

Sustainability Strategy 01 | The value creation process

Societal trends surrounding the ENVIPRO Group

Long-term trends

GX

Green Transformation

Through advanced initiatives such as the transition to renewable energy that does not release greenhouse gases, green transformation will transform industrial structure and the socio-economy, realize a decarbonized society without stagnation of economic activities, and connect these to the further growth of companies and of society.

DX

Digital Transformation

Digital Transformation responds to drastic changes in society, makes use of data and digital technologies, and transforms products, services, and business models on the basis of the needs of customers and society, while also transforming organizations, processes, corporate culture, and business itself to establish competitive advantage.

Medium- and short-term trends

Environmental issues

Development of carbon neutrality + development of circular economy + Act on Promotion of Resource Circulation for Plastics
Rapid expansion of demand for green materials and rapid acceleration of the circular economy

01 Increased demand for ferrous scrap due to expansion of electric furnaces

Amid demands for decarbonization of the steel manufacturing process, expansion of electric furnaces that release 1/4 the CO₂ emissions of blast furnaces is planned, and demand for ferrous scrap is expected to increase.

02 Increased demand for nonferrous metals and minor metals in line with electrification

With the promotion of renewable energy and electrification, the recycling of mineral resources used in storage batteries and electrical appliances will become necessary.

03 Promotion of advanced resource recycling for waste plastics

Waste plastics, which are produced, consumed, and discarded in large quantities and have become a major social issue, face demands for reduction in use and for resource recycling.

Social issues

Post-COVID era (lifestyle & business style without face-to-face and personal contact) + US-China trade friction + shrinking working population

Identification of materiality

- 01 Production and supply of green materials in the supply chain
- 02 To promote GX and DX in all processes of business activities
- 03 To promote diverse work styles and accelerate automated operations and the reduction of the labor required

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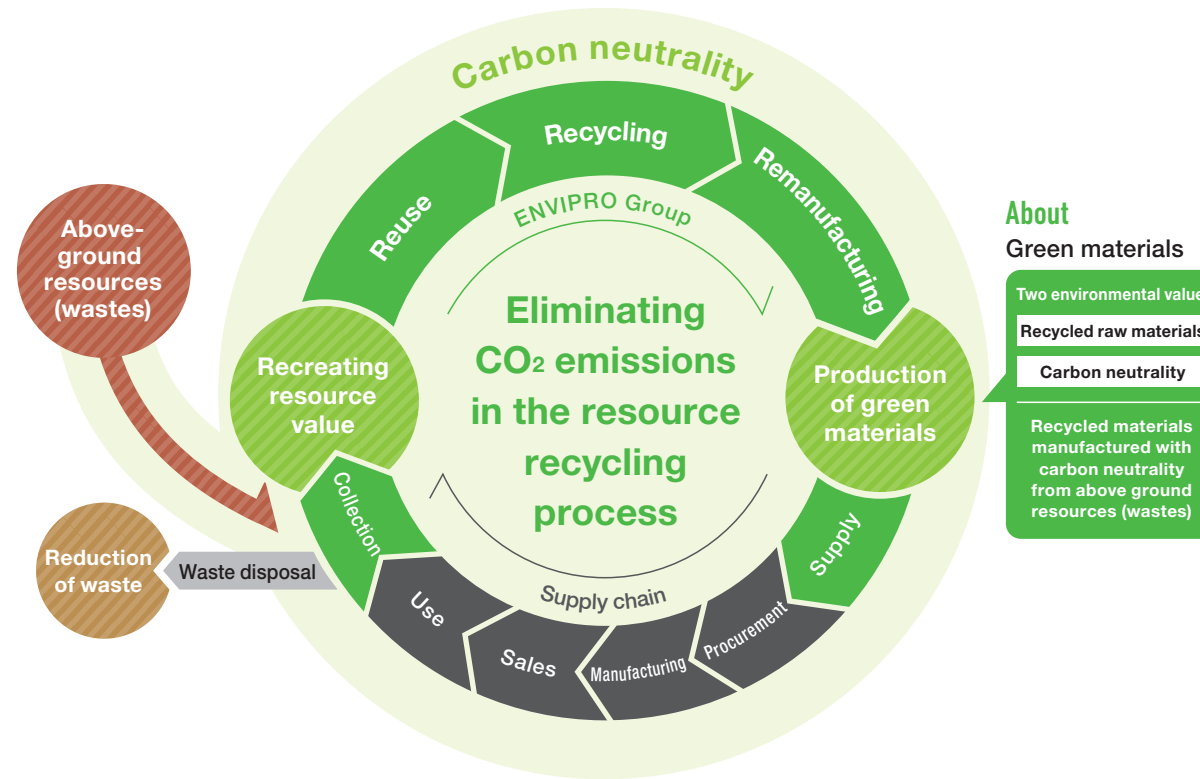
By building a circular economy model based on carbon neutrality, we seek to enhance economic, environmental, and social value.

The ENVIPRO Group circular economy model

The ENVIPRO Group Medium-Term Management Plan

Transformation into a manufacturer of materials derived from above ground resources through low-carbon processes (QCDC)

We aim to establish high-level manufacturing processes that reflect the elements of Quality, Cost, and Delivery date, along with Carbon neutrality.



The Foundation of the ENVIPRO Group

Corporate philosophy

- Technological capability
- Sales capability
- Distribution power
- Collection capability
- Inventiveness
- Productive capacity
- Trading force

Vision to be achieved through business activities

01 Economic value 02 Environmental value 03 Social value

Mission statement

Contribute to create a sustainable society

Sustainability Strategy 02 | Initiatives to achieve the SDGs

The ENVIPRO Group's approach to the SDGs

The ENVIPRO Group has identified SDGs that are consistent with the nature of our business and our mission statement of "contribute to create a sustainable society," around which we engage in activities to achieve the SDGs.

Making every effort with every partner

As actions aimed at achieving the SDGs, we will advance collaboration within the group, with companies in the supply chain, and with administrative agencies, local communities, and citizens.



● Partnerships

Through participation in corporate groups and international initiatives, we are expanding partnerships aimed at achieving a sustainable society.

- Japan Climate Leaders' Partnership (JCLP)
- RE100 ■ CDP^{*1} Scoring Partner
- Clean Ocean Material Alliance (CLOMA)

^{*1} CDP: An international initiative for the disclosure of information on climate change response

Contribution to the economy

- No Poverty
- Technological Innovation



1. By enhancing the efficiency and the profitability of business activities, including in the Resource Circulation Business, we aim to increase employees' income and improve their quality of life.



9. At the laboratories of ENVIPRO HOLDINGS Inc., we are working on the development of technology to recover the minor metals cobalt and nickel with high purity from waste lithium ion batteries through hydrometallurgy, and the enhancement of analysis accuracy, to contribute to the development of technology that will form the basis of a circular economy and a decarbonized society.

Contribution to society

- Health
- Education
- Gender
- Working Environment
- Equality
- Community Development



3. We prevent water and soil pollution and contamination by properly managing scrap materials at our plants, which comply with safety and environmental standards. We are also promoting new ways of working, including telecommuting and flextime, as measures to prevent the spread of COVID-19 and infection among employees.



4. We have set up a variety of training programs for improving employees' skills, including a business school for employees.



5. We have introduced systems for telecommuting and shortened working hours for permanent employees, and provide an environment that lets employees, including those raising children or performing family care, choose a working style that fits them best.



8. ENVIPRO HOLDINGS Inc. began recruiting new graduates in fiscal 2019. To build upon our ongoing practice of employment of the physically challenged we will offer worthy job opportunities for people of different backgrounds. We thoroughly implement measures to prevent work accidents at our plants to ensure the safety of our employees.



10. Under programs such as the pre-employment transition support program and the type B continuous employment support program, we provide support that enables people with disabilities to remain engaged in rewarding work.



11. Syn Eco Plaza Azumino contributes to community revitalization and the development of a sustainable cities and communities through recycling and the creation of employment, by collecting and recycling waste and discarded household items and by hiring people with disabilities at its plant.

Contribution to the environment

- Climate Change
- Life below Water
- Energy
- Consumption and Production



7. We joined the RE100² initiative in July 2018 and set a goal of shifting to 100% renewable energy by 2030 for the energy consumed in our business activities. In addition to switching to renewable energy for the electricity used in our plants, we are installing solar panels on factory roofs and otherwise introducing renewable energy power generation equipment. We are also setting up palm kernel shell (PKS) stockyards in Southeast Asia and are engaging in international distribution. We will contribute to the supply of sustainable biomass fuel by expanding our involvement in products such as wood pellets.

² RE100: A name for 100% renewable electricity. This global initiative brings together companies committed to procuring 100% renewable energy for use in business.



12. We contribute to the circulation of limited resources and the reduction of waste by engaging in the recycling business to extract precious metals from metal scrap and waste, and the remanufacturing business to produce recycled raw materials.



13. Under the goal we have set of achieving carbon neutrality by 2050, we will work to reduce CO₂ emissions from our business activities. We also contribute to the reduction of emissions across the supply chain through our mainstay recycling and remanufacturing businesses. In May 2019, we publicly endorsed the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will identify and evaluate opportunities and risks placed on our businesses by climate change, integrate these into our business strategies, and engage in appropriate information disclosure.



14. We contribute to the prevention of marine pollution stemming from plastics by developing technologies to sort waste plastics for recycling into pellets and by promoting the development of applications for recycled materials.