Japan, Switzerland, Australia, the United States, and other regions also give us a unique ability to pursue global expansion from multiple regional bases.



Becoming a Company That Looks Beyond Society

There is another transformation we must achieve as we move toward 2050, and that is a transformation in our own mindset.

Each person working across the Kanadevia Group must look beyond the task immediately in front of them and consider the people and society ultimately served by their work. Beyond every B-to-B relationship are governments, citizens, and society itself. It is important for all of us to recognise how our work ultimately creates value for families, citizens, and society as a whole.

That awareness fosters a stronger sense of purpose. It also helps us understand that issues such as safety, quality, and compliance are not separate responsibilities, but rather expressions of a common commitment: “fulfilling our responsibility to society”.

By 2050, when people hear the name Kanadevia, I hope they will think of a company they can trust whenever environmental and social infrastructure challenges need to be solved.

Our goal is to bring together the expertise of our people working around the world and deliver solutions tailored to the unique needs of each community. Even when confronted with difficult challenges, we will continue to find ways forward. Through these collective efforts, I aspire to build a single Kanadevia brand.

I believe the time is coming when creating environmental and social value and growing as a company can no longer be considered separately.

Kanadevia aspires to remain an “indispensable” presence in society—strengthening environmental and social resilience while contributing to people’s well-being.

This, we believe, is Kanadevia’s role: to translate that social value into enhanced corporate value, as we move towards the realisation of our Resilience Eco Society® vision for 2050.



2

Reporting Foundations and Approach to Sustainability Disclosure

The Kanadevia Group sets out important management issues related to long-term value creation with reference to TCFD, TNFD, and TISFD Beta. For information concerning people and society, this report provides a preliminary mapping with reference to TISFD Beta.

#Integrated Understanding of Climate, Nature, and People & Society

#Business Implementation of the Sustainable Vision

#Progressive Enhancement of Sustainability Disclosure



2.1 Purpose and Positioning of This Report

Purpose of This Report

This report explains how the Kanadevia Group identifies dependencies, impacts, risks and opportunities relating to Climate, Nature, and People & Society and frames them as management issues towards realising the Sustainable Vision.

The Group regards issues such as climate change, natural capital, resource circulation, human rights, occupational safety, local communities, and the supply chain not as separate issues, but as interrelated matters. This report presents them as an integrated whole with reference to TCFD, TNFD, and TISFD Beta.

Division of Roles with the Integrated Report and Other Disclosures

This report complements the Kanadevia Group's Integrated Report, ESG Databook[37)], and website disclosures. While the Integrated Report explains the value-creation story through current businesses, capital, performance, and management strategy, this report backcasts from the Group's 2050 aspirations and organises Climate, Nature, and People & Society-related dependencies, impacts, risks and opportunities, governance, strategy, risk and impact management, and metrics and targets.

The ESG Databook and website disclosures present related policies, performance data, and individual initiatives. Based on this information, this report focuses on the approach to long-term value creation and the direction for future enhancement.

Positioning as a Long-term Value Creation Report

This report is positioned as a long-term value creation report. It emphasises a backcasting approach from the Sustainable Vision for 2050 to the present. The Kanadevia Group aims to present short- to medium-term improvements in corporate value and long-term environmental and social value creation as a single value-creation story. Forward-looking statements, targets, strategies, and scenarios contained in this report are based on information currently available and on certain assumptions. Actual results may differ materially due to economic conditions, technological developments, laws and regulations, policies, and other factors.

2.2 Referenced Disclosure Frameworks and General Requirements

Disclosure Frameworks Referenced

This report refers to the TCFD Recommendations for climate-related information, the TNFD Recommendations for nature-related information, and TISFD Beta for information concerning people and society.

For climate-related information, in addition to the “Recommendations of the Task Force on Climate-related Financial Disclosures”, this report also refers to the concepts set out in IFRS S2[38)] “Climate-related Disclosures” issued by the International Sustainability Standards Board. For nature-related information, it refers to the “Recommendations of the Taskforce on Nature-related Financial Disclosures”, and for information concerning people and society, it refers to TISFD Beta. The organisation of information concerning people and society does not indicate full alignment with TISFD Beta; rather, it is positioned as an exploratory assessment based on information currently available and existing initiatives.

TCFD and TNFD are frameworks for organising the relationship between corporate activities and the environment and society from the perspectives of governance, strategy, risk management, and metrics and targets. In this report, these frameworks are not presented separately in parallel but are integrated in line with the Kanadevia Group’s Sustainable Vision and its approach to long-term value creation.



Response to the TNFD General Requirements[39)]

The TNFD Recommendations require organisations, when disclosing nature-related information, to specify the “general requirements”, including the scope of disclosure, the application of materiality, the relevant time horizons, geographic regions and locations, linkages with other sustainability-related disclosures, and consideration of affected stakeholders. The Kanadevia Group describes the general requirements for TNFD disclosures covering its businesses in four fields: Environment, Machinery, Social Infrastructure, and Decarbonisation. The details are set out below.

Table 2-1: TNFD General Requirements

Item	Description
Application of Materiality	While disclosure is primarily based on financial materiality, impact materiality is also applied to climate- and nature-related disclosures.
Scope of disclosures	This report covers all business areas, namely the Kanadevia Group's four business fields of Environment Business, Machinery Business, Infrastructure Business, and Carbon Neutral Solution Business. The Group's businesses include not only the sale of products manufactured at Group-owned works, but also many projects in which facilities are designed and manufactured in response to RFPs[40] issued by municipalities or private-sector operators, constructed and commissioned in cooperation with construction contractors, and then handed over to customers. For the latter type, procurement relating to facilities not designed by the Group is excluded from the scope of this disclosure. In addition, facilities are used over long periods, but because the Group does not engage in the dismantling of such facilities, processes arising at the time of facility disposal are excluded. Facilities may be operated directly by the Group, or the Group may establish a Special Purpose Company (SPC)[41] and undertake operation on behalf of the facility owner or other party (hereinafter, "contracted operation"); operation is included in the scope only in the latter case. For the value chain of each item, the Group assumes upstream (procurement), manufacturing, and disposal for its own works; and procurement, design and manufacturing, construction and on-site commissioning, construction waste, and downstream activities (operation) for facilities. Major raw materials and their places of origin, manufacturing locations, construction/installation/disposal locations, and operating locations were organised and estimated to the extent data were available. For Waste to Energy/Waste to X, the collection of waste used as feedstock is excluded because it falls outside the Group's business scope and the relevant data are not available. The Group will work to broaden the scope and improve the availability of data for both the upstream and downstream value chain, with the aim of conducting further analyses and expanding the disclosure scope based on such data.
The location of nature-related issues	For the Kanadevia Group's own works, the assessment covers procurement, manufacturing, and disposal. For facility projects, it covers procurement, design and manufacturing, construction and on-site commissioning, construction waste, and downstream activities (operation). The Group assessed impacts on nearby protected areas and areas important for biodiversity using environmental information for each facility and other data. For the upstream value chain (materials and fuels), impacts were assessed based on information that could be obtained or estimated; where information was insufficient, conservative assumptions were applied. As described in **Sections 4.2 and 4.3**, within the scope of this report, locations with material nature-related issues were found mainly to be locations where the Group has installed water treatment facilities and wind power plants.

Item	Description
Integration with Other Sustainability-related Disclosures	The Kanadevia Group has disclosed its initiatives on climate change, as well as governance, strategy, risk management, and metrics and targets, based on TCFD. This year, the report presents a combined disclosure based on TCFD, TNFD, and TISFD Beta. The Group will continue to monitor developments in disclosure standards and enhance its information disclosure.
Time Horizons Considered	The Kanadevia Group has established its Sustainable Vision, comprising two aspirations for 2050: “Realize zero environmental impact” and “Maximize people’s well-being.” To realise this vision, the Group uses a backcasting approach to formulate its Vision 2030 and business plans. Accordingly, the reporting horizon of this report extends from the present to 2050, the period over which the Group aims to realise its Sustainable Vision.
Engagement with Indigenous Peoples, Local Communities, and Affected Stakeholders	The Kanadevia Group recognises that global sustainable development cannot be achieved solely through business activities that address environmental issues; social inclusion is also required so that people and society can meet fundamental needs relating to health, influence, competence, impartiality, and meaning. As business grows, efforts to respect human rights are required not only within the Group but throughout the supply chain. Plans and progress concerning sustainability initiatives, including respect for human rights, are reviewed and managed by the Sustainability Promotion Committee. In April 2024, in accordance with the International Bill of Human Rights, the International Labour Organization (ILO) “ILO Declaration on Fundamental Principles and Rights at Work”, and the United Nations “Guiding Principles on Business and Human Rights”, the Group established its Human Rights Policy and set “Thorough human rights due diligence and human-rights risk to zero[42)]” as a goal, promoting initiatives to respect human rights. Efforts to respect human rights require the understanding and cooperation not only of the Group but also of suppliers that make up the supply chain. The Group has therefore established its Group Basic Procurement Policy and conducts sustainability surveys using the UN Global Compact Self-Assessment Questionnaire (SAQ)[43)] to confirm whether the supply chain conforms to the policy. Through a cycle of (i) survey, (ii) assessment and feedback, (iii) requests for improvement, and (iv) reassessment, the Group seeks to improve its responses to actual and potential adverse human-rights impacts, with consideration for the human rights of local residents during material procurement and facility construction and with the aim of preventing human-rights violations such as forced labour and child labour in the supply chain. For disclosures concerning people and society, the Group identifies as key stakeholders; people working for the Kanadevia Group (hereinafter "own workforce")[44)]; workers in the value chain (hereinafter "value chain workers"); customers and users of the Group’s products and services; local communities where facilities are located or operated; and investors and financial institutions. For these stakeholders, the Group identifies the positive and negative impacts of its business activities, the human capital[45)] and social capital on which the Group depends, and the risks and opportunities arising from them, and reflects these in strategy, risk management, and metrics and targets.

Positioning of TISFD Beta

For people & society-related information, this report refers to TISFD Beta, a framework currently under development for identifying and disclosing dependencies, impacts, risks and opportunities relating to people and society.

TCFD and TNFD are both structured around four core pillars: governance, strategy, risk management (risk and impact management under TNFD), and metrics and targets. TISFD Beta, by contrast, sets out its initial draft recommendations in relation to governance, strategy, and impact and risk management. Recommendations on metrics and targets for people and society are expected to be developed in future iterations of the framework.

Accordingly, this report presents information concerning people and society on a preliminary basis primarily across three areas: governance, strategy, and impact and risk management. The people- and society-related metrics presented in **Chapter 6** are existing metrics already used by the Kanadevia Group for management or candidates for future consideration; they do not indicate alignment with future TISFD Beta recommendations on metrics and targets. Limitations remain in scope, assessment methods, metrics, and data, and the Group will continue to enhance definitions, measurement methods, and management processes.

TISFD Beta proposes five general requirements—Materiality, System-relevant information, Stakeholder engagement, Scope, and Time horizons—to improve the consistency, comparability, and decision usefulness of people- and society-related disclosures. The Group's current approach is shown in **Table 2-2**.

Approach to Dependencies, Impacts, Risks and Opportunities in This Report

This report outlines the dependencies, impacts, risks, and opportunities related to climate, nature, and people and society.

Dependency refers to the aspects in which the Kanadevia Group's business activities rely on climate, natural capital, people, skills, local communities, supply chains, and relationships with customers and users. An Impact refers to a positive or negative effect of the Group's business activities on the environment or on people and society.

A Risk refers to uncertainty arising from such dependencies or impacts that may affect the Group's business, finances, reputation, business continuity, or other areas. Opportunity refers to the potential to create environmental and social value and, through them, enhance corporate value.

Table 2-2: Response to the General Requirements of TISFD Beta

General Requirement	Approach in This Report	Main References
Materiality	While financial materiality is the primary basis, the report also identifies material positive and negative impacts on people and society. Material information is assessed on a preliminary basis taking into account severity, scope, irremediability, likelihood, inequality and distribution, the importance of dependencies, and financial-impact pathways.	2.2, 4.4, 4.6, 5.5
System-relevant information	In addition to entity-level risks, the report qualitatively maps pathways through which cumulative effects—such as shortages of skilled personnel, weakening of the supplier base, disparities in access to social infrastructure, and uneven distribution of the benefits and burdens of the transition—could affect social and economic systems. At present, the assessment does not quantify the Kanadevia Group's contribution or the financial impacts on the system as a whole.	4.6
Stakeholder engagement	Human rights due diligence, voices from own workforce (hereinafter "our people's voices"), business partner surveys, consultation and whistleblowing channels, and dialogue with communities and customers are used to identify and assess impacts, prevent and mitigate them, support remediation and remedy[46], and improve management decisions. The purpose, target groups, methods, principal views, responses, and follow-up of engagement will be disclosed over time.	3.7, 5.4, 5.7, Appendix D
Scope	The principal groups covered are own workforce, value chain workers, customers and users, and affected communities. In addition to direct operations, upstream and downstream value chains are included to the extent information can be obtained. Investors and financial institutions are classified primarily as users of disclosed information and providers of capital.	2.3, 4.4, 5.5
Time horizons considered	Short term: 2026–2030; medium term: through 2040; long term: through 2050. Serious human-rights and safety impacts are not excluded from assessment solely because they may materialise over a long time horizon.	2.3, 4.5, 4.9

2.3 Reporting Scope, Time Horizon, and Value Chain

Businesses Covered

This report covers the Kanadevia Group's major business areas. These include Environment Business, Machinery Business, Infrastructure Business, and Carbon Neutral Solution Business. These businesses are closely related to Climate, Nature, and People & Society; the Group therefore considers it important to analyse them together.

The scope of this report recognises that the Group's business activities are connected to multiple dependencies, impacts, risks and opportunities through design, manufacturing, construction and operation, as well as through the supply chain, local communities, customers, and users.

Time Horizon

This report principally covers the period from the present to 2050, reflecting the Kanadevia Group's pathways for value creation towards 2030, 2040, and 2050, starting from the Sustainable Vision it seeks to realise in 2050.

However, analysis has not been conducted at the same level of granularity across all areas. Climate and nature are addressed on the basis of existing disclosures, data, and analysis, while people and society are assessed on a preliminary basis using information currently available.

Value Chain Covered

In addition to the Kanadevia Group's own business activities, this report covers the upstream value chain and downstream value chain to the extent they can be identified. Specifically, dependencies, impacts, risks and opportunities relating to Climate, Nature, and People & Society are assessed across stages including procurement, design, manufacturing, construction, operation, maintenance, use, and disposal.

At the same time, not all data can be comprehensively obtained and assessed across the entire value chain. In particular, certain upstream and downstream areas are subject to limitations in the scope of data collection and estimation methods. This report therefore clearly states the scope currently identifiable and the direction for future enhancement.

Approach to Regions and Locations

For nature-related and people- and society-related issues, the relationship with the regions and locations where business activities take place is important. Accordingly, this report presents location-specific information to the extent possible, taking into account major business activities and facilities, the supply chain, and relationships with local communities.

For nature-related issues, the Kanadevia Group considers relationships with protected areas, areas important for biodiversity, water risks, and other factors. For people- and society-related issues, it considers relationships with stakeholders such as own workforce, value chain workers, customers and users, and local communities.

Limitations of Scope

The scope of this report is defined based on information currently available and the areas that can presently be analysed. Accordingly, sufficient information has not yet been obtained for certain parts of the value chain, regions, stakeholders, and data items.

These limitations are disclosed within the report. The Kanadevia Group will enhance disclosure by expanding the scope of data collection and developing assessment methods and management processes.

2.4 Kanadevia Group Businesses and the Sustainable Mission

Business Fields and Analytical Classifications in This Report

The Kanadevia Group operates a wide range of businesses, including Environment Business, Machinery Business, Infrastructure Business, and Carbon Neutral Solution Business. These businesses not only reduce environmental impacts; they also serve as social infrastructure that supports living environments through sanitary waste and water treatment, public health through reduced infectious-disease risks, local community well-being through safety and security, resilience through disaster preparedness, and sustainability through access to resources and energy.

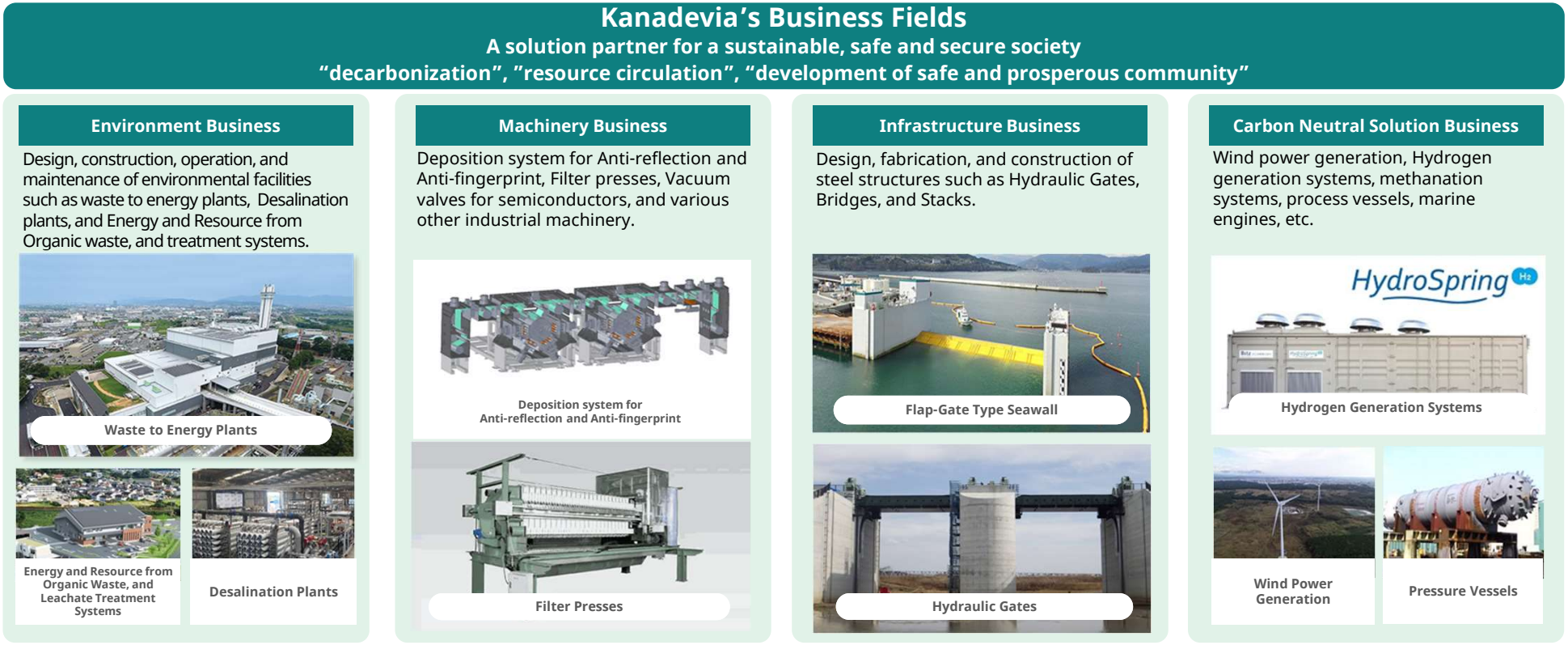


Figure 2-1: Overview of the Four Business Fields Contributing to Decarbonisation, Resource Circulation, and Safe and Prosperous Communities

To present dependencies, impacts, risks and opportunities relating to Climate, Nature, and People & Society, this report explains the Group's businesses under four fields: **Environment Business**, **Machinery Business**, **Infrastructure Business**, and **Carbon Neutral Solution Business**. Within each field, the analyses in subsequent chapters are structured around units that reflect business characteristics, scale, region, and position in the value chain.

Many of the Group's Environment Business and Infrastructure Business operations are EPC-type businesses in which facilities and equipment are designed, procured, and constructed to customer specifications and then handed over. As a result, decisions regarding the environmental performance and specifications of facilities and equipment are strongly influenced by customer policies, local systems and regulations, and project plans.

The Group contributes to reducing environmental impacts across the value chain by comprehensively proposing technologies, design, operation and maintenance, and upgrade solutions that help customers reduce their environmental impacts. Meanwhile, in certain areas such as the Machinery Business and Process Equipment Business, the Group can reduce environmental impacts through its own design, procurement, and manufacturing decisions as a manufacturer.

Appendix A explains the processes for facilities, equipment, and other solutions provided by the Group.

Environment Business

The **Environment Business** designs, constructs, operates, and maintains environmental facilities such as Waste to Energy plants, biomass[47)] power generation facilities, biogas plants, seawater desalination plants, sludge recycling and resource recovery systems, landfill leachate treatment systems, and drinking-water, sewage, and industrial wastewater treatment systems. Waste to Energy is a core business of the Kanadevia Group. As one of the world's leading plant engineering companies in this field, the Group has delivered more than 1,500 Waste to Energy facilities worldwide and has contributed to the realisation of a resource-circulating society worldwide. The Group has also delivered more than 400 water-treatment facilities. Through sanitary waste treatment, energy recovery, resource circulation, and conservation of the water environment, this business supports community living foundations, public health, and environmental impact reduction.

In this report, the Environment Business is analysed principally by classifying it into **the Waste to Energy Business, Biomass Power Generation Business, Water Business, and Waste to X Business**.

Positioning of Kanadevia Inova

Kanadevia Inova, headquartered in Zurich, Switzerland, plays an important role in the Kanadevia Group's global resource-circulation and decarbonisation businesses. In addition to plant design and construction, it provides operation and maintenance, facility upgrade, asset management, project development, and related functions, mainly in Europe and other overseas environmental and decarbonisation businesses. Its main businesses include Waste to Energy/Waste to X and renewable gas such as biogas and biomethane. Rather than merely treating waste, it converts waste into energy, heat, resources, gas, and materials, supporting regional resource circulation and energy supply. WtE and WtX constitute essential societal infrastructure that not only contributes to decarbonisation, resource circularity and the stability of energy supply, but also supports the well-being of people and society through benefits such as improved public health, local employment and enhanced community resilience in times of disaster.

This report positions Kanadevia Inova as one global social implementation model for realising Resilience Eco Society® and describes it in **Chapter 4** in relation to regional co-creation.

Positioning of Osmoflo

Outside Japan, the Kanadevia Group conducts its water business primarily through Osmoflo Pty Ltd. (hereinafter, “Osmoflo”). Leveraging its strength in reverse osmosis (RO)[48)] membrane technology, Osmoflo provides solutions for water production and reuse. Headquartered in Adelaide, Australia, the company operates in the Middle East, India, and other regions, providing seawater desalination, industrial water and wastewater treatment for mines and manufacturing facilities, and water reuse solutions. Osmoflo also offers mobile water treatment systems for rental, which can be rapidly deployed in response to droughts, construction projects, and other needs.

Examples include mine-wastewater treatment in Australia, a large-scale seawater desalination project in Cabo Verde aimed at addressing chronic water scarcity, and a demonstration project in the Maldives using renewable energy to power seawater desalination. These projects illustrate the social value and technical strengths of the Group’s water business.

Machinery Business

The **Machinery Business** provides a range of industrial machinery, including anti-reflection/anti-fouling coating equipment, filter presses, and lapping plates, serving diverse sectors such as semiconductor manufacturing, food processing, medical applications, and transportation. These businesses provide foundational technologies supporting industrial activities while contributing to higher product functionality, resource efficiency, process efficiency, and quality improvement. In this report, they are addressed comprehensively as the Machinery Business.

Infrastructure Business

The **Infrastructure Business** contributes to safe and secure communities through the design, fabrication, and construction of steel structures such as hydraulic gates and stacks, as well as seismic reinforcement and maintenance and repair of ageing facilities.
In particular, the Kanadevia Group has more than 100 years of history as a manufacturer of hydraulic gates and penstocks and has been involved in the construction of approximately 570 hydraulic gates.

The hydraulic gate business controls the quantity and flow of water through flood control, river-flow regulation, water intake, power generation, and measures against storm surges, tsunamis, and backflow. The Group also provides Flap Gate-type flood-disaster countermeasure equipment that operates using natural forces such as tsunamis and storm surges, contributing to the development of disaster-resilient communities. In this report, the Infrastructure Business is analysed principally through hydraulic gates and Flap Gate-type flood-disaster countermeasure equipment.

The bridge business is excluded from this year's business-by-business analysis because the Group has decided to suspend sales activities for new bridge projects. However, because manufacturing activities continue, related impacts are included in the procurement-related LCA[49)] analysis.

Carbon Neutral Solution Business

The **Carbon Neutral Solution Business** encompasses Wind Power Generation, Hydrogen Generation Systems, methanation systems, nuclear-related equipment, Process Equipment, and other businesses. To date, the Kanadevia Group has delivered more than 1,000 Process Equipment units to the Middle East and Asia and more than 3,000 nuclear-related equipment units, mainly to North America. In Wind Power Generation, the Group has a track record of nine deliveries in Japan and operates power-generation businesses in Akita and Aomori prefectures.

For analytical purposes, this report divides the Carbon Neutral Solution Business into four areas. First, the **Process Equipment Business** covers equipment and facilities such as pressure vessels and casks/canisters for the transport and storage of spent nuclear fuel. Second, the **Decarbonisation Systems Business** covers areas using water electrolysis systems and methanation technologies. Third, wind power-related businesses are treated as the **Wind Power Generation Business**. Fourth, areas including marine engines, DeNOx equipment, DeNOx catalysts, and decarbonisation-related catalysts are collectively referred to as the **Marine Engine Business**.

Although marine engines were excluded from the scope of consolidation in April 2026 following the partial transfer of shares in Hitachi Zosen Marine Engine Co., Ltd., this report presents information based on performance up to and including FY 2025.

Connection with the Sustainable Mission

The Kanadevia Group has adopted **"Taking on the challenge, through the power of technology, to create a world that lives in balance with nature"** as its brand concept, and this concept itself embodies the Sustainable Mission. Each of its Environmental, Machinery, Social Infrastructure, and Carbon Neutral Solution businesses is connected to Climate, Nature, and People & Society-related issues.

These businesses are regarded not merely as collections of products and services but as businesses that contribute to reducing environmental impacts, resource circulation, decarbonisation, disaster preparedness, the safety and security of local communities, and people's well-being.
The dependencies, impacts, risks and opportunities associated with each business are set out in **Chapter 4**.

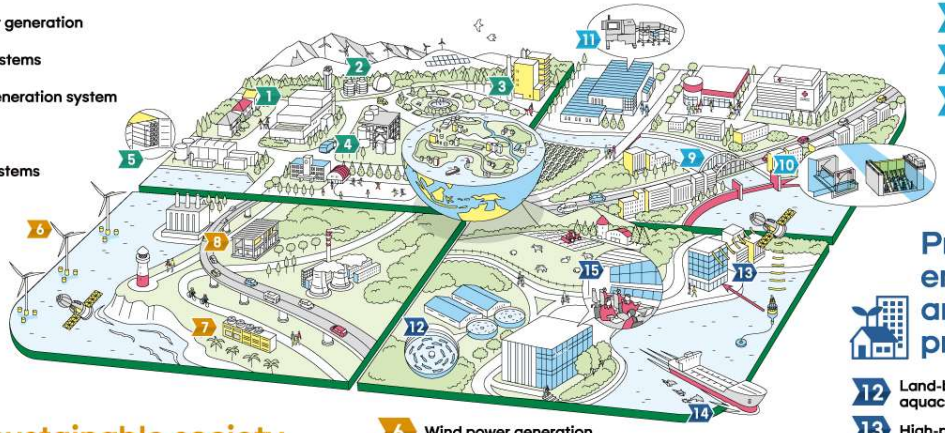
Kanadevia's Business Fields

Generating clean energy and water
ENV

1. Waste incineration power generation
2. Methane fermentation systems
3. Woody biomass power generation system
4. Bioethanol production
5. Seawater desalination systems

Protecting the safety of cities with disaster prevention systems
MACH
INF

9. Water gates
10. Flap-gate type seawalls against flood disasters
11. Equipment for food



Preserving the environment and building prosperous cities
ENV MACH INF CN

12. Land-based recirculating aquaculture systems
13. High-precision GNSS system
14. Marine SCR systems
15. IoT & AI

Building a sustainable society with decarbonization technologies
CN

6. Wind power generation
7. Hydrogen generator
8. Methanation system

Kanadevia's businesses are used in a wide range of settings, including social infrastructure and the energy sector.

Legend

ENV	Environment Business
MACH	Machinery Business
INF	Infrastructure Business
CN	Carbon Neutral Solution Business

Figure 2-2: Kanadevia Group Businesses

2.5 Sustainable Vision and Value Creation Framework

Sustainable Vision

The Kanadevia Group has set out two aspirations for the desired state in 2050: "**Realize zero environmental impact**" and "**Maximize people's well-being**." This Sustainable Vision is the starting point for the Group to view Climate, Nature, and People & Society-related issues not as separate environmental and social issues, but as an integrated management agenda associated with long-term value creation.

"Realize zero environmental impact" means keeping the environmental impacts arising not only from the Group's own business activities, but also from its supply chain and from customers' use of the Group products and services, within the environmental resilience of the relevant region. This approach views environmental impacts not simply as matters to be managed within the Group, but in the context of the value chain and local communities. **Based on the concept of the Planetary Boundaries[50], it seeks to manage and reduce environmental impacts within a range that does not impair the environmental resilience of the regions where business activities take place.**

By contrast, "Maximize people's well-being" has traditionally been positioned primarily as a principle within the Sustainable Vision. In this report, the Group sets out, on a preliminary basis, how that principle can be implemented through business.

Specifically, we view well-being from two perspectives: the "internal perspective," which seeks to enhance the well-being of people who support the Group's business activities, including own workforce, value chain workers, and the "external perspective," which seeks to contribute to the well-being of third parties, including customers, users, and local communities that benefit from the Group's products and services.

From the internal perspective, safety, health, skills, meaningful work, fair transactions, psychological safety, and trust provide the foundation for stable business execution. From the external perspective, the Group creates social value through infrastructure relating to waste, water, energy, disaster prevention, decarbonisation, and other areas. This infrastructure supports public health, living environments, access to energy and water, disaster-response capacity, local employment, and community pride.

In this way, "Realize zero environmental impact" and "Maximize people's well-being" are not separate objectives. **Reducing environmental impacts and enhancing regional resource circulation and resilience help support people's safety, security, and foundations of daily life. At the same time, strengthening people's capabilities, trust, and connections creates the conditions for implementing decarbonisation, resource circulation, disaster prevention, and more advanced social infrastructure in society.**

Positioning of the Value Creation Framework

This report backcasts from the 2050 Sustainable Vision. It identifies and assesses dependencies, impacts, risks and opportunities relating to Climate, Nature, and People & Society and connects them with strategy, risk and impact management, and metrics and targets.

The **value creation framework** shown in **Figure 2-3** illustrates how Kanadevia's current businesses, capital, and implementation capabilities are expected to lead to future business, environmental, and social value. Building on its existing business foundation, technologies, human capital, customer base, and global implementation capabilities, the Kanadevia Group aims to conceptualize and develop long-term, integrated regional circular business models in the 2030s and expand them in the 2040s as Resilience Eco Society® models tailored to the characteristics of each region. By 2050, the Group aims to establish a state in which these models are continuously operated across numerous regions, generating all three forms of value in an integrated manner. This framework is not simply a diagram depicting a future vision. Rather, it provides a common logic through which the Group integrates its management strategy, business strategy, sustainability strategy, and analysis of dependencies, impacts, risks, and opportunities, while demonstrating how today's management decisions and business activities are connected to future value creation.

Development towards 2030, 2040, and 2050

The Kanadevia Group regards 2030, 2040, and 2050 as key time horizons in its long-term value creation journey. Starting from the current business, capital, and implementation base, the Group will conceive and develop long-term integrated regional-circulation businesses, deploy them as Resilience Eco Society® models, and connect them to the realisation of value in individual regions.

		Forecast		Backcast	
		FY 2025	2030s	2040s	2050
Value Creation Stages		(Current Business, Capital and Implementation Base)	Concept development and formation of long-term decarbonised regional circular businesses	Business deployment of Resilience Eco Society® model	Realisation of environmental and social value through scaling of Resilience Eco Society® Models
Kanadevia's Role		Social Infrastructure Partner for Environmental Value Creation	Co-Creation Platform Provider	Regional Model Provider	Regional Value Creator
Value Creation	Business Model	Ensuring stable operations and reducing environmental impact through EPC, equipment supply, and O&M	Addressing regional challenges by integrating policy, technology, finance, and operations to structure long-term businesses.	Delivering fully integrated, long-term circular economy solutions customized for regional needs	Scaling and institutionalizing diverse regional models combining economic, environmental, and social impact.
Value Creation	Seven Pillars of Success – Environmental Value	Progress in reducing internal emissions and minimizing environmental impact	Establishing a model for environmental impact reduction and resource circulation	Expanding environmental impact reduction and resource circulation through the widespread adoption of model	Achieving net-zero environmental impacts across each region
Value Creation	Seven Pillars of Success – Social Value	Ensuring stable operations of social infrastructure	Building a sustainable value chain based on trust and dialogue	Enhancing living foundations, regional resilience, and local well-being	Maximize people's well-being across all regions

Common Execution Platform:
Governance / ERM, Data, Technology and Human Capital, Safety and Human Rights, Supply Chain Management, and Co-creation with Customers, Municipalities and Communities

Figure 2-3: Value Creation Framework

2030s: Conceiving and Developing Long-term Integrated Regional-circulation Businesses

In the 2030s, the Kanadevia Group will act as a co-creation platform provider, conceiving and developing long-term integrated regional-circulation businesses. Starting from regional challenges, the Group will combine policies and institutions, technologies, financing, business structures, and operations through dialogue with customers, municipalities, suppliers, financial institutions, research institutions, local communities, and other stakeholders, structuring them as sustainable long-term businesses.

From a business perspective, the Group will expand its value proposition from EPC and equipment supply and O&M into project development, long-term operations, and lifecycle services. From an environmental perspective, it will develop environmental-impact-reduction and resource-circulation models suited to regional characteristics. For people and society, it will integrate environmental, human-rights, compliance, and related considerations into sales, design, procurement, manufacturing, construction, and operations, with the aim of building sustainable value chains based on trust and dialogue.

To support this, the Group will apply a governance approach that enables appropriate risk-taking, challenge, and learning while maintaining integrity and transparency under shared values. By making risks explicit from the early stages of business strategy and implementing appropriate controls and responses, the Group will ask "how can this be realised?" and connect the answer to new businesses.

2040s: Business Deployment of Resilience Eco Society® Models

In the 2040s, the Kanadevia Group will act as a regional model provider, offering and deploying long-term integrated regional-circulation businesses as Resilience Eco Society® models.

These models will not replicate a single equipment configuration uniformly. Waste, water, carbon, energy, resources, disaster prevention, and other functions will be combined according to local natural conditions, institutions, public finances, industrial structures, and people's needs, and implemented as regional models integrating business development, financing, EPC, and long-term operations.

From a business perspective, the Group will expand value delivery beyond the development, construction, and long-term operation of regional-circulation businesses to include the supply of resources and energy. Environmentally, broader deployment of the models will expand reductions in environmental impacts and resource circulation. For people and society, the models will contribute to stronger foundations of daily life, regional resilience, and local well-being.

At this stage, while maintaining shared Group values, governance will evolve so that each region and business can make autonomous decisions according to its own legal system and business environment.

In deploying Resilience Eco Society® models, the Group will share the intended value with customers, municipalities, business operators, financial institutions, research institutions, suppliers, local communities, and other stakeholders, clarify roles and responsibilities, and advance co-creation through continuing dialogue.

2050: Realising Environmental and Social Value through Multiple Resilience Eco Society® Models

By 2050, the Kanadevia Group aims to act as a regional value creator, continuously operating and enhancing numerous Resilience Eco Society® models and creating environmental, social, and business value together.

Resilience Eco Society® is a social implementation model that reframes waste, water, carbon, energy, and other elements not simply as things to be treated or supplied but as sources of regional resources, foundations of daily life, safety and security, learning, employment, pride, and co-creation. Long-term operations, circular services, and the renewal and enhancement of facilities and functions will generate continuing business value.

Environmentally, the Group will seek to realise net-zero environmental impacts in each region. Socially, it will seek to improve living environments, public health, safety and security, local employment, regional resilience, trust, and connections, thereby contributing to maximising people's well-being in each region.

From a governance perspective, while respecting the autonomy of each region, the Group will share data, insights, and lessons from failures across the portfolio of models and continuously enhance all three forms of value. Business models and their operating and management mechanisms will be reviewed continuously in response to regional changes, new technologies, institutions, and risks.

Creating the Three Forms of Value Simultaneously

This approach does not pursue economic, environmental, and social value separately. By conceiving and developing long-term integrated regional-circulation businesses, providing and deploying them as Resilience Eco Society® models, and operating and enhancing them continuously, the Kanadevia Group seeks to create all three forms of value at the same time.

Reducing environmental impacts and advancing resource circulation helps solve challenges faced by customers and local communities. Initiatives that improve people's safety and security, health, capabilities, trust, and connections support business stability, quality, safety, community acceptance, and long-term customer relationships. Data, knowledge, and regional relationships accumulated through long-term operations can also support the deployment of new models and enhancement of existing ones.

In this report, the Value Creation Framework is positioned as the approach connecting the Sustainable Vision with governance, strategy, risk and impact management, and metrics and targets from **Chapter 3** onward.



2.6 Seven Pillars of Success and the Four Sustainability Principles

Positioning of the Pillars of Success

To realise the Sustainable Vision of "Realize zero environmental impact" and "Maximize people's well-being," the Kanadevia Group has established the **Seven Pillars of Success**. **The Pillars of Success represent the Group's Materiality—its highest-priority issues for realising the Sustainable Vision.**

The Group refers to its Materiality as the "Pillars of Success" because it believes that achieving the initiatives set out under each pillar is directly linked to realising the Sustainable Vision. **The Pillars of Success** are not simply items for expressing principles; **they form a practical framework that connects business strategy, management, identification of risks and opportunities, and KPI-based progress management**. Accordingly, this report positions the Seven Pillars of Success as a common axis for assessing dependencies, impacts, risks and opportunities relating to Climate, Nature, and People & Society.

The Seven Pillars of Success referenced in this report are shown in Table 2-3.

The Pillars of Success cut across multiple areas. Even pillars closely related to climate and nature depend for implementation on human resources, skills, safety, the supply chain, and trust with local communities. Likewise, pillars concerning people and society are closely linked to business activities that implement environmental value within communities.

At present, the report mainly maps relationships with businesses, risks and opportunities, initiatives, and metrics for those Pillars of Success that are particularly closely related to climate and nature. For people and society, the report refers to TISFD Beta and presents a preliminary mapping based on existing initiatives and currently available information.

The Group will continue to enhance the connection of metrics, and management processes across all of the Pillars of Success.

Table 2-3: Pillars of Success

Pillar of Success	Main Related Area	Positioning
Carbon Neutrality	Climate	A pillar forming the foundation of decarbonisation and the transition plan
Complete circulation of resources	Climate / Nature	A pillar relating to resource circulation, waste, water, and material circulation
Maximization of environment's recovery power	Nature	A pillar relating to regional environmental resilience, ecosystems, water, land, and chemicals
Response to intensifying natural disasters	Climate / People & Society	A pillar relating to climate change adaptation, disaster prevention, and regional resilience
Sustainable procurement	Climate / Nature / People & Society	A pillar relating to environmental issues, human rights, and fair transactions in the supply chain
Maximize people's well-being	People & Society	A pillar for implementing well-being in business from both internal and external perspectives
Enhancement of corporate governance	Governance	A pillar supporting Sustainability Disclosure, ERM, internal control, and the rebuilding of trust

The Four Sustainability Principles and the Sustainable Vision

The Kanadevia Group's Sustainable Vision and Seven Pillars of Success are based on "**The Four Sustainability Principles"** advocated by The Natural Step. The Four Sustainability Principles focus on the root causes of unsustainability and set out the fundamental conditions that must be met for the natural environment and people and society to be sustainable.

Principles 1 through 3 concern the natural environment. They call for preventing the systematic increase in concentrations of substances extracted from the earth's crust, preventing the systematic increase in concentrations of substances produced by society, and preventing the physical degradation of nature. These principles form the foundation for the "Realize zero environmental impact" element of the Group's Sustainable Vision.

Principle 4 concerns people and society. It calls for eliminating structural obstacles to people meeting their basic needs. These basic needs can be understood through five elements: health, influence, competence, impartiality, and meaning. This principle forms the foundation for the "Maximize people's well-being" element of the Group's Sustainable Vision.

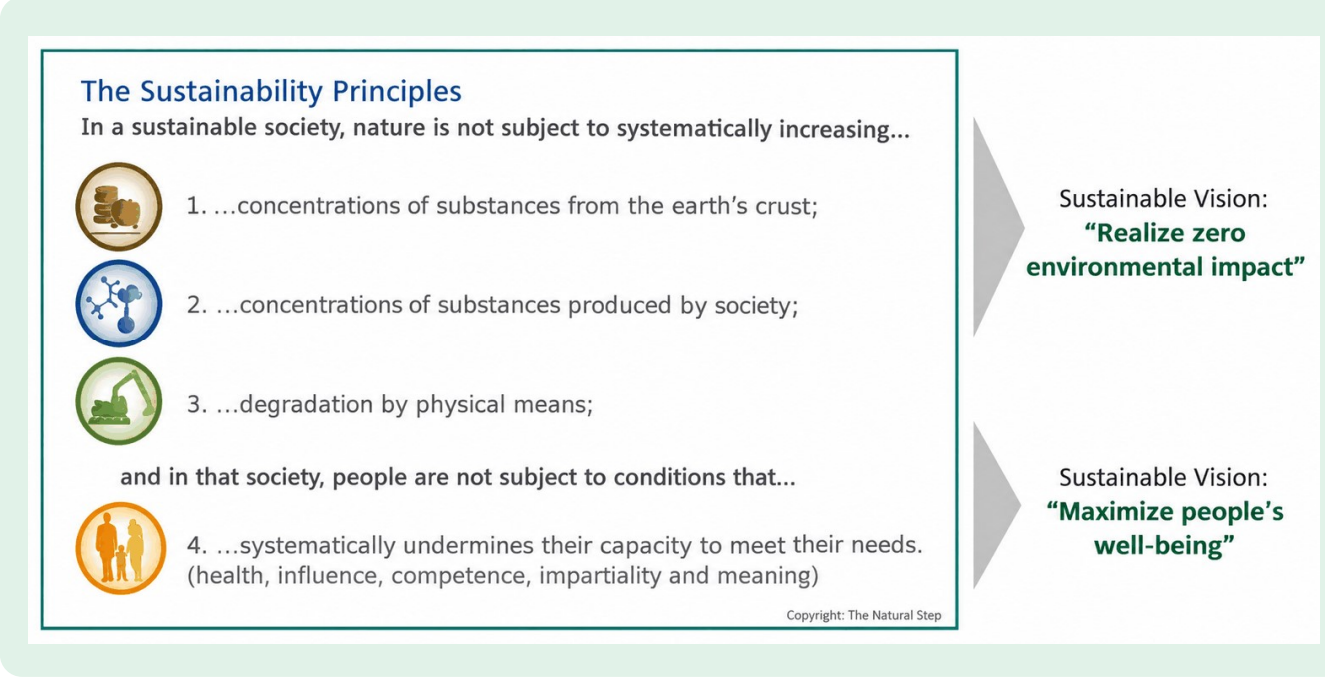


Figure 2-4: The Four Sustainability Principles and the Sustainable Vision

Viewed in this way, the Sustainable Vision does not treat climate and nature separately from people and society. If the sustainability of the natural environment is impaired, people's health, safety, foundations of daily life, and the stability of local communities are also affected.

Conversely, if structural obstacles remain that prevent people from meeting needs relating to health, influence, competence, impartiality, and meaning, it becomes difficult to implement environmental solutions such as decarbonisation, resource circulation, disaster prevention, and water treatment in society.

Accordingly, for the Group, "Realize zero environmental impact" and "Maximize people's well-being" are not separate objectives but mutually reinforcing aspirations. The Seven Pillars of Success serve as pillars for translating these two elements of the Sustainable Vision into management issues, business activities, and management metrics.

Implementation and Progress Management through the Pillars of Success

The Sustainable Vision indicates a long-term direction, but by itself it cannot be sufficiently incorporated into day-to-day business activities and management decisions. The Kanadevia Group therefore translates the Sustainable Vision into the Seven Pillars of Success, establishes related initiatives and KPIs for each pillar, and manages progress.

Through this structure, the Sustainable Vision becomes an object of management rather than remaining merely a principle or declaration. For the Pillars of Success closely related to climate and nature, the Group assesses initiatives towards net-zero environmental impacts from the perspectives of GHG emissions, resource circulation, water, land use, chemicals, and procurement.

For people and society, the Group will assess safety, health, skills, human rights, meaningful work, and fair transactions of own workforce, value chain workers. It will also assess the contribution of the Group's businesses to the well-being of customers, users, and local communities.

Importantly, the Pillars of Success are not simply items for managing internal initiatives. They also provide an axis for confirming what environmental and social value the Group's businesses deliver to customers, users, local communities, and the supply chain.

In particular, "Maximize people's well-being" is considered from both an internal perspective that seeks to improve the well-being of own workforce, value chain workers, and an external perspective that seeks to contribute through the Group's businesses to the well-being of third parties. The internal perspective emphasises safety, health, skills, meaningful work, fair transactions, psychological safety, and trust. The external perspective emphasises contributions through social infrastructure relating to waste, water, energy, disaster prevention, decarbonisation, and other areas to the living environment, safety and security, access to services, disaster-response capacity, local employment, and regional autonomy of customers, users, and local communities.

Integrated Approach to Climate, Nature, and People & Society

The Kanadevia Group does not refer to TCFD, TNFD, and TISFD Beta simply to place external frameworks side by side. It uses them together because The Four Sustainability Principles, the Sustainable Vision, and the Seven Pillars of Success are based on an approach that treats Climate, Nature, and People & Society as interrelated management issues.

Climate change and the degradation of natural capital affect people's health, safety, foundations of daily life, and the stability of local communities. Conversely, if capabilities, trust, connections, and fairness within people and society are weakened, it also becomes difficult to implement environmental solutions such as decarbonisation, resource circulation, disaster prevention, and water treatment. The sustainability of the natural environment and the sustainability of people and society cannot be achieved independently of one another.

This approach also underpins the implementation of Resilience Eco Society®. Resilience Eco Society® is a social implementation model that reframes waste, water, carbon, and energy as resources. It seeks to reduce regional environmental impacts, advance resource circulation, and strengthen energy, water, and disaster-prevention functions. It also seeks to enhance social value through public health, living environments, local employment, access to energy, and regional autonomy and pride.

Social implementation as used here does not mean simply introducing facilities or technologies. Rather than introducing technologies and services unilaterally, the Group considers regional needs and social issues from the business-design stage and co-creates solutions with customers and local communities. It also considers whether solutions can continue to be used and whether benefits are distributed and burdens are borne disproportionately by particular parties.

In this way, the Group's value creation does not pursue economic value, environmental value, and social value separately. Initiatives to move towards zero environmental impacts also protect the foundations of people's lives. Likewise, reducing structural obstacles that prevent people from meeting needs relating to health, influence, competence, impartiality, and meaning is also a condition for embedding sustainable social infrastructure within communities.

Treatment in This Report

In this report, the Seven Pillars of Success are positioned as the basic axis connecting the Sustainable Vision with the analysis of climate-, nature-, and people & society-related dependencies, impacts, risks and opportunities, strategies, risk and impact management, and metrics and targets. However, the maturity of analysis and data is not the same across all areas. The Kanadevia Group will further specify goals, metrics, scope, and measurement methods for people and society and enhance progress management across all of the Pillars of Success.



2.7 Current State of Sustainability Disclosure and Direction for Future Enhancement

Integration and Differences in Maturity

This report treats Climate, Nature, and People & Society as a single, integrated agenda and, with reference to TCFD, TNFD, and TISFD Beta, sets out dependencies, impacts, risks and opportunities associated with the Kanadevia Group's long-term value creation.

However, treating Climate, Nature, and People & Society together does not mean that all areas can already be analysed, managed, and measured at the same level of maturity. Climate-related information is presented on the basis of previous TCFD disclosures, GHG data, scenario analysis, transition plans, and other information. Nature-related information is presented with reference to TNFD, taking into account the relationship of dependencies and impacts on nature and related risks and opportunities with business activities, the value chain, and regions and locations.

People- and society-related information, meanwhile, is treated as a preliminary mapping informed by TISFD Beta, based on currently available information and existing initiatives. Accordingly, while this report views Climate, Nature, and People & Society as an integrated management agenda, it also clearly states the current level of progress, data limitations, and direction for future enhancement in each area.

Current State of the Assessment of People & Society

For the Kanadevia Group, people- and society-related issues have both internal and external dimensions. Internally, they include the safety, health, human rights, capability development, engagement, and fair transactions of own workforce, value chain workers. Externally, they relate to the well-being of customers, users, and local communities that use the Group's products and services.

This report considers these issues from two perspectives. The internal perspective focuses on improving the well-being of the people who support the Group's business activities. The external perspective focuses on contributions through social infrastructure relating to waste, water, energy, disaster prevention, decarbonisation, and other areas. These contributions include better living environments, safety and security, access to services, disaster-response capacity, local employment, and regional autonomy for customers, users, and local communities.

The analysis of people and society principally covers own workforce, value chain workers, local communities affected by the Group's business, customers and users, and other highly vulnerable stakeholders. For these groups, the report presents, on a preliminary basis, currently identifiable positive and negative impacts, the human and social foundations on which the Group depends, and the risks and opportunities arising from them.

Nevertheless, dependencies, impacts, risks and opportunities relating to people and society, as well as metrics, targets, and outcome[51)] assessment, have not yet been established at the same level of granularity as climate and nature. At present, the assessment is preliminary and uses existing initiatives and data concerning human rights, occupational safety, human resources, the supply chain, local communities, and relationships with customers and users. The Group will gradually integrate this work into governance, strategy, risk and impact management, and metrics and targets.

Current State of Data Collection, Estimation, and Limitations

Climate- and nature-related environmental-impact data are collected from each site through the Kanadevia Group's environmental management system, and GHG emissions and other indicators are calculated in accordance with internal rules. Calculation methods and actual results are disclosed in the ESG Databook and other publications. For certain environmental-impact data, when actual data cannot be obtained, estimates are made using unit factors and literature values in accordance with internal rules. Because disclosures are prepared under common Group calculation rules, figures may differ from values reported by individual companies pursuant to laws and regulations in their respective countries.

For quantitative data concerning people and society, the Group is currently developing definitions of metrics, scope, data collection methods, data ownership, calculation methods, and verification procedures. Accordingly, this report does not attempt to disclose comprehensive quantitative values for people and society, but presents a preliminary mapping using existing initiatives and currently available information.

Direction for Future Enhancement

The Kanadevia Group will continue to enhance disclosures relating to Climate, Nature, and People & Society. For climate and nature, it will expand the scope of data collection, improve location-related information and upstream and downstream value chain information, and further develop metrics and targets. In parallel, the Group will integrate environmental management systems, review the frequency and granularity of data input and the input systems themselves, improve data quality across the Group, and develop internal controls capable of supporting third-party assurance.

For the upstream value chain and downstream value chain, the Group will consider expanding the scope of data collection through engagement with business partners and customers. In particular, for nature-related information that is highly location-dependent, improving the ability to obtain data on suppliers and customer facilities will be an important future issue.

For people and society, the Group will further specify scope, assessment methods, metrics, and monitoring methods while taking into account future developments related to TISFD Beta. In particular, it will develop over time metrics that measure the conditions and management processes of people working within the Group and across the value chain, as well as metrics that measure business outcomes for local communities, customers, and users.

This report does not present a completed form of Sustainability Disclosure on Climate, Nature, and People & Society. Rather, towards realising the Sustainable Vision, it clearly sets out the information currently available to the Group, analyses assessed on a preliminary basis, and issues requiring further enhancement. The Group will continue to strengthen data, analysis, governance, risk management, and metrics and targets, evolving towards disclosure that can explain how the creation of environmental and social value connects to enhanced corporate value.

3

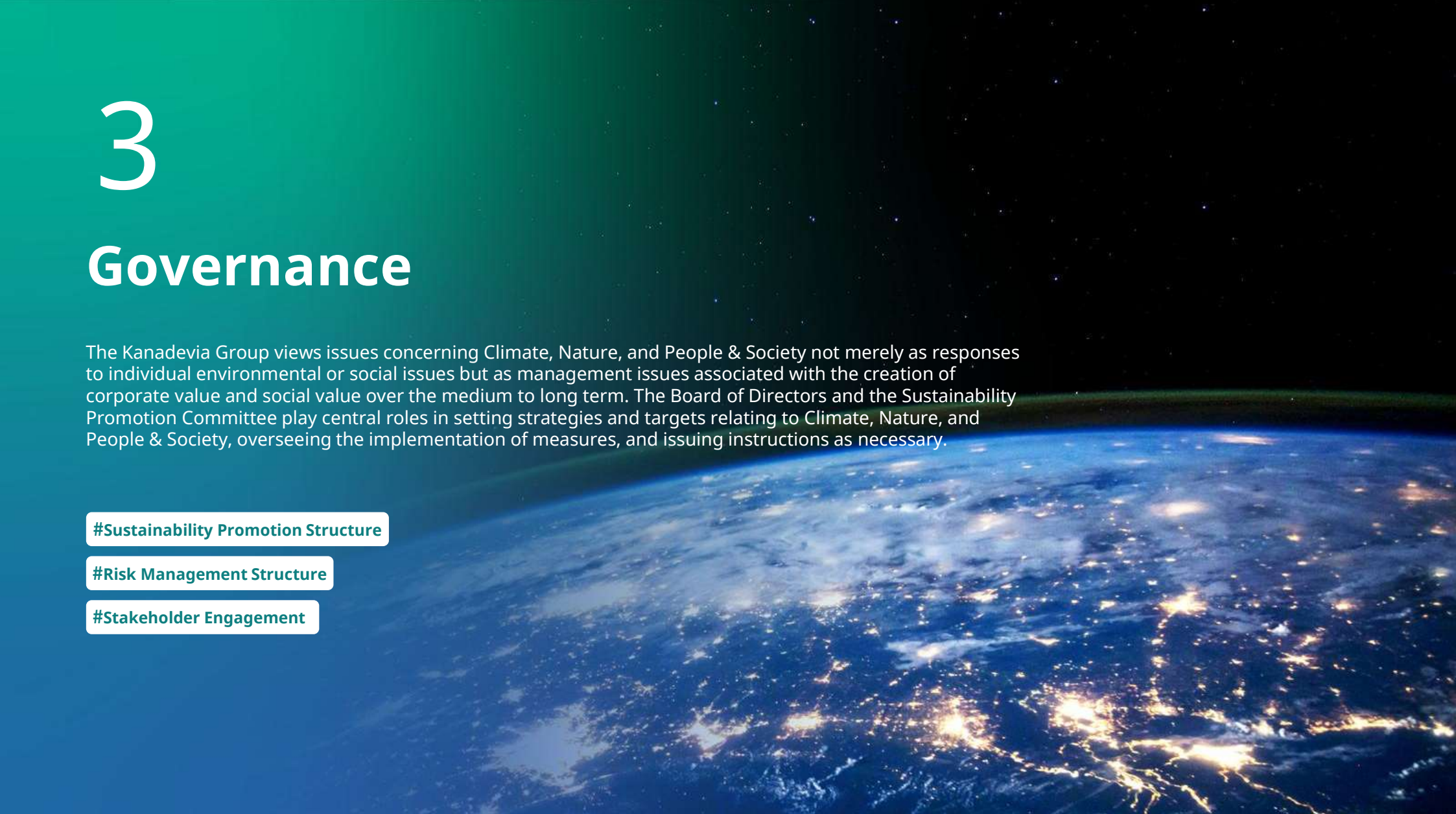
Governance

The Kanadevia Group views issues concerning Climate, Nature, and People & Society not merely as responses to individual environmental or social issues but as management issues associated with the creation of corporate value and social value over the medium to long term. The Board of Directors and the Sustainability Promotion Committee play central roles in setting strategies and targets relating to Climate, Nature, and People & Society, overseeing the implementation of measures, and issuing instructions as necessary.

#Sustainability Promotion Structure

#Risk Management Structure

#Stakeholder Engagement



3.1 Integrated Governance for Implementing the Sustainable Mission

The Sustainable Mission is to “Taking on the challenge, through the power of technology, to create a world that lives in balance with nature.” Under this mission, the Kanadevia Group regards issues concerning Climate, Nature, and People & Society not as separate environmental or social responses, but as management issues associated with creating environmental value and social value over the medium to long term and, through it, enhancing corporate value. This chapter explains how the Group oversees and manages Climate, Nature, and People & Society-related dependencies, impacts, risks and opportunities and connects them to management decision-making. Oversight and management involve the Board of Directors, management, Group CxOs, the Sustainability Promotion Committee, the Risk Management Committee, business divisions, and responsible functions. The processes for identifying, assessing, prioritising, managing, and monitoring them and integrating them into enterprise risk management are described in detail in **Chapter 5**.

Governance in this report is not limited to risks and opportunities relating to climate and nature. Taking the TISFD Beta perspective into account, the Group also regards people- and society-related dependencies, impacts, risks and opportunities as important management issues, covering own workforce, value chain workers, local communities, and customers and users. In this way, the Group connects sustainability oversight with management aimed at realising the Sustainable Vision of “Realize zero environmental impact” and “Maximize people’s well-being.”



3.2 Oversight by the Board of Directors and Management

The Kanadevia Group's sustainability governance has **a two-tier structure in which the Board of Directors bears ultimate oversight responsibility, while the Sustainability Promotion Committee on the executive side deliberates and formulates strategies and targets for realising the Sustainable Vision and monitors their implementation**. Group companies and departments execute specific measures through their business activities. The Board of Directors assesses the appropriateness of strategies and targets, progress, causes of variances, and improvement plans, and issues corrective or improvement instructions as necessary.

Twice a year, the Board of Directors deliberates important sustainability matters and makes oversight decisions, including approvals, referrals back for reconsideration, and improvement instructions. In doing so, the Board reviews whether the premises, assumptions, and reasoning underlying forward-looking information—such as climate- and nature-related scenarios, the implications for people and society derived from those scenarios, preliminary mappings of strategic resilience, and KPI calculations—are appropriate. The review is based on deliberations by the Sustainability Promotion Committee and Management Strategy Meeting and review results from the Sustainability Promotion Department and ERM Department, and the Board instructs revisions when necessary. Agenda items and oversight outcomes are recorded in the minutes, and management reflects them in planning for the following fiscal year.

The main matters overseen by the Board of Directors include the results of identifying risks relating to climate change, natural capital, and social issues and the assessment of risks and opportunities based on frameworks such as TCFD, TNFD, and TISFD. Oversight also covers alignment between the sustainability strategy and the Medium-term Management Plan, as well as progress, causes of variances, and improvement plans for KPIs by Pillars of Success, namely Materiality.

From the perspective of TISFD Beta, the Board of Directors' oversight also includes material people- and society-related dependencies, impacts, risks and opportunities. The Board also oversees important people- and society-related management issues associated with business activities. These include respect for human rights, occupational health and safety, skills succession, human rights and labour in the supply chain, fair transactions, impacts on local communities, customer and user safety, and access to grievance mechanisms and remedy.

3.3 Clarifying Executive Responsibility by Area of Expertise

In April 2026, the Kanadevia Group introduced the Group CxO system as a mechanism for clarifying executive responsibility by area of expertise. Group CxOs are assigned roles and responsibilities for specific areas and are responsible for policy formulation, management, and advice within those areas across the Group, including Group companies. As Group management advances, the system clarifies accountability by area, enhances and accelerates management decision-making, and strengthens Group-wide governance.

The Group has also established a structure in which Group CxOs for the respective areas serve as owners of top risks, with necessary information aggregated to them through the reporting lines of each committee. By having each Group CxO oversee operating policies and risk-response policies from a Group-wide perspective, the Group seeks to improve both expertise-based execution and the effectiveness of oversight by the Board of Directors.

The matters covered by this report include Climate, Nature, and People & Society-related dependencies, impacts, risks and opportunities; integrated strategy and transition plans; KGIs and KPIs; and data governance. They are addressed collaboratively by the Board of Directors, Group CxOs, the Sustainability Promotion Committee described below, the Risk Management Committee, business divisions, and responsible functions. **Sustainability oversight therefore extends beyond reporting to the Board of Directors and functions as integrated governance in which management with responsibility for each specialised area connects execution to business strategy, risk management, KPI management, and data governance.**

Management's executive responsibility is not limited to target management for climate and nature. For people- and society-related issues, the relevant specialised areas are responsible for human rights, compliance, occupational health and safety, human capital, the supply chain, quality, local communities, and impacts on customers and users. Necessary information is then connected to management decision-making. This enables people- and society-related dependencies, impacts, risks and opportunities to be treated as matters of enterprise risk management and value creation, taking the TISFD Beta perspective into account.



Figure 3-1: Global Meeting

3.4 Sustainability Promotion Structure

Sustainability Promotion Committee

The Sustainability Promotion Committee develops strategies and sets targets to realise the Sustainable Vision, oversees the implementation of strategies and measures addressing important Group ESG issues, and issues necessary instructions. In formulating the Medium-term Management Plan, the Committee deliberates revisions to strategies and targets for realising the Sustainable Vision. In doing so, it assesses dependencies, impacts, risks and opportunities relating to climate change and nature, as well as people and society, based on frameworks such as TCFD, TNFD, and TISFD Beta. Progress on sustainability initiatives is reviewed by the Sustainability Promotion Committee and reported to the Board of Directors.

From FY 2026, in conjunction with the introduction of Group CxOs, the chair of the Sustainability Promotion Committee was changed from the President, who serves as Group CEO, to the Group CRGO[52)] (Group Chief Risk Governance Officer), promoting execution based on specialised expertise. Committee membership has also been expanded to include members of the Management Strategy Meeting and presidents of major Group companies, strengthening the integrated management process for business strategy and sustainability strategy.

Sustainability Strategy Committee

Under the policies of the Sustainability Promotion Committee, the Sustainability Strategy Committee serves as a forum for considering how to connect strategies based on the Sustainable Vision and the Pillars of Success with business strategy, investment decisions, KPI management, and implementation measures.
It complements the Sustainability Promotion Committee by providing a venue for more practical and strategic consideration of individual themes. In other words, while the Sustainability Promotion Committee is responsible for Group-wide policies, targets, progress, and reporting to the Board of Directors, the Sustainability Strategy Committee is responsible for alignment with business strategy, the effectiveness of KPIs, prioritisation of implementation measures, and coordination of cross-functional issues.

From April 2026, to further integrate business strategy and sustainability strategy, the Kanadevia Group established a Carbon Neutrality Subcommittee and a Supply Chain Management Subcommittee under the Sustainability Strategy Committee, with a structure that allows additional subcommittees to be established as necessary. The Carbon Neutrality Subcommittee advances the formulation of Carbon Neutrality Guidelines, the development of LCA calculation rules and their application to businesses and products, and visualisation of reduction and investment plans. The Supply Chain Management Subcommittee considers rules for calculating supply-chain GHG emissions and policies for addressing human-rights risks.

Sustainability Promotion Department

As the secretariat of the Sustainability Promotion Committee, the Sustainability Promotion Department centrally promotes sustainable management and carries out activities including policy formulation, execution and support of Group-wide measures, and information dissemination. The Department also works with related functions to integrate Climate, Nature, and People & Society-related IDROs, KGIs/KPIs, data governance, disclosure wording, and responses to third-party assurance. Specifically, it consolidates non-financial information submitted by each department, reviews calculation methods, scope, data quality, and audit-trail management, and prepares issues for deliberation by the Sustainability Promotion Committee and Sustainability Strategy Committee.



Figure 3-2: Sustainability Promotion Structure (As of March 31, 2026)

Executive Interview: Group CRGO Interview

Making Sustainability Our Own: Individual Awareness and Common Sense Lead to Action



Hidekazu Kojima

Group Chief Risk Governance Officer, Senior Managing Executive Officer

Sustainability that Can Lead the World in the Circular Economy

I believe Kanadevia Group has the capability to lead the world in the circular economy. We have a broad range of technologies and businesses extending beyond waste treatment to energy, water, and resource circulation. By combining them, we can envision a circular society that only Kanadevia can create.

Sustainability and corporate management do not exist separately. This is especially true for Kanadevia, where solving social and environmental challenges in areas such as waste, energy, water, and decarbonisation is directly connected to business. In that sense, I see sustainability strategy as both management strategy and business strategy.

The Kanadevia Group has already made considerable progress on climate change because the issue is closely connected to our core businesses. Our people have a high level of awareness of climate change, which I see as a strength of the Company. By contrast, there is further room to deepen our work on nature and on people and society.

We cannot fix every step of the pathway to our 2050 vision today. It is important to set time horizons such as 2030 and 2040, but technologies, policies, society, and the natural environment surrounding sustainability will continue to change. We therefore need to backcast from the future vision while treating the pathway along the way as a “moving target” that is reviewed in response to changing conditions.

This does not mean making targets vague. It means clarifying the direction we seek, checking where we are, and continuously selecting the most appropriate approach at each point in time. For a listed company, it is also important to distinguish between ambitious future visions that represent firm commitments and frameworks that indicate a direction of travel.

“Awareness” Makes Sustainability Tangible and Leads to Action

If I had to choose one word that matters most for advancing sustainability, it would be “awareness.” Even with systems and targets in place, people are moved by the intention to say, “I will do this.” That intention is supported by the “Common Sense” we cultivate every day, together with pride in our own work.

What I particularly want is for each person to feel that “sustainability is closely connected to their own work”. Climate change can be relatively easy to relate to business through CO_2 emissions. But phrases such as “a business with a low natural impact” or “contributing to people’s well-being” can remain slogans if people cannot see how they connect to the work they are doing today. The important point is to understand “where my own work connects to sustainability and what I can do”. Showing those points of connection in a way people can understand is a first step for management in advancing sustainability. I want each person to be able to take pride in our Company and in their own work when speaking with people close to us, such as our family, parents, children, and friends. That awareness should be expressed in actual behaviour, and the accumulation of those actions becomes sustainability.

The Key to Embedding Sustainability Is for Nearby Leaders to Internalise It and Communicate It Themselves

The key to embedding sustainability in an organisation lies with the leaders encounter in their everyday work — heads of headquarters, works managers, department and section leaders, group leaders, and others.

Sustainability is not something that naturally becomes visible every day. Although everyone understands at the outset that it matters, leaders themselves need to internalise its meaning and repeatedly communicate it to their organisations in their own words. It is not enough simply to say, “We are a leader in the circular economy.”

Management must be able to explain in its own words why Kanadevia can be called a leader, what strengths we have, what kind of society we seek, and what we are doing to realise it. Together with the function responsible for sustainability, leaders in each business and workplace need to explain how changing a particular job connects to Kanadevia’s sustainability and, beyond that, how it contributes to society and the global environment.

At the same time, there is no single definitive answer in long-term sustainability. The target is always moving. When each person see or hear something and realise, “Now I understand how my work connects to this,” management and leaders should create many such opportunities and provide support when it is needed.

Broad Connections Sharpen the “Common Sense” Needed to Lead Sustainability

It is important to keep sharpening common sense. Common sense is not about memorising a prescribed answer. It is the ability to take an interest in what is happening in society, encounter different ways of thinking, and judge for oneself what is appropriate in a particular situation. It is not something that is completed once acquired; it must be refined continuously.

To sharpen that common sense, leaders should communicate more actively outside the Company, and I encourage our people to engage with people outside as well. If we look only inward, the breadth of our ideas and judgement inevitably narrows. By engaging not only with peers in our own industry but also with other industries, researchers, local communities, and many different perspectives, we can discover new ways of seeing issues.

The Kanadevia Group already has many people with a strong awareness of environmental issues and many valuable initiatives — works engaging with local communities, people applying their expertise to social issues, and teams taking on new technologies. Yet these activities are not always well known to one another. Sharing them more widely and learning what colleagues are doing can prompt further action.

Common sense is never “finished”; as society and business change, we need to keep refining our own judgement through exposure to the outside world, thought, and dialogue.

When people make significant changes, logic alone is not enough; empathy and inspiration also matter. The Company should create more opportunities for people to feel how their work is connected to society. Management is responsible for creating an environment in which everyone can continue to deepen their awareness and judgement and translate them into action; this is also a force that can advance Kanadevia’s sustainability.



Allocation of Roles among Relevant Committees, Specialised Functions, and Business Divisions

To embed sustainability issues in management, it is essential to link deliberations by the Sustainability Promotion Committee and Sustainability Strategy Committee with the development of rules and support by specialised functions and execution by business divisions and Group companies.

Climate- and nature-related initiatives are promoted under the Sustainability Promotion Committee and Sustainability Strategy Committee in coordination with the Environmental Conservation Promotion Committee and environment-related functions. These functions advance environmental management systems, environmental-impact data, GHG emissions management, resource circulation, water use, waste management, compliance with environmental laws and regulations, and corrective management at the Kanadevia Group's own sites, works, and Group companies. Details of environmental management systems, methods for obtaining and calculating environmental data, estimates and limitations, and third-party assurance are described in **Section 3.6** and **Chapter 5**.

For people- and society-related issues, Human Resources, Procurement, Legal and Compliance, Quality, Health and Safety, and other functions work together. Their measures cover human capital, respect for human rights, Diversity, Equity & Inclusion (DE&I)[53], well-being of own workforce, occupational health and safety, sustainable procurement, supply-chain due diligence, and quality and compliance. The Sustainability Promotion Department works with these responsible functions to connect people- and society-related impacts and dependencies, risks and opportunities to strategy, risk management, and metrics and targets.

Business Headquarters, works, Group companies, and departments engaged in procurement operations also reflect Climate, Nature, and People & Society-related measures in their business plans and activities. These include capital investment, research and development, procurement, manufacturing, construction, operations, customer proposals, and engagement with local communities.

Meanwhile, specialised Head Office functions such as the Sustainability Promotion Department, Legal and Compliance, Human Resources, procurement-policy functions, Quality, and Health and Safety develop policies and rules, provide advice, conduct monitoring, and confirm data quality. They also support corrective action and reporting to the Board of Directors and relevant committees. This structure enables business divisions and Group companies to execute sustainability measures within their own business activities while specialised Head Office functions ensure Group-wide consistency, reliability, and accountability.

To manage Climate, Nature, and People & Society effectively, the Kanadevia Group does not treat them as separate environmental and social issues. Instead, the Group connects them to business strategy, risk management, human capital management, compliance, supply chain management, and improvement activities. In particular, respect for human rights, compliance, psychological safety, organisational culture, human capital, and trust across the supply chain form the management foundation that enables the Group to continue implementing environmental value in society. The Group manages these matters under integrated governance, with specialised functions and business divisions working together to enhance effectiveness.

In implementing this integrated governance, the Legal and Compliance function plays an important role in addressing human rights risks, compliance, and the rebuilding of trust capital. The Human Resources function, meanwhile, is responsible for building the foundations that support "Maximize people's well-being" through human capital, organisational culture, well-being of own workforce, and people's ability to realise their capabilities.

To provide the perspective of a specialised function supporting integrated governance, this chapter introduces the views of the Group CLO[54] (Group Chief Legal Officer).

Executive Interview: Group CLO Interview

Unlocking Challenges through “Integrity and Transparency”



Takayuki Kitajima

Group Chief Legal Officer,
Managing Executive Officer

Shared Values and Principles Are the Foundation for Sustainability

Our businesses use technology and people to create positive environmental and social impacts that also support business growth. Aligning business growth with environmental and social value creation is a significant advantage.

At the same time, our businesses exist within relationships with a wide range of stakeholders — not only shareholders and investors, but also our people, suppliers, customers, and local communities. The Kanadevia Group procures many products and services from suppliers and combines them to deliver value to society. If human-rights or compliance issues arise in the supply chain, a contradiction emerges between those issues and the value we seek to create. That is why it is important to clarify the values we share with everyone involved in Group business, including suppliers, and the principles we must uphold. Rather than trying to standardise every detail through rules, we need common values and principles that serve as a basis for judgement. I would like to establish that framework with 2030 as one milestone.

Governance Is Not About “Control”

As the Kanadevia Group becomes more global, governance becomes increasingly important. I see governance as enabling us to use the Group’s assets — people, technologies, information, and more — across national and corporate boundaries to enhance corporate value and competitiveness. To do so, the Group needs shared values and principles. Within that framework, each company and region should make autonomous decisions in line with its own regulatory and legal environment. That, to me, is what governance should be.

Laws and commercial practices naturally differ by country, and there is no need to make every on-site operation identical. But if higher-level ideas such as “what kind of company are we?” and “what behaviour will we not tolerate?” differ from country to country, we cannot act as one Group. Precisely because we are expanding globally, we need to share values and principles across the Group while creating an environment in which local organisations can exercise their capabilities freely.

What Matters to Me Are “Integrity” and “Transparency”

If I were to name the two principles I value most in my work, they would be “integrity” and “transparency.” Compliance is not simply about avoiding violations of laws and regulations. More fundamentally, it is about conducting business with integrity.

Transparency means being able to explain clearly and logically what we considered and why we reached a particular decision. In a complex society, not everyone will agree with every decision we make. That is precisely why it is so important to explain, on a sound and objective basis, why we believe a particular decision is the right one for both the Company and society. I believe that **transparency itself is a source of organisational strength.**

Human rights due diligence, for example, should not be viewed simply as something that “has to be done.” Rather, it is a process for gaining a clear understanding of where we and our supply chain currently stand — what is working well and where further improvement is needed. Even when shortcomings are identified, the purpose is not to assign blame. Meaningful improvement begins with an accurate understanding of our current position. We also need the positive mindset to see “what we cannot yet do” as “what we can learn to do.”



Turn Risk from a "Reason to Stop" into "Material That Enables Challenge"

Legal and compliance functions are often perceived as the people who tell the business, "You cannot do that." I see our role differently.

Of course, anything clearly prohibited by law is off the table. But if we stop pursuing opportunities simply because something feels vaguely uncertain or concerning, new businesses will never emerge. The important thing is to translate vague concerns into concrete risks: what could happen, how likely it is, how serious the impact would be, and what actions we would take if it occurred. Once these points are visible, we can make a rational decision about whether or not to take the risk.

If our only objective is to reduce risk to zero, we may constrain the very business we want to realise. Instead, we should ask what needs to change so that we can take the risk: change the contract structure, establish necessary guardrails, prepare alternatives, or bring in expert knowledge. That turns the discussion from "we cannot do it" to "how can we do it?"

I do not want Legal to be consulted only after a problem occurs. I want us involved from the business-strategy stage, anticipating possible obstacles and creating an environment in which the business can take on challenges with confidence. **Legal professionals should be** not only legal experts but also **business leaders who understand the law**.

Guardrails That Allow for Failure Enable Innovation

The Kanadevia Group has technologies and knowledge accumulated over a long history. At the same time, companies with long histories can also have a tendency to build on past practices and then add more rules whenever they begin something new.

If we truly want to take on something new, we must not only respect the past, but also, at times, decide that "it is time to move on from this." Rather than asking only what can be done within the existing framework, I believe it is important to start with what we want to achieve and work backwards from there, changing the framework itself when necessary.

Challenge inevitably entails the possibility of failure. That is why Legal has a role in designing guardrails in advance so that a failure does not become fatal. Contracts, rules, standards, guidelines, information management, and training can create an environment in which people feel safe to experiment, learn from failure, and apply those lessons to the next challenge. Innovation requires that kind of "culture of experimentation".

Think "How Can We Do It?" Rather than "Why We Cannot Do It"

Risk should not be judged by one person alone. Dialogue is needed among business divisions, Legal, specialists, suppliers, customers, local communities, and people in many different positions. It is important not to exclude different views and to respect the other party. When people feel their views are respected, they can express ideas freely, and new ideas may emerge. Respect for people supports not only psychological safety but also better risk management.

It is easy to list reasons why something is difficult. What matters is asking "how it can be done." Do we need people, money, or time? Or technology, skills, or knowledge? Once the conditions are made specific, the discussion can move forward.

I believe this Company still has a great deal of potential that can be "unlocked." We have technologies and experience accumulated over our long history and people who support them, yet we may also be drawing our own boundaries around what we think we can do.

Removing those locks and enabling the Kanadevia Group to pursue higher goals requires **Technology, Integrity, Safety, and Transparency**.

My role is to use the power of Legal and Compliance to "unlock" the Group's potential and make it a company that can take appropriate risks and pursue new challenges with confidence, grounded in integrity and transparency.

3.5 Governance Supporting Risk Management and Linkage to Integrated Risk Management

Issues concerning Climate, Nature, and People & Society are not only important sustainability issues but also medium- to long-term risks and opportunities affecting business continuity, business strategy, corporate value, and social value. Accordingly, **material risks and opportunities identified and assessed by the Sustainability Promotion Committee and Sustainability Strategy Committee are addressed within the enterprise risk management framework by the Risk Management Committee and ERM Department.** This section explains the oversight, execution, and reporting lines supporting risk management. Details of the identification, assessment, prioritisation, response policies, monitoring, remediation, and improvement processes for Climate, Nature, and People & Society-related risks and impacts are described in **Chapter 5**, “Risk and Impact Management.”

For Group-wide risk management, the ERM Department was newly established in March 2025 and has taken the lead in building an integrated enterprise risk management framework. The Board of Directors determines risk management policy and bears ultimate oversight responsibility, while the executive-side structure centred on the Risk Management Committee is developing a framework to identify, organise, and visualise risks centrally across the Kanadevia Group and consider response measures.

Risk identification covers not only risks arising from the internal environment and short-term perspectives, but also risks associated with the external environment and medium- to long-term perspectives, with impact and likelihood assessed comprehensively using both quantitative and qualitative factors. For major risks, including ESG risks, the ERM Department reports progress on response measures to management, enabling management to recognise and address issues in a timely manner.

The sustainability-promotion strategy covers the entire value chain and is formulated by the Sustainability Promotion Committee after dependencies and impacts are analysed, scenario analysis is conducted, and risks and opportunities are identified. These risks and opportunities are also discussed by the Risk Management Committee as medium- to long-term risks associated with ESG issues. Based on deliberations by the Sustainability Promotion Committee, the Risk Management Committee confirms risk-response policies and monitors the status of responses. This enables the Board of Directors, taking into account the Risk Management Committee’s deliberations, to oversee how risk-response policies are applied to individual matters and to enhance the effectiveness of the governance structure.

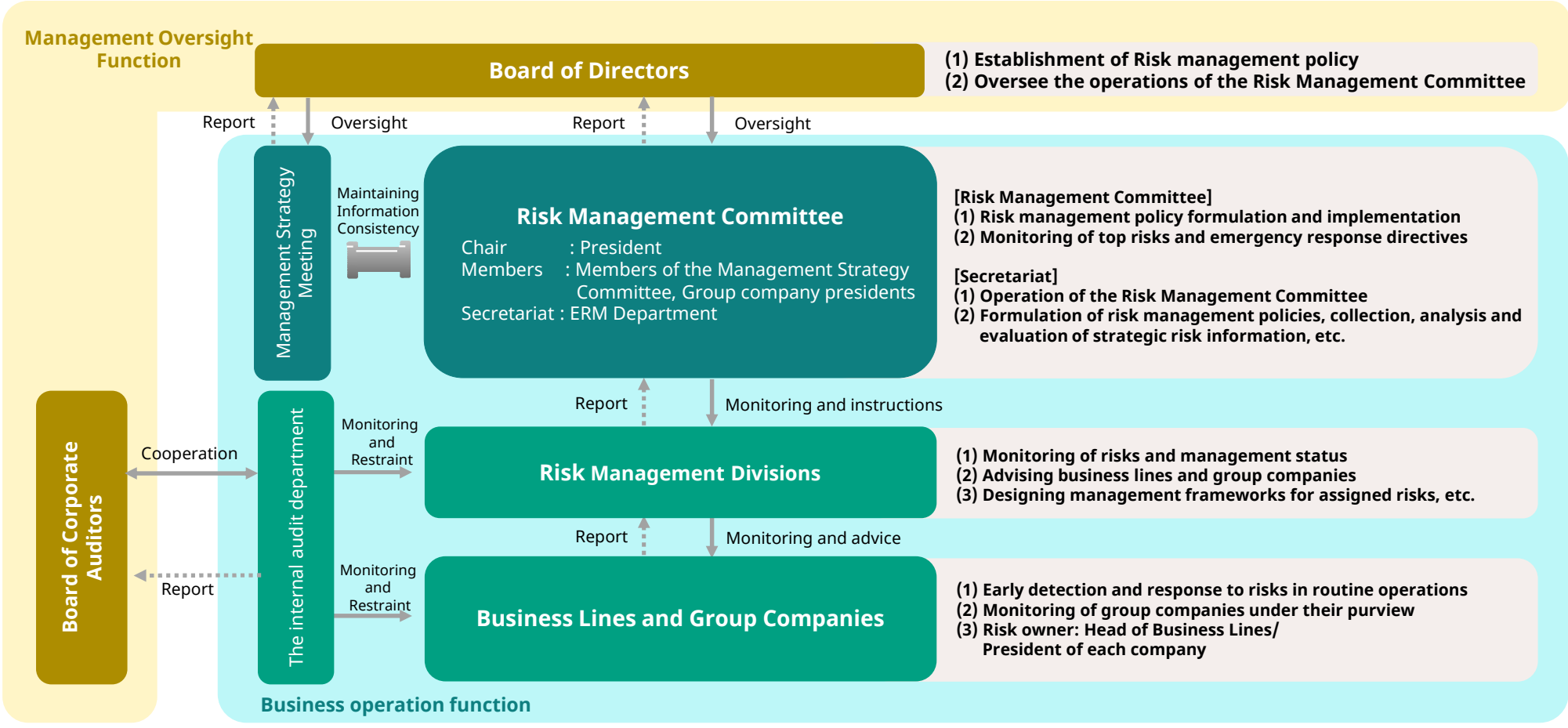


Figure 3-3: Risk Governance Structure (As of March 31, 2026)

3.6 Data Governance

Approach to Data Governance

The Kanadevia Group currently obtains third-party assurance for its GHG data. At the same time, international trends increasingly require comparability, verifiability, and reliability not only for climate information but also for non-financial information concerning nature and people and society. To respond, collected data must be elevated into "assurance-ready management information," making the development of data governance important. The following describes the current status and the direction for future enhancement, focusing on environmental data.

Towards realising the Sustainable Vision of "Realize zero environmental impact," the Group has established an environmental data management platform to collect and manage environmental data from Group companies and business sites. Environmental information is collected from Group companies, and used to promote environmental conservation activities and manage environmental risks.

Major environmental data collected from each site include energy inputs, GHG emissions, water-resource inputs, waste generation, and chemical inputs. These data are collected periodically by site in accordance with the Environmental Management Data Management Procedures and used to manage environmental targets and KPIs across the Group.

The Group also manages Scope 3[55)] emissions as part of its efforts not only to understand environmental impacts from its own business activities but also to promote Carbon Neutrality across the value chain. For GHG emissions relating to Scope 3 Category 1, environmental data are collected from major subsidiaries in Japan and overseas and accumulated in an environmental information management solution. For the Group's core Waste to Energy Business, it is also working to understand GHG reduction and emissions-related data for Scope 3 Category 11[56)] at delivered Waste to Energy facilities.

Collected environmental data are used for progress management of GHG reduction targets, third-party assurance reviews, follow-up on environmental conservation promotion plans, ESG information disclosure, responses to CDP/TCFD/TNFD and other frameworks, environmental audits and risk management, and reporting environmental performance to management.

The Sustainability Promotion Committee and Sustainability Strategy Committee review the data periodically, identify environmental issues, and formulate improvement measures, thereby promoting continuous improvement through the PDCA cycle.

Roadmap for Enhanced Disclosure

More advanced data governance will be required in light of the need to address IFRS S2 internationally and SSBJ[57)] Sustainability Disclosure Standard, Theme-based Standard No. 2 domestically for climate-related information. For nature-related information, collaboration between TNFD and SBTN[58)] (Science Based Targets Network) is also advancing work on target setting, data measurement, and disclosure. In Europe, the Corporate Sustainability Reporting Directive (CSRD)[59)] requires disclosure of ESG information, including information concerning people, and sustainability information is increasingly expected to be supported by internal controls, audit trails, and review processes comparable to those used in financial reporting.

Accordingly, the Kanadevia Group recognises data boundaries, data quality, audit-trail management, and linkage to management as important data-governance matters for further development. Specifically, the Group will need to clarify the scope of data concerning consolidated subsidiaries, facilities, organisations, each Scope, and the value chain. It will also need to distinguish primary data, estimates, data not yet collected, and proxy data[60], and to document activity data, factors, calculation logic, and approval histories as evidence. Finally, it will link data governance with transition plans, internal carbon pricing[61][62], ERM, and business plans.

In FY 2026, to develop these foundations, the Group plans to establish the system design with GHG data as the leading area and extend data governance over time to nature- and people- and society-related data. This chapter presents the approach to oversight and allocation of responsibilities supporting data governance; details regarding data-collection scope, calculation methods, audit-trail management, third-party assurance, and related matters are described in **Chapter 6** and the **appendices**.



3.7 Stakeholder Dialogue and Enhancement of Governance

Reflecting Stakeholder Dialogue in Management

The Kanadevia Group positions dialogue with stakeholders affected by its business activities not merely as information provision or an exchange of views but as an important management process for identifying and assessing people- and society-related dependencies, impacts, risks and opportunities and improving business activities.

Stakeholder dialogue has three main purposes. First, through human rights due diligence and other processes, the Group identifies actual or potential negative environmental and social impacts and connects them to prevention, mitigation, remediation, and remedy. Second, it reflects the perspectives of affected people in materiality judgements, business plans, order and investment decisions, procurement, design, construction, operations, and quality and safety management. Third, it co-creates solutions to regional challenges and social value with customers, municipalities, local communities, business partners, and others.

Departments conducting dialogue record the stakeholder groups involved, the purpose and method of engagement, the principal views and concerns identified, the Group's assessment, how the findings are reflected in decisions or measures, and follow-up status. Matters involving adverse environmental impacts, human rights, safety, customer and user safety, material impacts on local communities, business continuity, or social trust are reported to the relevant Group CxO, Sustainability Promotion Committee, Risk Management Committee, or other responsible body and reflected in management decisions as necessary.

Dialogue with Affected Stakeholders

With respect to environmental matters, the Kanadevia Group engages in dialogue with government authorities and local residents. At the Group's works and operated facilities, GHG emissions, releases of pollutants, noise, vibration, odors, and other factors may affect the natural and living environments of local communities where business sites are located. Each site and works therefore carries out environmental management based on ISO 14001 and other systems and, in addition to complying with laws and regulations, implements voluntary management and preventive maintenance for air, water quality, soil, noise, vibration, odors, and other matters as necessary.

At Waste to Energy and other facilities operated under contract, the Group also complies with environmental standards established by facility owners, performs daily monitoring and preventive maintenance, reports to facility owners in a timely manner, and supports facility owners in explanations and information disclosure to local residents. These initiatives form the foundation for maintaining trust with local communities and appropriately managing the impacts of business activities on natural and living environments.

In the 2026 report, business partner surveys and human rights due diligence are positioned as early initiatives that connect stakeholder views to concrete improvements. For own workforce, local communities, customers, and users, channels for dialogue are in place, but Group-wide mechanisms for tracking and disclosing which decisions have changed as a result of the views obtained are still being developed. The Group will improve the traceability of views, decisions, responses, and outcomes for major engagements.

Within the supply chain, the Group pursues continuous improvement through dialogue, surveys, assessment, and feedback with business partners towards realising sustainable procurement that includes net-zero environmental impacts and respect for human rights.

Relationships with business partners extend beyond procurement management and form an important foundation for enhancing the reliability of the entire value chain, including environmental responses, fair and equitable transactions, human rights, occupational safety, quality, and business ethics. Specific processes for surveys, assessment, requests for improvement, and reassessment are described in the **appendices**.

Dialogue with Investors, Financial Institutions and External Experts

In dialogue with investors, the Kanadevia Group has received expectations and insights regarding future enhancement of human capital and environmental-information disclosure. With respect to human capital, investors have viewed linking the engagement index to executive remuneration as evidence of management commitment, while also noting the need to consider resetting the target because the gap from the target is large.

Expectations have also been expressed for more in-depth disclosure of human capital issues and specific measures and for improving engagement across the Group, including subsidiaries, rather than only at the parent company. On the environmental side, investors have particularly expressed expectations for calculation and disclosure of Scope 3 reduction measures and avoided emissions[63)] in accordance with relevant international guidance. The Group views these opinions as insights for enhancing human capital management, non-financial information disclosure, and the quality of dialogue and will use them in future improvements.

Dialogue with investors and financial institutions and with external experts is used to confirm the decision usefulness of disclosed information, alignment with management strategy, and issues viewed from the capital-market perspective. Such dialogue does not substitute for dialogue with own workforce, value chain workers, local communities, customers, and users who are directly affected by business activities. This report therefore distinguishes dialogue with affected stakeholders from dialogue with users of disclosed information.

Enhancing Governance Based on Insights from External Experts

The Kanadevia Group also regards third-party opinions from external experts as important insights for enhancing sustainability governance. Ms. Sachiko Takami, Senior Advisor of The Sustainability Collaborative, provided views on the Group's strategy, information disclosure, and potential contributions to climate change action and nature positive[64)], drawing on The Natural Step's sustainability analysis, backcasting, and The Four Sustainability Principles.

Including the third-party views presented in this report, the Group does not regard stakeholder dialogue merely as external commentary. Rather, it positions such dialogue as an important source of information for identifying dependencies, impacts, risks and opportunities related to climate, nature, and people and society, and for reflecting these insights in management decisions.

Through ongoing dialogue with local communities, customers and users, business partners, investors and external experts, the Group will continue to enhance the effectiveness of its sustainability governance and continuously improve its initiatives toward achieving its Sustainable Vision.

Table 3-1: Dialogue with Affected Stakeholders and Reflection in Management

Stakeholders	Main Dialogue / Information Channels	Main Insights Identified in the 2026 Report	Reflection in Decisions / Measures
Own workforce	Engagement surveys, our people's voices, consultation and whistleblowing channels, occupational health and safety information.	Safety and health, psychological safety, skills, engagement, and related matters are important issues.	Reflected in existing human resources, well-being, occupational health and safety, compliance, and related measures.
Value chain workers	GCNJ SAQ, human rights due diligence, business partner compliance surveys, dedicated helpline for business partners.	Improvement issues concerning workloads and unilateral changes to delivery schedules. For the helpline: uncertainty about what can be raised, concern about effects on transactions, and uncertainty about the response process.	Additional SAQs and interviews; prior consultation on delivery-date and specification changes; records of reasons and approvals; treatment of additional costs; clearer explanations of consultation channels; improvement plans, deadlines, and reassessment.
Affected local communities	Project- and facility-specific explanations, community dialogue, grievances and consultations, information provided through facility owners.	Noise, traffic, emissions, land and water use, service continuity, and uneven distribution of benefits and burdens are important issues.	At present, responses are mainly managed on a project- and facility-specific basis.
Customers and users	Consultation with customers, quality and safety information, accident and service-interruption information, grievances and consultations.	Safety, stable operation, information provision, and service continuity are important issues.	Reflected in quality, safety, operation and maintenance, long-term services, and related management.

Column:
Third-Party Opinion from an External Expert

Key Takeaways for 2030 Guided by the Four Sustainability Principles



Sachiko Takami
The Sustainability Collaborative Senior Advisor

The Kanadevia Group received a third-party opinion on the TCFD & TNFD Integrated Report 2025 from Ms. Sachiko Takami, Senior Advisor of The Sustainability Collaborative. Based on The Natural Step's approach to sustainability analysis, Ms. Takami analysed and assessed the Group's initiatives from a backcasting perspective and against The Four Sustainability Principles. In the third-party opinion, the Group's Sustainable Vision of "Realize zero environmental impact" and "Maximize people's well-being," together with its articulation of the future vision as Resilience Eco Society®, was positively assessed as an initiative that develops a roadmap from a clear vision.

She also provided the following suggestions, aligned with The Four Sustainability Principles, as proposals towards 2030. See **Appendix F** for details.

She also suggested the potential to provide consulting functions to customers and markets by leveraging knowledge of environmental technologies and sustainable energy.

The Kanadevia Group regards these opinions as important external perspectives for implementing technologies and businesses in society in line with The Four Sustainability Principles. It will continue to connect insights from stakeholders, including external experts, to the ongoing enhancement of governance, strategy, risk and impact management, and metrics and targets. The full third-party opinion is included **in Appendix F**.

Table 3-2: Proposals for 2030

The Four Sustainability Principles	Main Suggestions
Principle 1: Earth's crust	As a response to petroleum-derived plastics, advance recycling measures at Waste to Energy facilities and resident awareness activities in collaboration with environmental NGOs and municipalities. Shift suppliers' vehicles and the Kanadevia Group's company vehicles to electric vehicles.
Principle 2: Society-produced substances	Reduce emissions by promoting CO_2 capture at Waste to Energy facilities and the wider adoption of CCS technology.
Principle 3: Physical degradation	Confirm biodiversity risk analyses when accepting projects. Conduct joint research with universities and other institutions on the impacts and potential contributions of offshore wind power generation on marine biodiversity. Communicate and engage in dialogue with stakeholders.
Principle 4: Human needs	For Waste to Energy facilities, consider uses that address the basic needs of local communities, extending beyond power generation and heat supply to the use of recycled materials, art, gardens, recreation, and other functions. For offshore wind power generation as well, propose locations and technologies with due consideration for impacts on local communities and other relevant parties.

*See **Figure 2-4** for the full wording of the Four Sustainability Principles.