

Environment

# Promoting decarbonization and expanding renewable energy



## Carbon neutral by 2050 declared

In light of the Paris Agreement coming into force in 2016 and the ensuing global moves toward decarbonization, the Envipro Group has decided that it will achieve net zero GHG emissions from its entire businesses by 2050. In order to achieve our GHG emissions reduction target, we will promote efficient use and decarbonization of energy and enhance information disclosure and engagement, thereby realizing both decarbonization and circular economy through our business operations.



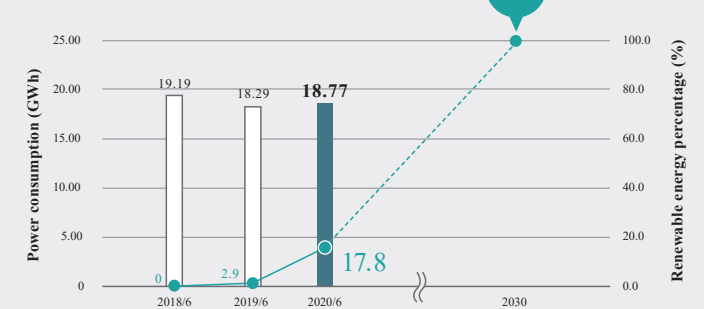
## RE100 target year moved up to 2030

The Group joined the "RE100\*" in July 2018. In October 2020, we moved up the target year of achieving RE100 to 2030. With the new target year in sight, we are introducing renewable energy at plants and offices of each company. In fiscal 2019, we installed solar panels on the roof of the manual dismantling plant of ECONECOL, Inc., and the captive power supply began in February 2020. In addition, the head office of Envipro Holdings Inc. switched its purchased power entirely to that of RE100 menu in May 2020. These efforts raised the share of renewable energy in fiscal 2019 to 17.8%, a significant increase from 2.9% in fiscal 2018.



\*RE100: a global initiative bringing together companies committed to attaining 100% renewable energy for the electricity consumed in their businesses.

Actual and target power consumption and renewable energy percentage



## Efforts toward acquisition of SBT

Given the aggravating adverse impacts of climate change, the goal of keeping the temperature rise to less than 1.5°C from the era of the Industrial Revolution is becoming the global standard. The Group has begun to compute its GHG emissions at the Scope 3 level for some of its operations, with a view to acquiring an SBT (Science-Based Targets) to achieve the 1.5°C target. Starting next fiscal year, we will work with suppliers and customers so that our Scope 3 emissions can be computed for all of our applicable operations.

\*For fiscal 2019 results, please see P. 29.

Environment | **Materials balance**

**INPUT**

Scrap and waste **720,800 tons**\*<sup>1</sup>

|                       |                                |                     |
|-----------------------|--------------------------------|---------------------|
| Resources processed   | Metal scrap                    | 142,100 tons        |
|                       | Mixed waste                    | 43,400 tons         |
|                       | Waste plastics                 | 900 tons            |
|                       | Scrap cars                     | 9,100 tons          |
|                       | Electronic waste               | 14,500 tons         |
|                       | Wood scrap                     | 2,600 tons          |
|                       | Wastepaper                     | 7,300 tons          |
|                       | Used clothes                   | 1,000 tons          |
|                       | Waste batteries                | 700 tons            |
|                       | <b>Subtotal</b>                | <b>221,600 tons</b> |
| Resources distributed | Ferrous scrap                  | 430,100 tons        |
|                       | Nonferrous metals              | 21,200 tons         |
|                       | Waste plastics                 | 1,100 tons          |
|                       | Wastepaper                     | 13,600 tons         |
|                       | Used clothes                   | 300 tons            |
|                       | Wood pellets/PKS               | 22,000 tons         |
|                       | Used cars/trucks               | 2,962               |
|                       | <b>Subtotal</b> * <sup>2</sup> | <b>488,300 tons</b> |
| Raw materials         | Raw materials for rubber chips | 11,000 tons         |

\*1 Sum of resources processed, resources distributed, and raw materials \*2 Excluding used cars/trucks

**OUTPUT**

Recycled raw materials, products, **726,600 tons**\*<sup>1</sup> and waste

|   |   |                     |
|---|---|---------------------|
| Resources processed                           | Ferrous metals                                    | 33,100 tons         |
|   | Nonferrous metals                                 | 11,700 tons         |
|   | Raw materials for plastics                        | 100 tons            |
|   | Raw materials for fuels                           | 29,200 tons         |
|   | Wood chips  | 1,500 tons          |
|   | Raw materials for paper                           | 6,900 tons          |
|   | Raw materials from used clothes                   | 700 tons            |
|   | Others  | 2,100 tons          |
|   | <b>Subtotal</b>                                   | <b>85,300 tons</b>  |
|   | Resources processed and distributed* <sup>2</sup> | Ferrous metals      |
| Resources distributed                         | Ferrous metals                                    | 436,100 tons        |
|   | Nonferrous metals                                 | 27,400 tons         |
|   | Raw materials for plastics                        | 1,900 tons          |
|   | Raw materials for fuel                            | 22,000 tons         |
|   | Raw materials for paper                           | 14,400 tons         |
|   | Used cars/trucks                                  | 3,231               |
|   | Used maintenance parts                            | 329 containers      |
|   | <b>Subtotal</b> * <sup>3</sup>                    | <b>501,900 tons</b> |
| Final products                                | Rubber chip-based products                        | 12,000 tons         |
| <b>Total (handling volume)</b> * <sup>4</sup> |   | <b>697,400 tons</b> |
| Recycling                                     | Material recycling                                | 6,800 tons          |
|   | Thermal recycling                                 | 12,000 tons         |
| Waste disposal                                | Simple incineration                               | 1,000 tons          |
|   | Landfill  | 9,400 tons          |

\*1 Sum of handling volume, recycling, and waste disposal \*2 Amount of resources processed which are distributed to overseas etc \*3 Excludes used cars/trucks and used maintenance parts \*4 Sum of resources processed, resources processed and distributed, resources distributed, and final products

**Energy / Water**

|             |                       |
|-------------|-----------------------|
| Fuels       | 62.8 TJ               |
| Electricity | 18.8 GWh              |
| Water       | 146,000m <sup>3</sup> |

**CO<sub>2</sub> emissions ( Scope1+2 ) 11,902 tons**

|        |            |
|--------|------------|
| Scope1 | 4,234 tons |
| Scope2 | 7,668 tons |

**CO<sub>2</sub> emissions ( Scope3 ) 92,000 tons**

|             |  |             |
|-------------|--|-------------|
| Category 4* | Upstream transportation and distribution | 92,000 tons |
|-------------|--|-------------|

\*Category 4 = (Logistics cost for procurement (million yen) + Logistics cost for transportation (million yen) x Emissions per unit (t-CO<sub>2</sub> / million yen)

**Resource recovery rate**

**94.6%**

\*Resource recovery rate = (Resources processed +Resources processed and distributed from OUTPUT) / (Resources processed + Resources processed and distributed + Simple incineration + Landfill from OUTPUT) x 100