

Kenji Kose  
Chairman and Representative Director, Tsubakimoto Chain Co.

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To: Akihiro Nishimura, Minister of the Environment



## Eco-First Commitment

The efforts of an environmentally-conscious company towards protecting the global environment

The Tsubaki Group recognizes that environmental conservation is one of the most important issues shared by humankind, and seriously considers the environment in all aspects of its global business activities and contributes to the “development of a sustainable society” by generating environmental value and economic value through manufacturing.

### 1. To combat climate change, the Company will strive to reduce CO<sub>2</sub> emissions across the entire supply chain to achieve carbon neutrality.

- ◆ In pursuit of achieving net-zero emissions by FY 2050, the Company is targeting a 46% reduction in total Scope 1+2 CO<sub>2</sub> emissions from the FY 2013 level at its Japanese sites by FY 2030. At its overseas sites, the target is a reduction of at least 30% from the FY 2018 level. The Company aims to reach these goals by implementing initiatives such as using more solar-based in-house power generation, actively adopting renewable energy, and switching to energy-saving equipment and production.
- ◆ The Company endorses the TCFD and uses elements of its recommended disclosure framework, such as the Climate-Related Risks and Opportunities, to extract, assess, and analyze scenarios for its risks and opportunities. The climate action measures identified are integrated into the Company's business strategies.
- ◆ The Company has acquired SBT certification and established Scope 3 CO<sub>2</sub> emissions reduction targets. It also proactively works to identify and minimize greenhouse gas emissions across the entire supply chain, based on scientific evidence. All relevant information resulting from these activities is disclosed.

### 2. The company actively promotes the development of a circular economy by utilizing resources in a sustainable manner and implementing effective reuse and recycling practices.

- ◆ We are committed to managing and reducing the total emissions of all waste generated in our manufacturing processes and office spaces by adopting the principles of the Three Rs: Reduce, Reuse, and Recycle. Our goal is to achieve a recycling rate of at least 99%, thereby contributing to the creation of a circular economy. Here are some specific examples of our initiatives:
  - We promote waste reduction by reusing scraps punched out of pressed metal products as materials for cast products. In addition, we incorporate recycled materials in the production of our plastic products.
  - Each of our office workers is encouraged to set and work towards their own personal environmental targets. We strive to minimize our impact on the environment by sorting trash, reducing paper usage, and utilizing scrap paper whenever possible.

### 3. We strive to prevent air and water pollution through all available means.

- ◆ The Group takes a proactive approach to preventing air and water pollution, implementing thorough measures and conducting regular monitoring and measurement to comply with ISO 14001 regulations. Monthly analysis of final outlet water quality at our sites is also conducted to ensure water quality is maintained.

### 4. We promote eco-products for creating an Earth-friendly society.

- ◆ Developing and promoting eco-products for environmental and economic value: Our focus is on creating eco-products that promote carbon neutrality and the circular economy, providing both environmental benefits and economic value.
- ◆ Quantitative assessment and communication of CO<sub>2</sub> reduction effectiveness: We assess the effectiveness of our CO<sub>2</sub> reduction initiatives and provide customers with proactive and quantitative information on the amount of CO<sub>2</sub> emissions reduced.
- ◆ Increased durability of automobile engines: Our enhanced timing chain systems installed in automobile engines contribute to the long-term use of automobiles, reducing waste and promoting sustainability.

### 5. We established our "Environmental Philosophy" and "Basic Environmental Policy" to promote environmentally conscious management and contribute to the development of a sustainable society.

- ◆ We promote environmental improvements through our "Eco-Factory Certification System" and implement company-wide efforts towards sustainable management.

Tsubakimoto Chain Co. reports progress on the above initiatives to the Ministry of Environment, and regularly discloses it on our website and in our Integrated Report.