

Guidelines for Environmental Management

Introduction

Our society is placing an ever-increasing burden on the environment. This is causing many problems such as depletion of the resources we need to live, global warming, air and ocean pollution, and many others. We recognize the need to address these issues in an environmentally responsible manner.

We, too, must take responsibility for the global environment. Fulfilling our responsibility to protect the environment and conducting our business activities in an environmentally responsible manner is part of our corporate social responsibility and a necessary component of our ability to remain competitive.

These Environmental Management Guidelines serve as a guideline for our companies to conduct business activities in an environmentally responsible manner. By putting these guidelines into practice, we aim to reduce our environmental impact and contribute to the global environment.

Scope of Application

These Guidelines apply to Yamada Electric Ind. Co., Ltd. and its affiliated companies that make up the YAMADA Group.

Data disclosure and reporting methods

Each goal will be incorporated into quantitative management issues as our important KPIs, and data will be compiled and reported primarily in sustainability reports in accordance with the GRI Standards, an international reporting framework.

Reduction of greenhouse gas (GHG) emissions

1. Overview of GHG monitoring

We will monitor GHG emissions associated with our corporate activities from 2020 onward; we will use the GHG Protocol, an international standard, to calculate GHG emissions and will use the visualized results to disseminate information internally and externally.

2. Categories

In order to reduce GHG emissions throughout the supply chain, not only our own emissions but also those of our supply chain shall be included in the calculation. However, the following categories of GHG protocols are included in the scope of calculation for the purpose of calculating emissions that are an important factor for our business activities. In the future, we will strive to expand the scope of the GHG Protocol and improve its accuracy.

Scope1	Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.
Scope2	Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company.
Scope3 Category1	Procurement of raw materials, outsourced packaging, and supplies.
Scope3 Category4	Logistics for procurement, inter-organization transfer.
Scope3 Category9	Logistics for shipping.

3. Calculation corresponding to ISO requirements

In the calculation, procedures shall be established to meet the following requirements of ISO 14064 (Greenhouse Gas Emissions Management Standard) to ensure the accountability of the calculation results.

No	Title	Description	Our policy for initiatives
1	Adequacy	Must be in line with the objectives	Perform calculations in the required target organization and target category. Scope 1/2/3 Category 1/4/9 for Head Office and manufacturing sites major categories in the manufacturing industry as the starting point for initiatives.
2	Completeness	Must be calculated without omission.	Communicate the purpose of calculation to each data collection site and check Checking data collection and calculation methods by Administration Division
3	Consistency	Must be calculated using the same method.	Define an accountable calculation method in YAMADA Based on the defined calculation method, prepare an operational procedure including calculation procedures. Administration Division checks that monitoring is conducted in accordance with the operational procedures.
4	Accuracy	Must be as accurate as possible	Define the calculation method by including outside knowledge through analysis of collected data. Administration Division checks that monitoring is conducted in accordance with the operational procedures.
5	Transparency	Must be able to make decisions	Publicize the report in line with the message to stakeholders

With respect to completeness, efforts shall be made to ascertain the volume of activities within a realistic range at the time of calculation, and if the result is less than the overall volume, the calculation shall be made within that range after confirming that the volume is significant in the business. In such cases, the reason shall be explained, and if the decision is made at each site, it shall be reported to the Administration Division at the Head Office. In such cases, efforts shall be made to improve the accuracy in the future, and the scope of calculation shall be expanded systematically.

4. Calculation operation cycle

The amount of activity is collected at each base, and the activity is calculated based on the operational system, basically on a monthly cycle. However, if a different cycle is to be defined due to circumstances at the base, etc., permission shall be obtained from the Administration Division at the Head Office.

5. Assurance of data integrity

The person in charge of totaling the activity amount at each site should be prepared to submit evidence or data to prove the certainty of the value obtained in the calculation work at any time upon request of the management headquarters. (In addition, if a method other than that specified in the procedures is used for the calculation method, confirmation by the Administration Division is required.)

6. Tabulation and publication

Basically, the Company will compile the data on an annual basis and disclose it to stakeholders in an appropriate manner. However, in unavoidable circumstances, such as company circumstances, the information may be withheld from the public after explaining the reasons.

7. Year comparison analysis

The results of the calculations will be published by the Administration Division in accordance with the public disclosure criteria, with comparisons made over time from 2020 onwards. Comparative analysis will be performed by GHG protocol category and by customer to whom our products are delivered. The axis of analysis may be added or changed in the future according to changes in the external environment.

8. Reduction target

Based on the environmental policy, the goal is to achieve 40% reduction compared to 2020 levels by 2030, and net zero emissions by 2040. To achieve this goal, GHG emissions will be monitored, necessary reduction measures will be established based on comparative analysis, reduction simulations will be conducted, and the entire YAMADA Group will work together to achieve the goal.

Efficient use of the earth's resources

1. Material reduction and conversion to renewable materials

The following efforts will be made to save resources through business activities.

- Development of elements for weight reduction of products
- Promote the use of recycled materials

- Change coating materials (from metallic painting to metallic resin)
- Use of FSC certified paper for sustainable forest management
- Change packaging materials (from blister to paper box)

2. Promotion of plastic recycling

One of YAMADA's product characteristics that is particularly important for solving social issues is the reduction of plastic materials. The following efforts will be made to put this into practice.

- Reduce the amount of virgin plastic used.
- Promotion of conversion to recycled plastic

[Quantitative targets]

In order to achieve the above targets, each plant will achieve a recycling rate for purchased plastic resin materials.

(*)We will continue to promote activities to achieve a rate of more than 5% in Year2030.

(*)Percentage of plastic resin materials recycled = Volume of recycled plastic (t) / Volume of plastic resin materials purchased per year (t)

3. Effective use of water resources

In order to achieve responsible water use as a manufacturer, we will strive to reduce water stress in our manufacturing plants and conduct social contribution activities as an appreciation for the benefits of the local water environment. As part of our efforts, we will take the following actions. However, new capital investment will be made only after strategic decisions are made in consultation with the head office.

- Introduction of a clean ring system at the company's plants
- Introduction of water circulation system in our factories
- Participation in LOVE BLUE activities
- Cooperation with fishermen's associations to clean up fishing grounds

[Quantitative targets]

In order to achieve the above targets, each plant will continue work to reduce water intake (m3), waste water discharge (m3), and total water consumption (m3)by 20% or more in Year 2030 compared to Year 2020.

4. Conservation of forests and other resources

The following efforts will be made to conserve forests and other resources.

- Use of solar power generation to power the head office building
- Use of FSC certified paper

Waste minimization

We recognize that waste not only wastes resources but also increases GHG emissions from disposal and its distribution, placing a burden on the global environment, and we will strive to minimize such waste through proper management.

Proper management of chemical substances

As a manufacturer, we take responsibility for the chemical substances contained in or used in the manufacturing process of our products and comply with the laws and regulations of the countries with which we do business. In addition, we shall consider the environmental impact on the atmosphere, rivers, soil, etc. outside of our company, and appropriately manage them in accordance with the laws and regulations of each country. To this end, we will conduct monitoring as required by laws and regulations, and immediately report any abnormalities that are found.

Conclusion

By putting these guidelines into practice, our company will contribute to the protection of the environment and endeavor to preserve the global environment. Our company will make further efforts to realize a sustainable society that coexists with the global environment.