

Environmental Policy Promotion System

An environmental policy committee has been formed from management strategy meetings which takes decisions on environmental policy/principles and monitors the state of environmental policy promotion.

Environmental management system

In order to realize the environmental principles, the YKK Group has established an environmental management system (EMS) according to the international standard ISO 14001 for each business and promotes continuous environmental activities.

Environmental accounting

◆Fiscal 2019 environmental conservation costs (total for YKK Group companies in Japan)

Unit: ¥1 million/year

Item		Description of main initiatives	Equipment investment	Cost	
Costs within business area	Prevention of pollution	Operation, upgrading and maintenance of wastewater treatment facilities	311	1,105	
	Conservation of the global environment	Improvement of energy-saving efficiency, replacement of air conditioning and renewal of compressors and high efficiency boilers	349	437	
	Recycling of resources	Promotion of resource recycling and management of industrial waste	74	584	
Business area internal cost total			734	2,126	
Upstream/downstream costs		Disassembly of returned window waste and sustainable procurement	0	98	
Management activities costs		Maintenance of ISO certifications, environmental information disclosure, participation in environmental exhibits, environment-related analyses	3	468	
R&D costs		Product development	13	3,370	
Social activities costs		Environmental sustainability improvements within the company	0	35	
Environmental damage repair costs			0	0	
Other costs		Inspection/management of fire extinguishing equipment	10	258	
Total			760	6,355	
			Fiscal 2018	799	6,468
			Fiscal 2017	1,473	6,366
			Fiscal 2016	1,261	6,107

	Environmental equipment investment			Environmental costs		Sales (Unit: ¥100 million)	Total equipment investment (Unit: ¥100 million)
	(Unit: ¥100 million)	Ratio to sales (%)	Equipment investment ratio (%)	(Unit: ¥100 million)	Ratio to sales (%)		
Fiscal 2019	7.6	0.2	3.0	63.6	1.6	4,033	257
Fiscal 2018	8.0	0.2	3.3	64.7	1.6	4,080	242
Fiscal 2017	14.7	0.4	6.4	63.7	1.6	3,974	229
Fiscal 2016	12.6	0.3	4.2	61.1	1.6	3,904	298
Fiscal 2015	16.9	0.4	4.5	51.0	1.3	3,883	377

Environmental Targets and Results

The YKK Group formulates its Mid-Term Environmental Management Principles and Environmental Policy every four years in line with its Mid-Term Management Policy. Under the Fifth Mid-Term Environmental Management Principles from FY2017 to FY2020, which aim to contribute to creating a sustainable society, we set an action plan for environmental policy and goals achievement with the keywords of “realizing creating a low carbon society through technology-backed oriented value creation,” and with “Making positive contributions to society;” “Minimizing environmental impact on society (zero impact target)” as the mainstay of our activities. Along with minimizing our environmental footprint from CO₂, waste, wastewater, chemicals etc., subject to our business activities, we will contribute to a sustainable society by accelerating activities good for society and ecosystems, such as enriching and expanding environmentally-friendly, safe, secure and healthy product ranges.

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



<p>Making positive contributions to society</p> <ul style="list-style-type: none"> ■ Offering and expanding a full range of products that contribute to health, safety and security, and that take the environment into account ■ Promoting environmental contribution activities ■ Promoting ecosystem conservation ■ Actively disclosing environmental information 	<p>Minimizing environmental impact on society (aiming for zero impact)</p> <ul style="list-style-type: none"> ■ Maintaining and improving environmental compliance ■ Reducing CO₂ emissions, Promoting responses to climate change risks ■ Sustainable supplies, Using resources efficiently/reducing resource usage Promoting waste reductions ■ Tackling water risks ■ Promoting chemical substance reductions
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YKK Group Fifth Mid-Term Environmental Policy & Targets (FY 2017 to FY 2020)

	Environmental Policy	Environmental Targets by 2020
Making positive contributions to society	Offering and expanding a full range of products that contribute to health, safety and security, and that take the environment into account	<ul style="list-style-type: none"> · Develop / expand environmentally-friendly products · Win prize at external environmental award system, and use to good effect · Create Life-cycle assessment (LCA) standards obtainment of a third-party approval
	Promoting environmental contribution activities	<ul style="list-style-type: none"> · Implement environmental activities for children aimed at the next generation · Implement YKK/AP sponsored environmental commendation awards and support
	Promoting ecosystem conservation	<ul style="list-style-type: none"> · Cooperate with NPOs, NGOs etc. to conserve ecosystems
	Actively disclosing environmental information	<ul style="list-style-type: none"> · Renew environment website, create/distribute environmental promotional material · Enrich and expand dialogue with stakeholders
Minimizing environmental impact on society (aiming for zero impact)	Maintaining and improving environmental compliance	<ul style="list-style-type: none"> · Improve each company's environmental management level through self-checks · Boost the level of environmental management audits
	Reducing CO ₂ emissions, Promoting responses to climate change risks	<ul style="list-style-type: none"> · Devise and implement schemes to reduce and minimize CO₂ emissions (further Group-wide promotion of low and energy-saving initiatives) Japan: Reduce CO₂ emissions 20% by 2020 compared with the fiscal year 2013 Overseas: set target to reduce the annual rate of consumption by over 1% Group: curb the increase in CO₂ emissions to 8% from 2013 levels by 2020 · Work with supply chains to reduce both direct and indirect CO₂ emission levels
		<ul style="list-style-type: none"> · Identify climate-change driven environmental risks, and implement countermeasures at all YKK Group plants
	Sustainable supplies	<ul style="list-style-type: none"> · A procurement society · Lower procurement risk by promoting better sourcing which considers environmentally-friendly factors
	Using resources efficiently/reducing resource usage Promoting waste reductions	<ul style="list-style-type: none"> · Promote improvement in product design and yield in order to mitigate resource use · Japan: Increase resource reuse rate by 4% compared with 2013 · Overseas: Reduce landfill waste by 8% compared with 2013 through reuse, recycling of resources, reprocessing and treatment/disposal.
	Tackling water risks	<ul style="list-style-type: none"> · Identify regional water risks in all Group plants, and implement countermeasures.
Promoting chemical substance reductions	<ul style="list-style-type: none"> · Reduce PRTR substances by 30% compared with 2013 through substitute goods, process improvements etc. 	

Fiscal 2019 Environmental Policy and Environmental Action Plan

	Environmental Policy	Fiscal 2019 Environmental Action Plan	Fiscal 2019 Results
Making positive contributions to society	Offering and expanding a full range of products that contribute to health, safety and security, and that take the environment into account	<ul style="list-style-type: none"> Fastening Products Group: Provide and propose environmentally sustainable products Architectural Products Group: Acquire and utilize third-party certificates for LCA for products Machinery and Engineering Group: Improve overall efficiency of equipment, develop eco-friendly designs that lead to manufacturing cost reductions Win prize at external environmental award system, and use to good effect 	<ul style="list-style-type: none"> Fastening Products Group: Commenced sales of GreenRise™, etc. Architectural Products Group: 1 LCA certificate, 100% ratio of developing eco-friendly products Machinery and Engineering Group: Reduce energy output of machinery equipment, improved productivity, etc. GREEN GOOD DESIGN AWARDS 2019 was awarded for our effort on AP (Architectural Products) environment: "APW" vinyl window series, "APW430"
	Promoting environmental contribution activities	<ul style="list-style-type: none"> Continue environmental awareness activities inside and outside the company 	<ul style="list-style-type: none"> Performed next-gen environmental education (participated in a nocturnal insect observation event and nature observation in PASSIVETOWN, construction of eco-friendly houses, etc.)
	Promoting ecosystem conservation	<ul style="list-style-type: none"> Perform ecosystem preservation activities by cooperating with organizations such as NGOs 	<ul style="list-style-type: none"> Exchanged opinions with NGOs on cooperation opportunities and possible cooperative efforts
	Actively disclosing environmental information	<ul style="list-style-type: none"> Expand and promote a long-term environmental vision for the YKK Group 	<ul style="list-style-type: none"> "This is YKK 2019" received the Environmental Communications Honor Award Performed promotional activities inside and outside the company for the YKK Group's environmental vision (participated in EcoPro 2019, created promotional videos and posters, performed promotional education, etc.)
Minimizing environmental impact on society (aiming for zero impact)	Maintaining and improving environmental compliance	<ul style="list-style-type: none"> Fastening Products Group: Perform technical guidance on effluent treatment facilities, cultivate environmental specialists at foreign business locations Architectural Products Group: Enhance internal environmental audit (introduce YGCC audit items) Machinery and Engineering Group: Increase knowledge of operators on laws and regulations and enhance checks of related information Enhance environmental governance by using environmental databases Continue performing environmental management audit (cooperation with the crisis-management committee) 	<ul style="list-style-type: none"> Fastening Products Group: Completed technical guidance on effluent treatment facilities in all factories, cultivated environmental specialists at foreign business locations Architectural Products Group: Introduced YGCC audit items to internal environmental audit Machinery and Engineering Group: Promoted acquisition of qualifications and skills on a workplace basis Regularly checked environmental compliance responses by consulting environmental databases Continue performing environmental management audit
	Reducing CO ₂ emissions Promoting responses to climate change risks	<ul style="list-style-type: none"> Promote further small enegy / enegy saving in order to reduce CO₂ emissions Fastening Products Group: Reduce CO₂ emission intensity by 1% compared to FY2018 Architectural Products Group: Reduce total CO₂ emissions by 17% compared to FY2013 Machinery and Engineering Group: Reduce intensity of energy consumption by 1% (domestic) compared to last year Kurobe Manufacturing Center: Start construction to introduce natural gas 	<ul style="list-style-type: none"> Fastening Products Group: Reduce CO₂ emission intensity by 0.6% compared to FY2018 Architectural Products Group: Reduce total CO₂ emissions by 22% compared to FY2013 Machinery and Engineering Group: Increased intensity of energy production output by 6% (domestic) compared to last year Kurobe Manufacturing Center: Started construction of natural gas plumbing for the factory
	Sustainable supplies Using resources efficiently/reducing resource usage Promoting waste reduction	<ul style="list-style-type: none"> Fastening Products Group: Achieve a recycling rate of 75% or greater for waste materials Architectural Products Group: Reduce intensity of waste materials emissions by 24% (domestic) compared to FY2013, achieve a recycling rate of 100% (domestic) Foreign locations: Reduce the amount of landfill waste generated by 8% compared to FY2013 Reduce environmental risks including within supply chains 	<ul style="list-style-type: none"> Fastening Products Group: Achieved a recycling rate 79% for waste materials Architectural Products Group: Reduce intensity of waste materials emissions by 16% (domestic) compared to FY2013, achieved a recycling rate of 100% (domestic) Foreign locations: Reduce the amount of landfill waste generated by 11.1% compared to FY2013 Received feedback on the results of our supplier survey
	Tackling water risks	<ul style="list-style-type: none"> Fastening Products Group: Reduce intensity of water consumption by 1% compared to FY2018 Architectural Products Group: Reduce intensity of water consumption by 20% compared to FY2013 Identify risks related to water usage in each location and perform countermeasures 	<ul style="list-style-type: none"> Fastening Products Group: Reduce intensity of water consumption by 0.1% compared to FY2018 Architectural Products Group: Reduce intensity of water consumption by 23% compared to FY2013 Determined risks related to water usage in each location by utilizing a water risk check sheet
	Promoting chemical substance reductions	<ul style="list-style-type: none"> Fastening Products Group: Promote waterproof, water-based Fastening Products Architectural Products Group: Reduce emissions of materials subject to the PRTR (Pollutant Release and Transfer Register) system by 24% (domestic) compared to FY2013 Machinery and Engineering Group: Reduce chemical substance stockpiles 	<ul style="list-style-type: none"> Fastening Products Group: Development of a waterproof, non-toluene MEK (methyl ethyl ketone) adhesive was delayed Architectural Products Group: Reduce emissions of materials subject to the PRTR (Pollutant Release and Transfer Register) system by 27% (domestic) compared to FY2013 Machinery and Engineering Group: Reduce chemical substance stockpiles by 8%