Environment

Environmental Management

Basic Approach and Policy

Guided by our Environmental Policy, we will comply with environmental laws and regulations, and build, maintain, and continuously improve our environmental management system.

In addition to ensuring safety when developing products, we will strive to minimize their impact on the environment by reducing environmentally hazardous substances and conserving resources and energy. Various environmental regulations have been put in place to ensure our society is sustainable. This has prompted Unipres to set out the fundamental thinking behind all its activities in the form of its Environmental Policy, which forms the basis for our efforts to preserve the environment.

<Environmental Policy>

Based on our management philosophy of "Perfecting Machine Press Technologies: Going a Step Beyond," Unipres contributes to global environmental preservation from an international perspective by constantly striving to create new functions and value. To pass down a beautiful and rich earth to the next generation, Unipres takes the following action to create societies that enjoy sustainable development:

- 1. We comply with environmental laws and regulations as well as other requirements to which our company agrees, and we work to protect the environment.
- 2. We endeavor to curb greenhouse gas emissions by bringing together materials, dies, equipment, and products on an entirely new plane.
- 3. We strive to prevent pollution of the air, water, and soil by reducing and limiting our use of environmentally hazardous substances (including harmful chemicals).
- 4. We endeavor to curb our use of mineral and water resources and our production of waste by conserving energy and resources, as well as reusing and recycling.
- 5. We collaborate with local communities and society at large to help preserve biodiversity and ecosystems.
- 6. We seek to maintain and upgrade our environmental management system by making ongoing improvements.

Corporate Profile

Promotion System

The Sustainability Committee, under the supervision of the Board of Directors, discusses and determines environmental policies, targets, and action plans, including climate change countermeasures, and the Environment Committee, established under the Sustainability Committee, promotes initiatives and regularly conducts quarterly progress checks.

The Environment Committee, consisting of the executive officers and environmental managers of each district, meets four times a year. The Committee is chaired by the Executive Officer in charge of general affairs.

In addition, we have established the Carbon Neutral Working Group and the ISO 14001 Working Group under the Environment Committee. The Carbon Neutral Working Group grasps the actual situation within the company, examines energy conversion, and studies initiatives to reduce CO₂ emissions, in order to achieve carbon neutrality. The ISO 14001 Working Group promotes efforts to maintain and operate environmental management systems and to resolve environmental issues.



Since 2004 the Unipres Group has been working to earn certifications under the ISO 14001 international standards for environmental management systems. We are operating our environmental management system and pursuing measures to reduce the impact on the environment of our corporate activities.

<FY2021: ISO 14001 Certification Status>

Of all the business sites of the Unipres Group, 81.0% are certified.

* Based on the number of production sites (Domestic100% Overseas63.6%)

| Donnebe | |
|----------|--|
| omestic | Head Office I Head Office I Unipres R & D Co., Ltd. Fuji Office Fuji Plant (Fuji) Fuji Plant (Fujinomiya) Sagami Office Tool & Die Plant Tochigi Plant (Moka) Tochigi Plant (Oyama) Unipres Kyushu Corporation |
| | Unipres Mold Corporation Unipres Precision Corporation |
|)verseas | Unipres Southeast U.S.A., Inc. Unipres Mexicana, S.A. de C.V. Unipres (UK) Limited Unipres (China) Corporation Unipres Guangzhou Corporation Unipres Zhengzhou Corporation Unipres PrecisionGuangzhou Corporation Unipres India Private Limited |



Corporate Profile

Climate Change Countermeasures

Top Message

Basic Approach

The Unipres Group recognizes and supports the importance of the "The Paris Agreement" and various other agreements on global warming countermeasures. We support the Japanese government's move toward decarbonization, and we comply with the country's climate change-related laws and regulations, such as Act on the Rational Use of Energy and the Law Concerning the Promotion of Measures to Cope with Global Warming, and submit annual reports to the government on our energy consumption, progress in achieving energy conservation targets, and greenhouse gas emissions. And, in June 2021, Unipres expressed its support for the Task Force on Climate-Related Financial Disclosures (TCFD). We are part of Japan Climate Initiative (JCI), which is a broad network of companies and organizations actively working to stop climate change. We also set targets for reductions in greenhouse gases, using as a reference the Environmental Voluntary Action Plan provided by the Japan Auto Parts Industries Association(JAPIA), an industry group to which we belong. Now, We are making efforts to collect information by answering a questionnaire on our company's

efforts toward carbon neutrality by JAPIA, and actively participating in seminars on carbon neutrality.

Environment

Supplementary

Materials

The Unipres Group has identified "climate change countermeasures" as one of its material issues and is working throughout the Group to mitigate the effects of climate change by reducing greenhouse gas emissions, which are considered the main cause of climate change. Specifically, we will introduce high-efficiency equipment, review production methods, and introduce renewable energy. If the position of an industry association is significantly more retardant than or inconsistent with our Group's environmental policy or carbon neutrality goals, we will talk to the association and, in the unlikely event of a discrepancy, will give priority to our own position.

☆Online link: -<u>Supporters list of TCFD</u>

Governance

-Japan Climate Initiative (JCI) -The Environmental Voluntary Action Plan provided by the Japan Auto Parts Industries Association (in Japanese)

Response to TCFD Recommendations

Unipres has expressed its support for the TCFD and issued a TCFD report in June 2022 summarizing the disclosure items recommended by the TCFD.

Social

By promoting information disclosure based on the TCFD recommendations, we will build a sustainable management foundation including a trust relationship with stakeholders. Colline link: <u>TCFD Report</u>





| Corporate Profile | Top Message | Supplementary Materials | Environment | Social | Governance | Supplementary Materials |
|-------------------|-------------|----------------------------|-------------|--------|------------|----------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

Targets and Results

| Targets and | Results | | (√: Achieved | \triangle : Almost/partially achieved X: Not achieved) |
|--|--|-------------------------------------|-------------------------|--|
| Medium- and Long- term Targets | FY2021 Targets | Results | Level of Achievement | FY2022 Targets |
| 30% reduction in CO ₂ emissions from our business activities in FY2030 (relative to FY2018) | 11% reduction in CO ₂ emissions (relative to FY2010) [Unipres Corporation/Unipres R & D Co., Ltd./ Unipres Kyushu Corporation] *Scope1•2 | ▲22% | 1 | 10% reduction in CO2 emissions (relative to FY2018) [Global] |
| | Ratio of green purchases : 41.6% or more [Unipres Corporation] | 30.7% | Х | Ratio of green purchases:41.6% or more [Unipres Corporation] |
| | Reduction of 24.3t- CO ₂ or more in distribution [Unipres Corporation/Unipres R & D Co., Ltd./ Unipres Kyushu Corporation/Unipres Mold Corporation/Unipres Precision Corporation] | ▲66.7t-CO ₂ | √ | Reduction of 82.4t- CO ₂ or more in distribution [Unipres Corporation/Unipres R & D Co., Ltd./ Unipres Kyushu Corporation/Unipres Mold Corporation/Unipres Precision Corporation] |
| | Preparation of disclosure in accordance with the TCFD-recommended disclosure items | Implemented scenario analysis | \checkmark | _ |

<Setting goals to achieve carbon neutrality>

The Unipres Group has set new CO₂ emission reduction targets to achieve carbon neutrality.



Performance reporting and initiatives

Production Efforts

<Energy Usage>

[Global Energy Use]

Our energy use across the globe in FY2021 increased 9.8 percent from FY2020. The main reason for the increase is the addition of Unipres Wuhan to the scope of tabulation.



| | | | | | | Unit [MWh] |
|----|--------------------------|---------|---------|---------|---------|------------|
| | | FY2017 | FY 2018 | FY 2019 | FY 2020 | FY2021 |
| To | tal use | 398,703 | 431,682 | 303,287 | 298,328 | 327,583 |
| | Purchased electricity | 272,512 | 297,469 | 234,999 | 206,583 | 190,804 |
| | Thermal | 485 | 485 | 592 | 608 | 594 |
| | Fuel | 125,706 | 133,728 | 67,696 | 91,137 | 136,185 |

*The system boundary corresponds to Unipres and its consolidated subsidiaries in Japan and overseas.

Please note that Unipres North America is excluded.

*Unipres (Thailand) and Unipres Wuhan were added to the scope of tabulation in FY2021.

<Greenhouse Gas Emissions>

[Global Greenhouse Gas Emissions]

Social

Our greenhouse gas emissions across the globe in FY2021 dropped 5.4 percent from FY2020. The main reason for the decrease is lower capacity utilization due to a shortage of semiconductors.



| | Global Warming Potential | FY2017 | FY 2018 | FY 2019 | FY 2020 | FY2021 | |
|--------------------------------------|--------------------------------|---------|---------|---------|---------|---------|--|
| Total emissions | - | 184,464 | 198,178 | 148,723 | 122,278 | 115,645 | |
| Carbon dioxide (CO ₂) | 1 | 184,369 | 198,138 | 148,705 | 122,256 | 115,566 | |
| Methane (CH ₄) | 25 | 20 | 27 | 12 | 14 | 32 | |
| Nitrous oxide (N ₂ O) | 298 | 75 | 13 | 6 | 8 | 47 | |
| PFCs | - | - | - | - | - | - | |
| SF6 | - | - | - | - | - | - | |

*The system boundary corresponds to Unipres and its consolidated subsidiaries in Japan and overseas.

Please note that Unipres North America is excluded.

*Unipres (Thailand) and Unipres Wuhan were added to the scope of tabulation in FY2021. *PFCs and SF6 are not emitted from Unipres' operations.

[Direct Greenhouse Gas Emissions (Scope 1)]

| Unit [t-C | | | | | | |
|-----------|---|--------|--------|--------|--------|--------|
| | | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Ene | rgy-derived CO2 | 29,289 | 29,302 | 14,394 | 21,770 | 29,943 |
| Oth | ner GHGs | 95 | 40 | 18 | 22 | 79 |
| | Methane (CH ₄) | 20 | 27 | 12 | 14 | 32 |
| | Dinitrogen monoxide (N ₂ O) | 75 | 13 | 6 | 8 | 47 |

*The system boundary corresponds to Unipres and its consolidated subsidiaries in Japan and overseas.

Please note that Unipres North America is excluded.

[Indirect Greenhouse Gas Emissions (Scope 2)]

| | | | | | Unit [t-CO ₂] |
|-----------------------------------|---------|---------|---------|---------|---------------------------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Energy-derived CO ₂ | 155,079 | 168,836 | 134,311 | 100,486 | 85,623 |

*The system boundary corresponds to Unipres and its consolidated subsidiaries in Japan and overseas.

Please note that Unipres North America is excluded.

[Indirect Greenhouse Gas Emissions in the supply chain (Scope 3)]

| Unit [t-CO ₂] | | | | | |
|--|---|-----------|--|--|--|
| | boundary | FY2021 | | | |
| Category 1 (Purchased product) | Unipres Corporation, Unipres R & D Co., Ltd. Unipres U.S.A., Inc., Unipres Southeast U.S.A., Inc., Unipres Alabama, Inc., Unipres Mexicana, S.A. de C.V., Unipres (UK) Limited, | 1,611,005 | | | |
| Category 2 (Capital goods) | Unipres Guangzhou Corporation, Unipres Zhengzhou Corporation, Unipres Precision Guangzhou Corporation, Unipres India Private Limited, PT. Unipres Indnesia UM Corporation, SAS, Unipres Wuhan Corporation | 63,996 | | | |
| Category 4 (Outsourced logistics) | Unipres Corporation, Unipres R & D Co., Ltd. Unipres Kyushu Corporation | 2,061 | | | |
| Category 5 (Waste) | Unipres Corporation, Unipres R & D Co., Ltd. Unipres Kyushu Corporation | 741 | | | |
| Category 6 (Employees' business trips) | Unipres Corporation, Unipres R & D Co., Ltd. | 3,123 | | | |
| Category 7 (Employees' commuting) | Unipres Corporation, Unipres R & D Co., Ltd. | 719 | | | |

*Calculations in scope 3 are based on the Emissions Unit Database for Calculating an Organization's Greenhouse Gas Emissions Throughout the Supply Chain (ver. 3.2) issued by the Ministry of the Environment.

-- -

Corporate Profile

<Energy Conservation Activities>

Introduction of energy-efficient transformers

Top Message

We install transformers with less energy losses when we need a new transformer or replace an old one in an effort to save energy. Currently, our Tochigi Plant in Mooka and Fuji Plant in Fujinomiya have these energy-efficient transformers.

◆Use of a gas heat pump for air conditioning

Our Tochigi Plant in Mooka has replaced its boiler for indoor heating with a gas heat pump (GHP) that uses municipal gas.

Since the GHP is designed to recover exhaust heat, which was conventionally discarded, we hope that the use of it will help us save more energy.

Introduction of cogeneration system

The Sagami Office introduced a cogeneration system using city gas as fuel. By switching from a conventional heavy-oil-fired hot-air boiler, it has become possible to recover exhaust heat and achieve an energy reduction of about 14%. In addition, as the system uses city gas as a fuel, which is

considered to be disaster-tolerant, we can expect early recovery from damage caused by an earthquake or other disturbance.

Switching to high-efficiency lighting

Social

In order to promote CO2 emissions reduction through energy conservation, we are switching to high-efficiency lighting in our offices and plants. By FY2018 we had replaced all ceiling lights at our plants in Oyama, Moka,

Oppama, Sagami, Fuji, and Fujinomiya with LED lighting. As a result we succeeded in reducing electricity use by up to one fourth while providing better illumination.

Governance

Introducing Leaf, the company-owned electric vehicle

Unipres has been working to reduce emissions of exhaust gas arising from burning gasoline and CO₂ by introducing an electric vehicle, the Nissan Leaf. We manufacture components such as car body structural parts, battery cases and plastic undercovers for the Nissan Leaf, and contribute to the improvement

of automobile fuel efficiency through the creation of lightweight products and the promotion of zero-emission vehicles.







<Introducing Renewable Energy>

As part of our strategy to reduce emissions of greenhouse gases, we are introducing photovoltaic power generation. Having installed photovoltaic power systems at in Japan, our Fuji Office, our Fuji plants in Fuji and Fujinomiya, and our Tochigi plants in Oyama and Moka, and overseas in Mexico and the United Kingdom in 2020, we are now generating electricity. At our Tochigi Plant (in Moka) for example, we are able to supply almost all the energy used in the administrative building. The generated electricity is also used to charge the Company's Leaf







Unipres Mexicana, S.A. de C.V.

electric vehicles and as an emergency power supply during power cuts. In FY2021, Unipres as a whole generated 188,667 kWh of electricity, all of which was used within the Company. This resulted in an annual reduction in use of fossil fuel (crude oil) of approximately 49 kl, as a consequence of which annual CO₂ emissions were cut by some 88 tons. This is equivalent to the amount of CO₂ absorbed by 6,285 cedar trees in a year.*

*Calculation was based on the assumption that the amount of CO_2 absorbed by one cedar tree was approximately 14 kg per year

(Estimated from Measures to Promote Forest Carbon Sinks to Prevent Global Warming by the Ministry of the Environment and Forestry Agency)

[Volumes of Electricity Generated by Photovoltaic Systems and CO₂ Reductions]



Tochigi plant (Oyama) and Tochigi plant (Moka).

22

Social

Distribution Efforts

< Reduction of Greenhouse Gas (CO₂)

Emissions during Distribution>

As our volume of consigned freight transportation amounts to less than 30 million ton-kilometers annually, Unipres does not qualify as a specified consigner as defined under the Act on the Rational Use of Energy, and is therefore exempt from submitting notifications under that act or other laws and regulations. Nonetheless, we draw up plans for cutting CO₂ emissions during distribution and strive to achieve reductions.

In FY2021 we succeeded in meeting our voluntary targets for the year as a result of implementing measures such as a modal shift.

[Distribution Volumes and Distribution-Derived Greenhouse Gas (CO₂) Emissions]



<CO2 Reduction via Modal Shift>

We have switched from truck-based transportation to rail freight and ferry transportation to mitigate impact on the environment through reduction of CO₂ emissions, and through other means such as alleviating traffic congestion to prevent air pollution.

According to Japan's Ministry of Land, Infrastructure, Transport and Tourism, CO₂ emissions per transportation unit are about one-thirteenth for rail freight and one-fifth* for ferry transportation compared to commercial trucks.



Unipres' rail freight and ferry transportation in FY2021 amounted to 4,250,000 ton-kilometers. If one compares the resulting emissions with emissions for equivalent transportation by truck, it appears that the modal shift resulted in a CO_2 emissions reduction of approximately 454 tons.

Supplementary

Materials

* CO₂ emission per transportation unit is the volume of CO₂ emitted when transporting 1 ton of freight 1 kilometer. The ratio refers to relative emission volumes in FY2019.

<Reduction of CO₂ Emissions through Improvements in Distribution>

We have been working on distribution-related energy conservation measures by setting a CO₂ emissions reduction target each fiscal year. Measures we took in FY2021 included increasing the container filling rate, and as a result we exceeded our CO₂ reduction target by 274%.

[CO₂ Emissions Reduction in FY2021]

| CO ₂ reduction target | CO ₂ reduction achieved | Rate of achievement |
|----------------------------------|------------------------------------|------------------------|
| 24.3t-CO₂ | 66.7t-CO ₂ | 274% |

Green Product Development



Overview of Technological Development

The Unipres Group combines its basic technologies relating to equipment such as dies, jigs, and tools with core technologies comprising car body pressing, precision pressing, and plastic pressing to develop and manufacture products with an emphasis on safety and the environment. The Group's Medium-Term Management Policy is "Promote UPS activities and enhance our profitability and competitiveness to be the No. 1 global company," and in accordance with this policy, the Group is pushing ahead with deepening its core domain centering on press technologies, as well as tackling new domains including innovative methods and products. On the R&D front, the Japan-based Unipres R & D Co., Ltd. is spearheading the development of new technologies and new products, as well as conducting joint research with automotive and steel manufacturers, and universities.



In addition, given that regulations on collision safety and fuel efficiency have become stricter and electrification has been rapidly progressing in recent years, we work on technological development for even lighter parts and vehicles using ultra-high-tensile and hot stamping materials, and on new product development using other materials. We have also begun to work on technological innovation in production through automation coupled with DX, aiming to become one of the industry's most competitive companies.

At the end of FY2021, personnel involved in R&D numbered 733, and R&D expenditure for FY2021 amounted to 6.4 billion yen. Meanwhile, industrial property rights held by the Unipres Group as a whole at the end of FY2021 numbered 62.

<Main R&D Challenges in FY2021>

- •Development of 1.5 GPa class super high tensile parts
- •Development of hot stamping parts
- •Development of transmission parts for future expansion of electrification
- •Development of high-performance plastic parts
- Production technology innovation through DX

| Corporate Prof | ile Top Message | Supplementary Materials | Environment | Socia | I (| Governance | Supplementary Materials |
|---------------------------------------|--|---|--|--|---|---|--|
| Tary Car body parts business | gets and Results Medium- and Long-term Targets Development of lighter parts and adoption of the parts for mass-produced vehicles | FY2021 [Development plan (1) Expanded applic class cold presse (2) Commercialization hot stamping par (3) Commercialization hot stamping state technology | Targets progress rate: 100%] ation of 1.5 GPa ed parts on of 1.8 GPa class irts on of parts that use rength segregation | (√: Achie Results (1)85% (2)100% (3)100% | eved ∆: Almos Level of Achievement ∆ | t/partially achiev FY20 [Developmen (1) (2)100%,(3 (1) Expanded GPa class (2) Commerci class hot s (3) Commerci that use h strength s | ved X: Not achieved D22 Targets t plan progress rate: 050%] application of 1.5 cold pressed parts alization of 1.8 GPa tamping parts alization of parts ot stamping egregation |
| Transmission parts business | Development of parts for electric cars and adoption of the parts for mass-produced vehicles | [Development plan Develop transmissic cars | progress rate: 100%] on parts for electric | 85% | Δ | [Developmen 90%] Develop trans electric cars | y t plan progress rate: smission parts for |

Initiatives

Development and Design Efforts

Unipres has contributed to weight reduction, improved fuel efficiency, and enhanced safety by improving car body press, precision press, and plastic press technologies thanks to our base technologies relating to materials, molds, equipment, and quality assurance.



Development Example 1

Development of Tailored Blank Technology Using Ultra-High-Tensile TRIP Steel

Unipres has successfully developed tailored blank technology using ultra-high-tensile TRIP steel. Tailored blanks are made by connecting blanks of different materials by laser welding before press forming. In the center pillar of Nissan Motor's new Xtrail model ordered in China, a high-strength, highly formable material (1.2 GPa class TRIP steel) is used for the upper part, and 980 MPa class material is used for the lower part to provide a shock-absorbing capability. Tailored blanks made of different ultra-high tensile strength materials require extremely advanced technology. This technology has made it possible to produce parts with different material properties in different portions, and has also led to cost reductions.

☆Online link: <u>High tensile strength steel forming technology</u>



[TRIP steel]

A high-strength, high-formability material characterized by the martensitic transformation of residual austenite dispersed in the matrix during press forming [Tailored blank method]

A method in which materials of different strengths and thicknesses are laser-welded or otherwise made into a single blank sheet and then pressed. It has the advantage of weight reduction and material cost reduction.

Development Example 2

Social

Development of Lightweight Clutch Pack

Unipres has developed a lightweight clutch pack for continuously variable transmissions (CVTs). The illustration in the center below shows a clutch pack, the outermost part of which is called the drum. In developing the drum, we were able to make it thinner and eliminate the rotor sensor by establishing a high-precision tooth profile forming technology using molding analysis. This has resulted in an 18% weight reduction and a 13% cost reduction compared to conventional products. This clutch pack is mounted on JATCO's CVT-X. We received JATCO's Global Special Award for this technological development.





Effective Use of Resources

Basic Approach

With the rapid increase in the world's population and urbanization, and the rapid economic growth of emerging and developing countries, there is concern about the depletion of natural resources that are essential to our daily lives.

The Unipres Group regards the effective use of limited resources as an issue of materiality in achieving a sustainable society. Based on our environmental policy, we promote energy conservation, resource conservation, reuse, and recycling, and thus curbing the use of mineral and water resources and reducing waste emissions.

Targets and Results

| | (√: Achieved | \triangle : Almos | st/partially achiev | ved X: Not achieved) |
|---|---|---------------------|-------------------------|---|
| Medium- and Long- term Targets | FY2021 Targets | Results | Level of Achievement | FY2022 Targets |
| Recycle rate of industrial waste: 60% or higher | Recycle rate of industrial waste: 58% or higher [Unipres Corporation/ | 57.3% | Δ | Recycle rate of industrial waste: 59% or higher |
| | Unipres R & D Co., Ltd.1 | | | |

Performance reporting and initiatives

■Office and Plant Efforts

<3R initiatives>

We are working on 3R (reduce, reuse, and recycle) activities to use limited resources effectively.

[Changes in the Amount of Waste Generation

and Recycling Rate]

As part of its efforts toward the effective use of resources, Unipres has continually worked to control the amount of industrial waste generated from its operations and to increase the rate of recycled industrial waste. Our products delivered to our customers are packed in returnable containers that can be repeatedly used. We also reuse packaging materials in an effort to reduce waste. Any materials unfit for reuse are recycled wherever possible.

In FY2021, the recycle rate of industril waste was 57.8%, compared to the target of 58%.



*The system boundary corresponds to Unipres and Unipres R & D Co., Ltd.

26

<Effective Use of Resources>

Recycling Steel

Unipres' flagship products are auto body parts and transmission parts, which are mostly made of steel. Steel scrap from the manufacturing processes is recycled to be used as materials for other iron products. Unipres U.S.A. and Unipres Southeast U.S.A., sell scrap metal used in presses to Cumberland Scrap Processors, forming a system in which the sold scrap metal is recycled.

Recycling System in the USM Processing Method for Plastic

As one of our green initiatives, we have established a recycling system for plastic.

We use recycled materials for our plastic-pressed products in accordance with the environmental action plan for automobile manufacturers. These materials contain up to 50 percent of a material made of recycled bumpers collected from the market. The USM processing method*, our proprietary plastic press technology, has made this percentage possible.

Moreover, all scrap from the manufacturing process of plastic products pressed with the USM method is recycled internally. The use of recycle materials contributes to environmental protection and has helped us cut costs of parts in order to offer more competitively priced products.

* The USM (Unipres Stamping Molding) processing method is a technology to press molten plastic poured into a die for molding.



(the percentage made possible by the USM processing method)

C

r o Social

Prevention of Environmental Pollution



Basic Approach

Environmental pollutants and chemicals used in products or emitted during manufacturing may affect human health or biodiversity. The Unipres Group will fulfill its responsibility to society by reducing or restricting the use of environmental load substances (including hazardous chemicals) and preventing air, water, and soil pollution in accordance with its environmental policy.

Targets and Results

(\checkmark : Achieved \triangle : Almost/partially achieved X: Not achieved)

Governance

| Medium- and Long- term Targets | FY2021 Targets | Results | Level of Achieve -ment | FY2022 Targets |
|--|--|------------------|------------------------------|---|
| ompliance with egulatory standards n air and water quality No violations of egulatory standards) | No violations of regulatory standards [Unipres Corporation/ Unipres R & D Co., Ltd./ Unipres Kyushu Corporation] | No violations | \checkmark | No violations of regulatory standards |

Performance reporting and initiatives

Office and Plant Efforts

<Protection of Air and Water Quality>

Unipres works toward the medium- to longterm goal of zero violations of regulatory standards related to air and water quality. In fiscal 2020, we achieved zero violations of Japanese regulatory standards.

Supply Chain Efforts <Green procurement activities>

☆Link (within this PDF): Green procurement

activities

<Initiatives for Substances of Very High Concern>

With the understanding and cooperation of our suppliers, Unipres keeps track of the content of substances of concern and of very high concern and provides reports to our customers. In addition, in order to respond quickly and appropriately to tightening regulations on chemical substances in each country (including PRTR Regulations, domestic chemical substance-related laws, European ELV Directives, and REACH Regulations), we have established the Chemical Substance Control and Green Procurement Committee to share information and consider countermeasures as needed.

Governance

Social

Water Resource Conservation



Basic Approach

Water is an essential resource for all humans. Currently, the world's population growth and development, as well as accelerating climate change, are behind water resource problems on a global scale. Recognizing that water resources are not only essential for the continuation of our business, but also important to the residents of the communities where we operate, we are committed to reducing water usage and environmental impact.

Targets and Results

| FY2021 TargetsResultsLevel of Achieve -mentFY2022 TargetsTotal water withdrawal intensity*:2.444XTotal water withdrawal intensity: 1.319 or lessTotal water withdrawal (in km³ per a thousand units produced)2.444XTotal water withdrawal intensity: 1.319 or lessTotal water withdrawal (in km³ per a thousand units produced)Target value: 2% improvement relative to the FY 2010-2019 average of 1.346Target value: 2% improvement relative to the FY 2010-2019 average of 1.346Unipres Corporation/ Unipres R & D Co., Ltd./Unipres R & D Co., Ltd./ | (~ | \land : Achieved \triangle : | : Almost/pa | rtially achieved X: Not achieved) |
|---|---|--|------------------------------|--|
| Total water withdrawal intensity*:2.444XTotal water withdrawal intensity: 1.319 or less1.333 or lessTotal water withdrawal (in km³ per a thousand units produced)Target value: 2% improvement relative to the FY 2010-2019 average of 1.346Target value: 2% improvement relative to the FY 2010-2019 average of 1.346Unipres Corporation/ Unipres R & D Co., Ltd./Unipres R & D Co., Ltd./ | FY2021 Targets | Results | Level of Achieve -ment | FY2022 Targets |
| Total water withdrawal (in km ³ per a thousand units produced) arget value: 1% improvement relative to the FY 2010-2019 average of 1.346 Unipres Corporation/ Unipres R & D Co., Ltd./ | otal water withdrawal intensity*: .333 or less | 2.444 | X | Total water withdrawal intensity: 1.319 or less |
| arget value: 1% improvement relative to he FY 2010-2019 average of 1.346 [Unipres Corporation/ Unipres Corporation/ | Total water withdrawal (in km ³ per a thousand units produced) | | | Target value: 2% improvement relative to the FY 2010-2019 average of 1.346 |
| Unipres R & D Co., Ltd./ | arget value: 1% improvement relative to he FY 2010-2019 average of 1.346 Unipres Corporation/ Unipres R & D Co., Ltd./ | average of 1.346 [Unipres Content relative to average of 1.346 [Unipres For average of 1.346 [Un | | [Unipres Corporation/ Unipres R & D Co., Ltd./ Unipres Kyushu Corporation] |
| Unipres Kyushu Corporation] | Unipres Kyushu Corporation] | | | |

[Global Volumes of Water Resources Used]

| Chemical | FY 2018 | FY 2019 | FY 2020 |
|---------------------------|---------|---------|---------|
| Total water withdrawal | 1537.38 | 1191.17 | 1413.09 |
| Total volume of effluent | 973.06 | 765.84 | 796.49 |
| Total consumption | 1537.38 | 1191.17 | 1413.09 |

*The system boundary corresponds to Unipres and its consolidated subsidiaries in Japan and overseas. Please note that Unipres North America, Unipres U.S.A., and Unipres Indonesia are excluded.

* UM Corporation was added to the scope of tabulation in FY2020.

[Volumes of Total Water Withdrawal]

Each business office is working to use water resources effectively by circulating cooling water and conducting secondary use of cooling water. In 2021, although we proceeded with our activities, we failed to achieve our target.



*The system boundary corresponds to Unipres Corporation, Unipres R & D Co., Ltd., and Unipres Kyushu Corporation

Sustainability Management

[Quality of Effluent]

The table below shows the substances discharged from our operations into local waters.

Note that the boundary is Fuji Plant (Fuji) because the substances listed below are not generated at locations other than Fuji Plant (Fuji) due to the characteristics of our business.

<Wastewater after oil-water separation>

Unipres U.S.A. works with the host city of Portland on wastewater. Water from the plant site is drained after being separated from oil in an oil-water separator installed on-site. The discharged water passes through the sewage system and is sent to a sewage treatment plant.

| Chemical | FY2019 | FY2020 | FY2021 |
|---|--------|--------|--------|
| Chemical Oxygen Demand (COD) | 0.384 | 0.776 | 0.555 |
| n-Hexane Extract | 0.302 | 0.297 | 0.359 |
| Suspended Solids (SS) | 0.302 | 0.345 | 0.403 |
| Zinc Content | 0.026 | 0.062 | 0.035 |
| Soluble Iron Content | 0.030 | 0.036 | 0.036 |
| Ammonium Compound, Nitrous Acid, Nitrate | 0.596 | 0.665 | 0.662 |
| Nickel Content | 0.030 | 0.030 | 0.036 |

*The system boundary corresponds to Unipres' Fuji Office. *The "local waters" mentioned above refer to rivers and the ocean. *The wastewater is processed at an effluent treatment facility until it meets the effluent standards set by the national government and the government of Shizuoka Prefecture before it is discharged into the waters.

Conservation of Biodiversity

Basic Approach

While the Unipres Group receives numerous benefits from biodiversity through its business activities, it also places a burden on ecosystems.

We contribute to the protection of biodiversity and ecosystems in cooperation with local communities through both the conservation of biodiversity in our business activities, such as preventing air, water, and soil pollution and combating climate change by reducing greenhouse gas emissions, and the conservation of biodiversity through social contribution and other non-business activities.

Initiatives

Ecosystem Protection Activities <Activities in local environmental conservation organizations>

Our Sagami Office participates in local environmental conservation activities as a member of the Society for Better Environment in Yamato, an environmental conservation group organized by factories and offices in Yamato City. In FY2021, as part of the group's green area preservation project, we participated in activities to cut reeds around ponds in Izumi-no-Mori, a park that spreads around the Yamato source (the source of the Hikiji River) and forms the core of the nature of Yamato City.

<Ecosystem Survey>

We defined FY2019 as the kickoff year of our initiatives to protect biodiversity and ecosystems, and selected our research project.

[Objectives of the Research and Our Basic Stance]

- 1) To avoid or minimize the effects of business activities on biodiversity that must be conserved
- 2) To engage in preventive initiatives to conserve biodiversity as well as initiatives

that have incorporated the results of monitoring

3) To be committed to the conservation of biodiversity from a long-term perspective

[Selected Research Project]

According to the Report of Comprehensive Assessment of Biodiversity and Ecosystem Services in Japan (Japan Biodiversity Outlook 2) published in March 2016 by the Ministry of the Environment, the biodiversity outlook continues "a declining trend over a long period." The Report says that one of the major drivers of the decline is the "Second Crisis (reduction in use/management of Satochi-Satoyama [woodlands and mountains near populated areas])." We reviewed the environments surrounding our bases in Japan and selected Unipres Kyushu as the project location in FY2019. Then we defined the location in terms of environmental protection and conducted field research.



Kingfishers and other wildlife were sighted during the field research at Unipres Kyushu

