

## Contribute to Make People's Life More Pleasant and Beautiful That is why Takara is committed to addressing environmental issues.



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Takara standard recognizes environmental issues as a key management priority and is committed to reducing the environmental impact of its business activities. We actively work toward environmental conservation and pollution prevention to contribute to the realization of a sustainable society.

### Environmental Policy

- ◎ We develop products and services with environmental impact in mind.
- ◎ We strive to reduce environmental impact across all business activities.
- ◎ In addition to complying with environmental laws and regulations, we take on environmental problems in response to society's demands.

## Target for CO<sub>2</sub> Reduction

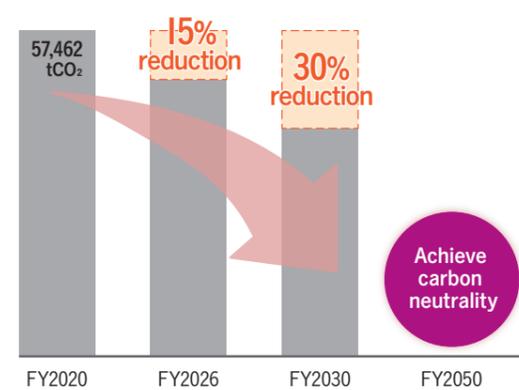
CO<sub>2</sub> emission reduction target for FY2026

Reduction of **15%** from FY2020 level

CO<sub>2</sub> emission reduction target for FY2030

Reduction of **30%** from FY2020 level

CO<sub>2</sub> emission reduction targets (compared to FY2020)\*



\*Scope of reduction targets: Scope 1 + Scope 2

## Initiatives to Reduce CO<sub>2</sub> Emissions in Business Activities

### Installation of energy-saving equipment at production bases, conversion of fuels

At enameled product manufacturing plants, kilns used in the production process consume a significant amount of energy. We are promoting initiatives to reduce energy consumption by using high-performance insulation materials and recovering and reusing waste heat from kilns. Additionally, we are gradually replacing gas burners in kilns with energy-efficient models to improve combustion efficiency, thereby reducing gas consumption and CO<sub>2</sub> emissions.



At the Kanto Factory, where resin products are manufactured, we are switching from electric boilers to gas boilers as the heat source for equipment used in the resin product manufacturing process. This initiative helps reduce energy consumption and CO<sub>2</sub> emissions.



### Installation of energy-saving equipment at our offices



At our sales offices, factories, distribution centers, and other facilities, we are switching to LED lighting and introducing high-efficiency air conditioning systems.

## TCFD-Based Information Disclosure

### Governance/Risk Management

The Environment Subcommittee, a subordinate organization of the Sustainability Committee chaired by the President, is responsible for identifying and analyzing risks and opportunities related to environmental issues, particularly climate change, as well as deliberating on challenges and countermeasures.

The Subcommittee, chaired by the Head of the Corporate Planning Office, meets at least four times a year to discuss responses to TCFD recommendations, the progress of strategies and indicators, and consistency with management plans, and submits a report to the Sustainability Committee at least twice a year. Additionally, reports are submitted to the Board of Directors through the Sustainability Committee.

The Corporate Planning Office, as the Executive Office of the Subcommittee, operates the Subcommittee and coordinates with company divisions in response to the TCFD recommendations and to monitor these responses. The Office also conducts scenario analysis to identify risks and opportunities arising from climate change, considers responses, and proposes and reports findings to the Environment Subcommittee.

### Strategy

#### Transition Risks (Below 1.5° C Scenario)

Category	Scenario	Risk	Impact Level	Opportunities	Impact Level
Policies and regulations	Introduction of carbon taxation	Increase in procurement costs of materials and energy, leading to higher manufacturing costs and selling, general, and administrative (SG&A) expenses	High	—	—
	Strengthening of forest environmental regulations, etc	Increased difficulty and cost of procuring wood-based materials, leading to higher manufacturing costs	High	—	—
Market and technology	Progress in divestment and business portfolio reviews in the petrochemical and steel industries aimed at decarbonization	Increased difficulty and cost of procuring steel, resin, and wood-based materials, leading to higher manufacturing costs	High	—	—
	Diversification of wood demand	—	—	—	—
	Changes in customer and consumer behavior Preference for products with high water-saving, energy efficiency, and durability features	—	—	Increased recognition of enameled products and other easy-to-maintain, long-lasting products	Medium
	Changes in customer behavior Preference for materials with low GHG emissions in the manufacturing process	Risk of decreased demand for products with high GHG emissions in the manufacturing process	Medium	Increased demand for wood-based products	Medium

#### Physical Risks (4° C Scenario)

Category	Scenario	Risk	Impact Level	Opportunities	Impact Level
Chronic risks	Increased risk of heatstroke due to rising temperatures	While work environments are not directly exposed to sunlight, they are still affected to some extent	Medium	—	—
Acute risks	Intensification and increased frequency of extreme weather events	Risk of operational shutdowns and supply chain disruptions due to disasters	Low	The presence of a resilient supply system is becoming more significant due to increasing disaster risks. (Continuous supply was maintained even during the 2011 earthquake.)	High

#### Key Environmental Initiatives

Objectives	Countermeasures
Reduction of GHG emissions	Installation of solar panels and promotion of modal shifts (encouraging the use of eco-ships and rail transport).
Strengthening resilience against weather disasters	Promoting continuous efforts in business continuity planning (BCP), including diversification of manufacturing and logistics bases and securing inventory.
Resource conservation in packaging materials	By minimizing packaging, we promote resource conservation, waste reduction, and improved efficiency in transportation and unpacking.

#### Governance System



## Other initiatives

### Utilizing cleaner energy with solar power

Solar power generation systems have been installed in 14 company buildings, including regional offices, branches, factories, and logistics centers nationwide, demonstrating a commitment to environmental and energy efficiency considerations.

[Locations with Installed Solar Power Systems]  
Head Office, Osaka Branch, Yokohama Branch, Saitama Branch, Chiba Branch, Utsunomiya Branch, Kyoto Branch, Kobe Branch, Hiroshima Branch, Shikoku Branch, Osaka Factory, Wakayama Factory, Tohoku Logistics Center, and Fukuoka Logistics Center



### Recyclable Takara uniforms made from plant-based materials

The uniforms worn at Takara standard, including jackets, pants, skirts, and three-quarter sleeve tops, feature environmentally friendly materials. The linings contain plant-based polyester, while the weft yarn of blouse fabrics uses recycled polyester. Additionally, used uniforms are collected and repurposed into new uniforms or secondary products, enabling sustainable reuse.



### Commitment to environmental protection in catalogs

The catalogs provided to customers also contribute to environmental protection by using eco-friendly paper and plant-based ink.

**Paper** The state of the world's forests is worsening due to illegal logging and deforestation of virgin forests, increasing environmental burdens. Takara standard supports proper forest management and contributes to preventing global warming by adopting eco-friendly paper, helping to build a sustainable, recycling-oriented society.

Moreover, the ink used in catalogs is being switched to plant-based ink and other renewable inks. Compared to petroleum-based solvents, these inks emit fewer volatile organic compounds (VOCs), reducing environmental impact.

