

Environmental management

Environmental Vision

ISEKI Group will aim for the creation of a sustainable society by 2050, including carbon neutrality through "providing innovative products and higher quality of services to the customers."

Basic Environmental Policy

ISEKI Group promotes environmental activities that contribute to achieving harmony among nature, society and corporations with the aim of creating a sustainable society.

- 1 Maintain environmental management system and its functional applications
- 2 Promote dissemination of business activities and products and services to achieve carbon neutrality
- 3 Comply with environmental laws, regulations, and standards
- 4 Conduct environmental education and information disclosure

System for promoting environmental management

The Environmental Management Working Group (WG) promotes the Basic Environmental Policy throughout the Group, aiming to realize our Environmental Vision by managing progress toward our mid- to long-term environmental targets through compilation of activity results for each office, and by discussing measures related to the Task Force on Climate-related Financial Disclosures (TCFD) (P62). Matters discussed by the Working Group are reported to and deliberated by the ESG Committee (P53).



*EMS: Environmental management systems such as ISO14001 and EcoAction 21

Mid- to long-term environmental targets



Reduction of CO₂ emissions (Scope 1 & 2)



Eco-product ratio in domestic sales



*Entire ISEKI Group: Consolidated business bases of ISEKI Group in Japan and overseas

*Global production bases: ISEKI-Matsuyama MFG. Co., Ltd., ISEKI-Kumamoto MFG. Co., Ltd., ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd., PT, ISEKI INDONESIA

*The CO₂ emission factor changes every year based on the power source composition ratios of the individual electricity companies. (Emission factors for each electricity company [Ministry of the Environment] were used as a reference.)

*Please refer to the Company's website for information about the eco-product certification system

Major activity results in promoting environmental management

	Mid-term environmental targets (per net sales)	FY2023 Targets and result evaluation			
		Targets	Results	Evaluation	
Development of recycling-oriented society	Standard compared with FY2013	Reduction of volume of water used	(43)%	(53)%	○
		Reduction of final volume of waste	(64)%	(69)%	○
Manufacturing resources	Four manufacturing bases in Japan	Reduction of total material input	(17)%	(34)%	○
		Reduction of used volume of chemical substances subject to PRTR law*	(36)%	(45)%	○

*The system and law under which the national government compiles data about the release and transfer of chemical substances and makes the results publicly available each year

Revision of FY2030 targets

In light of the situation in which results have reached or are about to reach the targets as well as legal amendments, we have revised the targets.

Changes

- Volume of water used: The base year has been shifted due to expansion of the range of sites subject to monitoring to include global production bases.
- Final volume of waste and total material input: The targets have been raised for us to pursue further reductions.
- Used volume of chemical substances subject to PRTR law: The target is under review since substances subject to the law have increased due to legal amendments.

Mid- to long-term environmental targets (per net sales)	Scope	Standard	FY2030 Targets
Reduction of volume of water used	Global production bases	Compared with FY2014	(41)%
Reduction of final volume of waste	Four manufacturing bases in Japan	Compared with FY2013	(71)%
Reduction of total material input			(35)%
Reduction of used volume of chemical substances subject to PRTR law		Compared with FY2023	Under review

*Four manufacturing bases in Japan: ISEKI-Matsuyama MFG. Co., Ltd., ISEKI-Kumamoto MFG. Co., Ltd., ISEKI-Niigata MFG. Co., Ltd., ISEKI-Shigenobu MFG. Co., Ltd.

*Please refer to the Company's website for the historical results of environmental burden reduction by base.

*The FY2023 figures of used volume of chemical substances subject to PRTR law were calculated on substances that had been subject to control before the legal amendments.

TOPIC

Reduction of CO₂ emissions through switching to LNG fuel and introduction of cogeneration system

In September 2023, the fuels used for boilers and drying furnaces at ISEKI-Matsuyama MFG. Co., Ltd. were switched from the heavy oil and butane gas to liquefied natural gas (LNG), which emits limited CO₂. ISEKI-Matsuyama MFG. renewed the equipment to LNG boilers and built a cogeneration system to utilize waste heat produced by a gas engine power generation facility that runs on LNG. This initiative is expected to enable ISEKI to reduce its annual CO₂ emissions by approx. 1,400 tons. We plan to eventually switch the fuel for the equipment from LNG to carbon neutral methane (synthetic methane).



Initiatives for preservation of biodiversity

Agriculture is closely linked to the natural benefits (ecological services) produced by biodiversity. ISEKI Group has set down guidelines and strives to ensure that due consideration is paid to biodiversity in its business activities.

[Biodiversity Guidelines](https://www.iseki.co.jp/sustainability/environment/conservation/) <https://www.iseki.co.jp/sustainability/environment/conservation/> (in Japanese)

Case study: Alleviation of burden on soil and water by reducing the use of herbicides

As one initiative for sustainable agriculture, ISEKI Group is working to promote and expand environmentally sound agriculture including organic farming. The Aigamo-Robo weeding robot (for details, please refer to P38) suppresses the development and growth of weeds. This promises to reduce the use of herbicides, alleviating the burden on soil and water (i.e., contamination), thereby preserving ecological services.



Aigamo-Robo, an automatic weeding robot

Evaluation by third parties (DBJ Environmental Rating)

In March 2024, ISEKI received the highest rating as one of the "Companies doing environment-friendly business activities progressively," 18 times in a row, by the Development Bank of Japan Inc., in receiving loans under the DBJ Environmentally Rated Loan Program.

Highly evaluated points

- 1 ISEKI is performing environmental management throughout the Group including Group companies and supply chains.
- 2 ISEKI is committing itself to contributing to the environment through the widespread dissemination of products certified as eco-products.
- 3 ISEKI is promoting initiatives aimed at solving agriculture-related issues through its business from a mid- to long-term perspective.

