

TODA KOGYO Group Environmental Vision 2033

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



Commitment of Upper Management

Global warming is causing grave problems all over the world, such as abnormal weather, environmental pollution, resource depletion, international conflict, a widening gap between the rich and poor, and discrimination. A range of initiatives are being implemented to solve these problems, such as the adoption of sustainable development goals (SDGs) at a United Nations summit, the adoption of the COP21 Paris Agreement, and the Government Pension Investment Fund (GPIF) becoming a signatory to the United Nation's Principles for Responsible Investment (UN-PRI), and great strides are being made toward achieving a sustainable society.

As a chemical material manufacturer, the TODA KOGYO Group recognizes that environmental problems are a major challenge that threatens our very existence, and has been reducing our environmental impact for a long time. For example, we have transformed our production technology from a dry synthesis method with a large environmental impact to a wet synthesis method that is non-polluting, as well as reusing the waste liquid of steel sheet manufacturers and the waste materials of our own plants.

We currently have a CSR policy, four guidelines for CSR, and an environmental policy that promote activities that contribute to the creation of a sustainable society. With the year 2033 being the 100th anniversary of the founding of our company, we have also formulated “Environmental Vision 2033” as a medium-term vision for ESG initiatives that also defines where we want our company to be in 2033.

Via these activities, we shall strive to conserve and protect the environment and achieve the SDGs together with our stakeholders.

Shigeru Takaragi, President and Representative Director



Basic Environmental Policy

TODA KOGYO Group conducts environmental management based on the ISO14000 series, and not only recognizes environmental conservation as the mission imposed on global citizens, but also considers environmental conservation activities and management activities coaxial. We are responsible for ourselves and work on these activities across the entire group.

Concrete codes of conduct

(1) Setting and achievement of high environmental conservation goals

Executives and employees set high goals that anticipate social expectations at their own responsibility, and strive to create economic value through the achievement of them, as well as compliance with laws and regulations.

(2) Promotion of the development of innovative environmental technologies

Executives and employees create customer value, proceed with the development of innovative environmental technologies widely used across society, and promote the development of environmentally harmonized products.

(3) Continuous improvement with the participation of all executives and employees

Executives and employees grasp the impact on the environment in all business activities, and continuously improve on the prevention of pollution and effective use of energy and resources by all participants.

(4) Provision of environmentally conscious products and services

When providing products and services, executives and employees strive to reduce the environmental load in all stages leading to sales, logistics, use, recycling and disposal from procurement policies and production.

(5) Improvement of consciousness and promotion of responsible environmental conservation activities

Each and every executive and employee broadly looks at society, raises awareness through positive learning, and proceeds with environmental conservation activities by his/her own responsibility.

(6) Contribution to the realization of a sustainable society

Executives and employees contribute to the realization of a sustainable society by means of joining and supporting environmental conservation activities.

(7) Acquisition of social trust through communication

Executives and employees develop environmental conservation activities in cooperation with stakeholders and gain the trust of society through active communication.

Introduction

Executives and employees of the TODA KOGYO Group discussed "Our Ideal 2033 Self", 2033 being the 100th anniversary of the founding of our company, and formulated the "Environmental Vision 2033" based on the perspective of four sustainability principles.

Five Pillars of Environmental Management

(1) Conserving biodiversity

(2) Reduction greenhouse gas emissions

(3) Providing environmentally-harmonized products and technologies

(4) Forming a recycling-oriented society

(5) Effectively utilizing industrial waste



Five Pillars of Environmental Management



Management System

We shall establish an Environmental Committee made up of members appointed by each of our departments as part of the CSR Department under the direct jurisdiction of upper management, which shall promote the initiatives of Environmental Vision 2033.



(1) Conserving biodiversity

The Japan Business Initiative for Biodiversity (JBIB) established in April 2008 formulated and published Guidelines for Private Sector Engagement in Biodiversity, and conducts various activities based on these guidelines. At the tenth meeting of the Conference of the Parties (COP10) held in Nagoya, Aichi Prefecture, global targets for biodiversity (“Aichi Targets”) were adopted and each country defined national targets for their achievement that are required to be reflected in a national strategy for biodiversity.

In accordance with the Action Guidelines for Biodiversity defined by the TODA KOGYO Group, we promote activities for conserving biodiversity via our business activities and social life.

Action Guidelines for Biodiversity

1. Recognizing the preservation of biodiversity to be an important issue in the corporation, we will practice environmental management.
2. We will understand the influences on biodiversity affected by our business activities including our raw materials procurement policy, and endeavor to continuously reduce these influences.
3. We will continuously promote resource saving, energy saving and 3R (reduce, reuse, recycle) not only in our own business activities but also in cooperation within our supply chain.
4. We will promote manufacture of products which contribute to the preservation of biodiversity, technological development and innovation of the production process.
5. We will endeavor to enhance communication and contribute to cooperation with customers, suppliers, other corporations, NGOs, education and research agencies, local governments and so on.
6. Because the activities of each and every employee are essential for preserving biodiversity, we will increase awareness for protection of abundant ecosystems through education of employees.



(2) Reducing greenhouse gas emissions

With the signing of the Paris Agreement, worldwide efforts for combatting global warming are intensifying. The Japanese cabinet decided on a plan for tackling global warming in May 2016, which aims to reduce 2013 levels of greenhouse gas emissions by 26% by the year 2030 and by 80% by the year 2050.

At the G20 Riyadh Summit held in a video conference format for two days on November 21st and 22nd, 2020

Prime Minister Yoshihide Suga reiterated his determination to achieve "carbon neutrality" by reducing greenhouse gas emissions by 46% by 2030 and virtually zero by 2050, making it an international commitment. Toda Kogyo Group has reviewed its existing goals and set new goals to achieve the following by 2033 compared to 2013.

We have therefore set the following targets to achieve by the year 2033 compared to 2013 levels.

| | |
|--|---------------|
| ① Energy consumption rate | 20% reduction |
| ② Renewable energy | 20% adoption |
| ③ Sales-based GHG emissions | 40% reduction |
| ④ CO ₂ emissions of transport and commuting | 30% reduction |

(3) Providing environmentally-harmonized products and technologies

The Japanese government has set a target for reducing greenhouse gas emissions by 80% of 2013 levels by the year 2050, and achieving this requires innovation in various industries and cross-industry cooperation.

Based on the motto of **"Fine Materials for the Future"** the TODA KOGYO Group shall contribute to the environment with the power of cutting-edge raw materials.

<Targets to achieve by 2033>

We shall conduct a three-level assessment ("excellent (environmentally harmonized)", "good (environmentally friendly)", and "acceptable (standard level)") of the products and technologies provided by the TODA KOGYO Group via an environmental-harmonization assessment sheet, and achieve a rating of "excellent (environmentally harmonized)" for 100% of our products and technologies by the year 2033.

(4) Forming a recycling-oriented society

Based on our obligations as a business as stipulated in the Basic Act on Establishing a Sound Material-Cycle Society, Act on the Promotion of Effective Utilization of Resources, and Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities, we implement the measures required in order to limit the raw materials, etc., that become waste, etc., due to our business activities.

When raw materials, etc., become a recycled material in a certain business activity, we shall proactively implement the required measures for ensuring their reuse. For materials that are not recycled, we shall bear responsibility for their appropriate disposal.

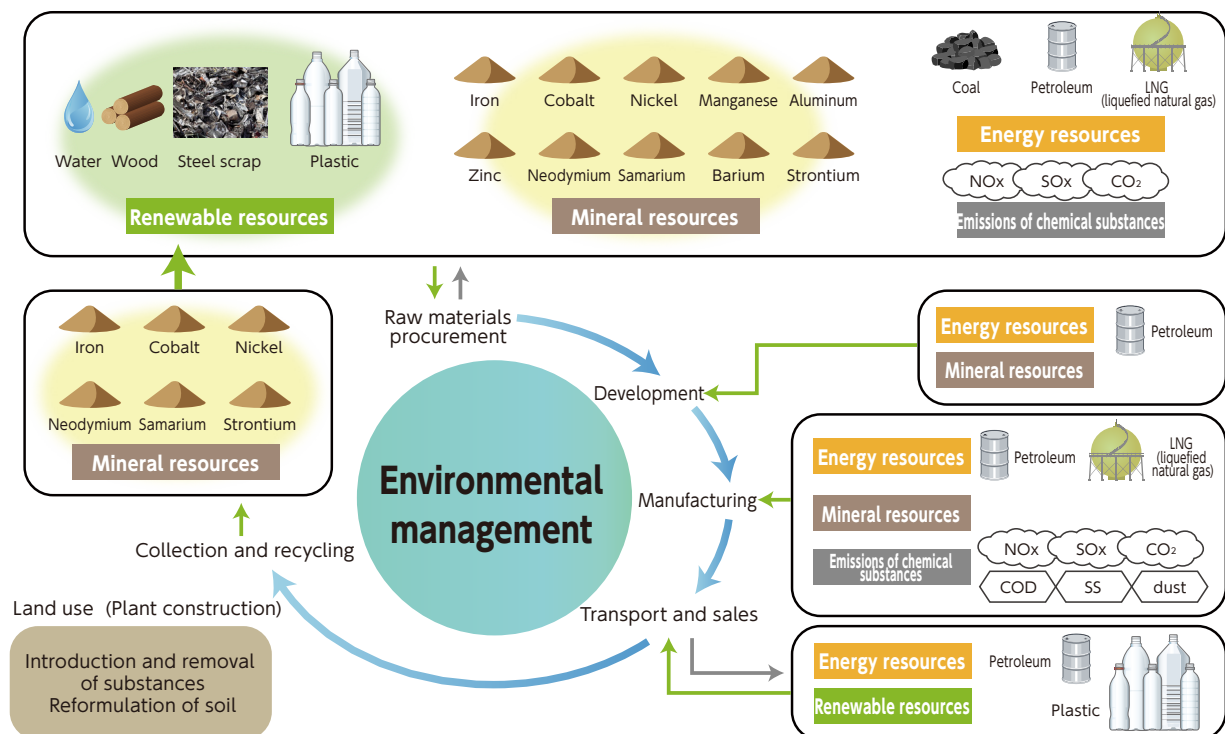
We shall strive to form a recycling-oriented society via efforts such as the use of recycled items and cooperate with national and local measures regarding the formation of a recycling-oriented society.

In order to form a recycling-oriented society, the TODA KOGYO Group comprehensively promotes initiatives for the 3Rs.

This involves the major themes indicated below.

- ① Reducing the use of rare metals
- ② Recycling used rare metals
- ③ Reusing industrial waste (such as scrap)
- ④ Green procurement

We shall strive to contribute to the environment and reduce our environmental impact in all stages (from cradle to grave), such as procurement of raw materials, product development, manufacturing, transport, sales, recycling, and disposal.



(5) Effectively utilizing industrial waste

We shall reduce the industrial waste produced at our sites and continue to promote reuse.
Our concrete target values are indicated below.

- ① Reducing industrial waste by 30% of fiscal year 2013 levels by the year 2033
- ② Achieving a reuse rate of 100%



Contact address : CSR, Environment Group (Tel +81-827-57-6129)

2021.6. vol.2