

Being Eco-Friendly

Environmental management is the responsibility of all who do business in our world. The YKK Group pursues this by implementing the YKK Philosophy of the "Cycle of Goodness" and through its Management Principle, "YKK seeks corporate value of higher significance." We strive to contribute to a sustainable society through our core businesses. The YKK Group operates in 73 countries and regions around the globe. In every place, we aim to reduce our environmental and social footprint. Our goal is to solve environmental and social issues, and at the same time grow by harnessing our advantages and strengths.



Environmental Management Survey ranking

5th place

in the 21st Nikkei Environmental Management Survey

YKK Group Environmental Pledge

It is recognized today as being a most important duty for all humankind that we preserve the abundantly endowed global environment and that we transfer it to the next generation in a sound condition. Striving to be an Earth-friendly company, the YKK Group proclaims that it will address and promote "harmony with the environment" as the highest priority of its business activities.

September 1994

YKK Group Fifth Mid-Term Environmental Management Principle (FY2017 to FY2020)

The YKK Group draws up Mid-Term Environmental Management Principles every four years in accordance with our Mid-Term Management Policy. From FY2017, under the guidance of its new Mid-Term Environmental Management

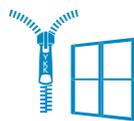
Principle, the YKK Group will undertake environmentally-friendly operations, leverage its technological capabilities, and create new value in the pursuit of a low-carbon society, to enrich people's lives and contribute to the creation of a sustainable society.

Contributing to a Sustainable Society

Creating a low-carbon society through technology oriented value creation

What the YKK Group aims to achieve by 2020 through environmental management

Making positive contributions to society



Product Development



Environmental Contribution



Ecosystem Conservation



Information Disclosure

Minimizing environmental impact on society (aiming for zero impact)



CO₂



Water



Waste



Chemicals

The YKK Group has pursued a wide range of initiatives for the increasingly serious environmental problems facing our planet. We are working together on action plans for achieving our environmental

policy and goals. Our activities are focused on actively contributing to society, and minimizing our environmental impact (aiming for zero impact).

Making Positive Contributions to Society

The YKK Group is committed to offering and expanding a full range of products that contribute to health, safety and security, and that take the environment into account. We received various awards in FY2017 for such activities. We are

accelerating our activities to benefit society and ecosystems, and are contributing to the creation of a sustainable society. (See p. 11 for details of awards we have received to date.)

Major Awards Received in FY2017

-  Fujisankei Group Prize – 27th Annual Global Environment Awards
-  Grand Prix (highest award) – JAPAN OEKO-TEX® AWARD 2017 (YKK)
-  Grand Prize and METI minister's Award – 18th Green Purchasing Awards (YKK AP)

 See the following website for details about the prizes the YKK Group has received in the past.
<http://www.ykk.co.jp/japanese/ykk/prize/index.html> (Information in Japanese)



Award ceremony for the 27th Annual Global Environment Awards. YKK recognized for our efforts to create a sustainable society and breathe new life into communities through our Passive Town project.

Minimizing Environmental Impact on Society

Our aim is to minimize the environmental impact from the CO₂, water, waste, and chemical substances that are produced or used as a result of our business activities. To address climate change issues such as global warming, we set a target of reducing CO₂ emissions by 30% (compared to FY 2013) by FY2030. In addition to traditional energy saving efforts, we are focusing on saving energy as we develop overseas by implementing policies that

take advantage of our technological capabilities such as highly efficient production systems, energy saving technologies, and equipment development. And we are striving to achieve a low-carbon society by working with others in the supply chain. CO₂ emissions are calculated for all areas, from procurement to disposal. (For details on the impact on supply chains, please refer to page 12.)



Examples of energy-saving efforts overseas
Compressor in Vietnam that uses less energy by optimizing pressure (left)
Checking for air leaks in Dalian, China (as well in Japan) (right)

Making Positive Contributions to Society

Creating a Sustainable Society in Harmony with Nature



Bird's-eye view of the Passive Town project in Kurobe City, Toyama Prefecture

Passive Town is a project providing ideas for community and residential development by harnessing the natural sources of energy in the Kurobe area and by reducing the consumption of electricity and fossil fuels <https://www.passivetown.jp/> (Information in Japanese)

Passive Town is a new housing project in the city of Kurobe, Toyama Prefecture. The YKK Group views Kurobe as a technology headquarters for addressing the energy issues that have become apparent since the 2011 Great East Japan Earthquake. The project, which is being built on the site of former company housing, makes maximum use of solar and other natural sources of energy. It taps the abundant underground water in the alluvial fan of the Kurobe River, as well as

the local seasonal winds (known as "Ai-no-kaze"). This community and housing initiative, being pursued in cooperation with the local community, received recognition in the form of the Fujisankei Group Prize at the 27th Annual Global Environment Awards.

- **Annual Global Environment Awards**

Created and organized by the Fujisankei Communications Group, with the special cooperation of the WWF (World Wide Fund for Nature) Japan, to recognize industry with the objective of fostering industrial development in harmony with the global environment.



Certification that the safety and security of a particular textile conforms to the highest global standards

Striving for Products That Are Safe and Secure, and Environmentally Friendly

The likes of zippers and snap & buttons are in constant, everyday use. It follows that they should be safe and secure. And it is also vital that the environmental impact associated with such products, in all areas from production to disposal, should be reduced. The YKK Group began seeking OEKO-TEX® certification in 1997. We received the Grand Prix (highest award) at the JAPAN OEKO-TEX® AWARD 2017 in recognition for

our stance on safety and security, *monozukuri*, and for the certification of a wide range of our products at many of our plants in Japan and overseas.

- **OEKO-TEX®**

A certification system which shows that the safety and security of a particular textile conforms to the highest global standards. Products are subject to analytical tests to vouch for their safety and the absence of substances harmful to the human body. The JAPAN OEKO-TEX® AWARD 2017 was organized by the Nissenken Quality Evaluation Center.

Focusing on Healthy and Comfortable Living Environments

The amount of energy we use for air conditioning is very much affected by the windows and doors in our homes and other buildings. And doors and windows have a major role in providing healthy and comfortable living environments. Considerable reductions in environmental impact have been attributed to the APW series high-performance vinyl

window developed by YKK AP. YKK AP received the Grand Prize and the METI Minister's Award at the 18th Green Purchasing Awards.

- **Green Purchasing Awards**

Organized by the Green Purchasing Network to recognize groups that promote and expand "green purchasing" from businesses that strive to reduce environmental impact through environmentally-friendly products and services.



Green Purchase Awards logo

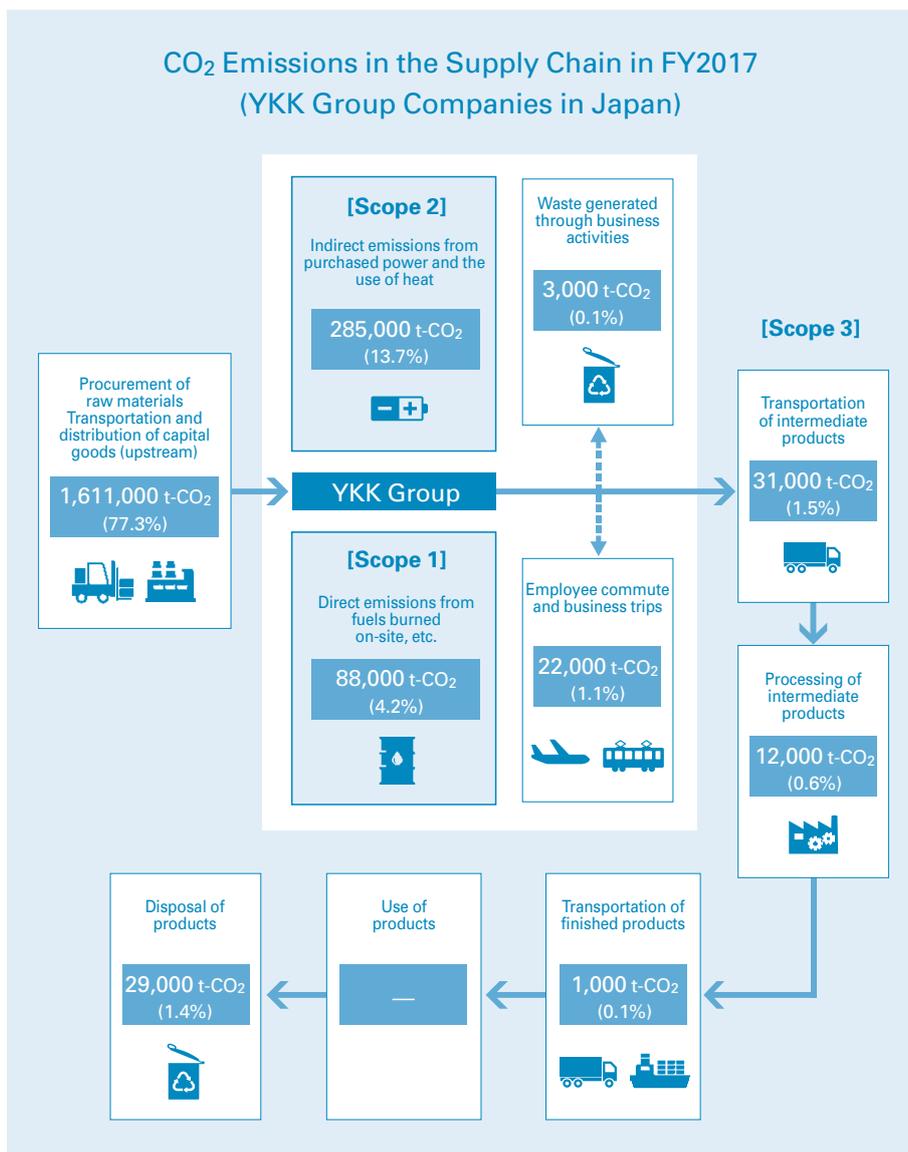
Minimizing Environmental Impact on Society

CO₂ Emission Control Throughout the Supply Chain

The YKK Group calculates our Scope 3 emissions with a view to reducing greenhouse gas emissions in our overall supply chain. We are working with others in the supply chain to reduce CO₂ emissions. Scope 3 refers to the greenhouse gases produced in the procurement of raw materials and capital goods, the processing of intermediate goods, as well as the transport, use and disposal of finished products. These emissions are produced

in addition to our direct Scope 1 emissions, and our indirect Scope 2 emissions attributable to purchased electricity and the use of heat.

In addition, the YKK Group is contributing to the reduction of CO₂ emissions through the provision of high-insulation window products that curb the need for air conditioning in housing or buildings, thereby reducing energy consumption.



Note: For more details about the calculation method, please visit the Green Value Chain Platform website operated by Japan's Ministry of the Environment. YKK and YKK AP's initiatives are posted under the title "Individual corporations' accounting information."

http://www.env.go.jp/earth/ondanka/supply_chain/gvc/en/index.html