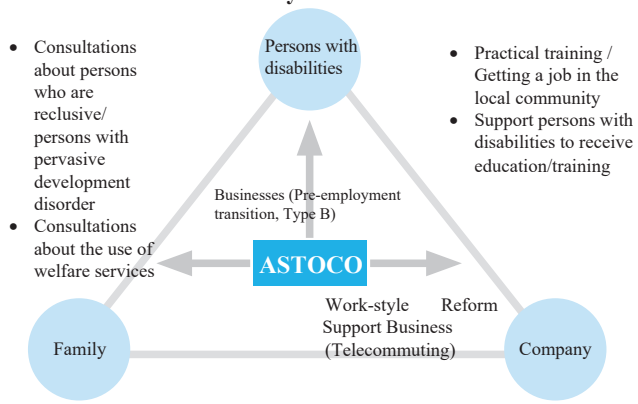
Society

Diversity

Welfare Service Business for Persons with Disabilities

The ENVIPRO Group support persons with disabilities to enhance their ability/knowledge/skills so that they will become self-supporting in society and be able to find a job in which they can fully demonstrate their ability and knowledge.
ASTOCO Inc. conducts training in the recycling factories of a group company which is situated in the same compounds as its offices in Matsumoto City and Azumino City. Training offers an environment similar to the actual workplace so that persons with disabilities can easily envision what their future workplace will be like, and concentrate on the training and tasks without any sense of anxiety.
ASTOCO also assists those companies that have recruited persons with disabilities in creating a conducive work environment where they can continue working. Furthermore, in cooperation with specialists in related fields, it supports persons who have lost interest in work despite their employability or who are reclusive. This endeavor is aimed at encouraging these people to integrate themselves into society as well as to motivate them to work.

Activities to support persons with disabilities to become self-reliant in the local community



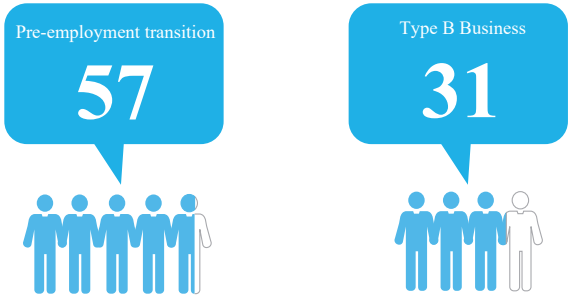
Pre-employment Transition Support Business (Bright)

This business offers a day care service program for persons with disabilities who are looking for a job. The program provides them with vocational training and also assists them in finding a job. It targets people who have the desire to find a job and are aged between 18 and 64 years old.



Attending a lecture

Number of people registered (as of the end of June 2019)



People who found employment (total)
(July 2018 – end of June 2019)

17

Telecommuting

14

Type B Continuous Employment Support Business (Ecommit)

This business runs a welfare service program for persons with disabilities or intractable diseases who have difficulties working under a normal employment contract. The program trains them on knowledge/skills, and also offers light work as practical training.
It pays wages. One feature of the program is to provide an opportunity to work according to their abilities or physical conditions regardless of their age.

Telecommuting

This business aims to solve the problems that companies face, such as how to properly respond to the needs of employees with disabilities. It supports the creation of awork environment as well as tasks that are suitable for person with disabilities.

ASTOCO Inc. offices Bright Ecommit



Creation of programs and a work environment that help employees to continue working

In conjunction with the declining birthrate and aging population, labor shortages have become an emerging issue in Japan. To sustain our businesses, we must create a work environment where all employees can fully demonstrate their abilities and where their different needs are accommodated to allow them to continue working. Using this principle, we have been promoting programs and mechanisms to create a conducive work environment.

Proportion of employees who returned to the work after parental leave

100%

(FY2018)

Interview Hiroko Tateno, in charge of administration, Bright Innovation Co., Ltd.



Q1. What did you do before you started working with us?

I was taking care of my children and working as a volunteer. At the same time, I was looking for a job using the keywords “resolution of social issues” and “conducive work environment.” Then, I came across Bright Innovation.

Q2. What is your job now?

I am in charge of the overall administration of the company. The company entrusts ENVIPRO with accounting and personnel management. I am in charge of other day-to-day administration. I am occasionally involved in tasks related to commissioned projects along with general administration.

Q3. On what occasions do you feel that your office has a conducive work environment?

My child was once hospitalized for 10 days. During this period, I was allowed to leave the office early every day not to miss patient visiting hours. Because it is not completely curable, I was wondering “if I should resign.” However, the company allows me to adjust my working hours or to work at home whenever the need arises.
There are also some employees who work at home when their children are sick and unable to go to school/day care center, and some permanent employees have been working shorter working hours since they were recruited. I think the company has a very conducive work environment. The company has not only instituted programs but also successfully created an environment in which employees can take advantage without any hesitation.

Supporting persons with disabilities to find a job and continue working

Concerning the employment of persons with disabilities, employees, who have disabilities, and their employers tend to have different perceptions concerning labor conditions, work contents, etc., which often results in their resignation. If employees resign, it is also a loss to the company. Therefore, this is an issue for both persons with disabilities and their employers.
Our group companies collaborate with each other to create mechanisms and an environment where persons with disabilities can continue working.

Number of employees with disabilities across the group

18

(as of June 1, 2019)

Interview Takashi Ota, SYN ECO Inc. (left) Miho Yoshinami, ASTOCO Inc. (right)



Q1. What support do you provide on a daily basis?

(SYN ECO) The staff in charge of recruiting persons with disabilities make the rounds of the sites where they are working on a daily basis and have regular discussions with them. By physically meeting with them every day, staff can recognize any changes in their physical or psychological conditions immediately. Their working hours and days are decided, taking their physical conditions and personal reasons, such as visit to hospital, into consideration.
(ASTOCO) We have regular discussions with persons with disabilities and their sections. In addition, if we observe any change in the way they greet us when they come to or leave the office, we talk to them, or sometimes discuss with the SYN ECO staff in charge.

Q2. Could you elaborate on how the two companies are working together?

(ASTOCO) We share information with SYN ECO at the job interview or practical training about what they are good at and not good at, and also what considerations are required to work with them. Especially, we inform them about any issues that they cannot express well verbally, and the gestures or signals they use to communicate these issues.
(SYN ECO) We always communicate with them based on information we have received from ASTOCO. Furthermore, when we encounter any problems, working with them, we discuss with ASTOCO to address such problems together. I feel convinced that a good working environment will be created if companies and the people supporting persons with disabilities closely align their viewpoints.

Society

Commitment of our staff

Activities to enhance safety in the workplace

Serious accidents at production sites could be fatal and should be prevented at any cost.
Our group has multiple production sites. Each subsidiary company and site implement their own awareness-raising and labor safety activities reflecting their own conditions and environment.

Interview

Shinya Kobayashi, Nonferrous Metal Section Head, Production Department, ECONECOL Inc.



Q1. What KYT*1 does the Nonferrous Metal Section implement?

We organize a meeting every morning. Prior to the meeting, either that morning or the previous day before going home, every worker lists five risks on a KY*2 sheet about the work which they plan to do that day: what are the potential risks and what are the measures to take. In the meeting, one of the team members presents what they listed on the sheet to the other members, taking turns each day. After that, the sheets of all the team members are collected and submitted to the team leader or the section head for confirmation and feedback. If it's deemed necessary, we hold a discussion.
If there is any incident we wish to inform the whole company about, we will announce it at the safety committee which is held every month.

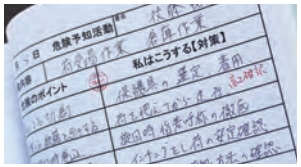
*1. KYT: Risk Prediction Training *2. KY: Risk Prediction

Q2. Have you observed any changes since you started KYT every day?

We paid close attention to industrial safety and instructed our workers to do the same. Nevertheless, there were accidents. By holding KYT every day, we successfully enhance workers' awareness that "safety comes first."
In the past, we also analyzed the causes of accidents whenever they occurred using the Why-Why Analysis method. Analyses revealed that workers had different sensitivities to and perceptions about risks and, accordingly, what they considered to be risks or their measures against risks varied from one worker to another. Now each worker first assesses the risks individually and then shares them with the other members of their team or the whole section. By listening to them, the other members become aware of the risks that they may have overlooked.

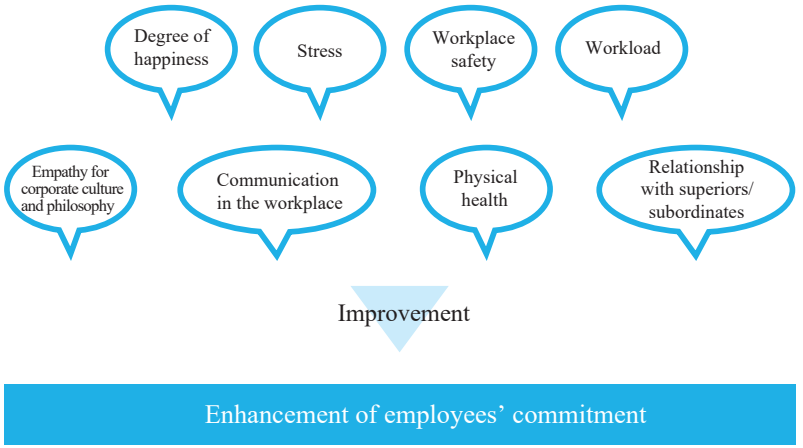
Q3. By continuously doing this exercise, what do you want the workplace to be like in the future?

The current KYT is focusing on KY in relation to the key operations out of a series of operations. The degree or significance of the risks that are predicted in everyday KY varies. We will promote activities that enhance workers' sensitivity to risks, leading them to conduct KY voluntarily.



Implementation of employee attitude survey

Our group implements an annual employee attitude survey across group companies simultaneously. The objective of the survey is to create a safe and comfortable office environment where employees can be actively engaged in their work with a sense of fulfillment under the corporate philosophy of "share the profit and joy with the people you live with."
The survey results are compiled by department: Production, Sales, and Administration. Then, they are shared with the management including the presidents of the companies. We strive to enhance the commitment of employees by developing and implementing improvement plans, and continuously examining and addressing issues.



Society

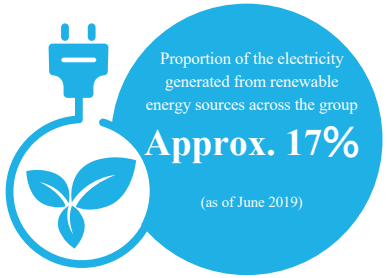
Renewable energy and CO_2 emissions reduction

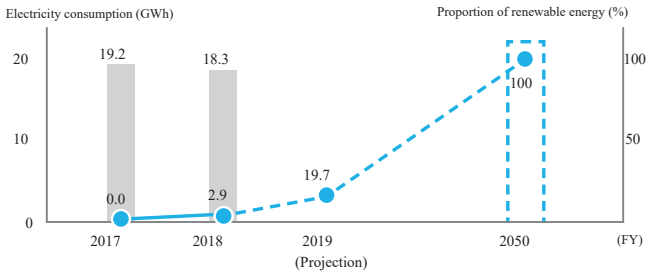
Promotion of renewable energy towards “RE100”

We, the ENVIPRO Group, have set a goal to source 100% renewable electricity for all its operations by 2050 and joined “RE100*” in July 2018. We are the first recycling company to join this initiative in the World.
Our group facility and factory, “Syn Eco Plaza Azumino” and the “factory of TOYO RUBBER CHIP Co., Ltd.,” have become an “RE100 Factory” where 100% of the electricity consumed is generated from renewable energy sources. Furthermore, renewable energy represents 17% of the electricity consumed across the group (as of June 2019). We are steadily implementing projects to increase the share of renewable energy in order to achieve the 2050 goal.

* RE100: a global initiative bringing together companies committed to 100% renewable energy for the electricity consumed in their businesses.

RE 100





Promotion of decarbonization through consulting services

Bright Innovation Co., Ltd., one of our group companies, offers consulting services to companies on their environmental management/decaronization strategies. It provides services to satisfy the needs of customers, starting from an upstream process, such as the formulation/review of an environmental management plan, to a downstream process, such as the establishment of an environmental management system, the development of a greenhouse gas emissions reduction plan and the introduction of renewable energy as a solution.

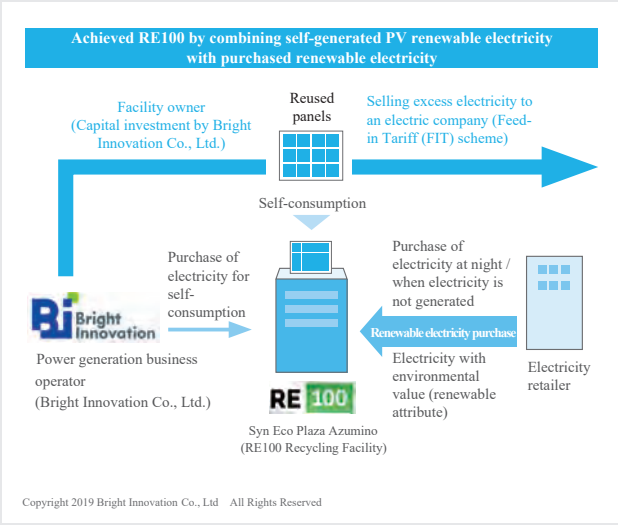
CDP DISCLOSURE INSIGHT ACTION

For example, a Carbon Disclosure Project (CDP) questionnaire requests companies to disclose climate change-related information: identification and assessment of risks and opportunities in relation to climate change, the management system, medium-to-long term targets for CO_2 emissions reductions, etc. Bright Innovation Co., Ltd. is engaged in the performance evaluation of companies as the scoring partner of CDP. Based on its vast experience in consulting services, it supports companies with their information disclosure and decarbonization, including how to fill out survey questionnaires to improve their rating.

Topics



“Syn Eco Plaza Azumino” (Azumino City, Nagano), a recycling facility for regional circular and ecological economy through recycling, is operated by SYN ECO Inc., our group company. It has installed a power generating facility with reused solar panels placed on the roof.
The facility purchases electricity from electricity retailers under the RE100 menu, and has successfully become an “RE100 Factory.” In the future, in addition to the electricity purchased, it can use self-generated solar photovoltaic power (PV).
As the secretariat of our group for RE100 promotion, Bright Innovation Co., Ltd. has comprehensively undertaken multiple tasks, ranging from the development of roadmaps to the introduction. Applying the know-how that it gained through this process, it will offer services to companies that are planning to reduce CO_2 emissions, or to adopt renewable energy.



Business foundation / Growth foundation

Corporate governance

We believe that corporate governance is an important business foundation as well as a precondition to strongly promoting goal achievements. To promptly respond to changes in the economic environment, we strive to implement both prompt decision-making along with efficient and transparent management, and to continuously improve our corporate value. To this end, we will keep evolving to verify and operate the management and internal control systems, and enhance their effectiveness.

Sustainability Committee

In FY2018, we re-verified relations between our business activities and social issues, and, subsequently, developed a “Sustainability Strategy” as a strategy to realize the sustainable development of society and our group concurrently. At the same time, we started the operation of a sustainability committee on an exploratory basis in order to flexibly and actively discuss and examine the progress and future direction of the strategy from a long-term point of view.
The sustainability committee is composed of the full-time directors and some executive officers of ENVIPRO HOLDINGS Inc. and is convened once a month. Based on the strategy, the committee discusses and examines the potential of new businesses, the establishment of business/growth foundation and synergies across the group. Once opinions about the direction and specific plans are consolidated, they are deliberated at the meeting of the Board of Directors, etc.

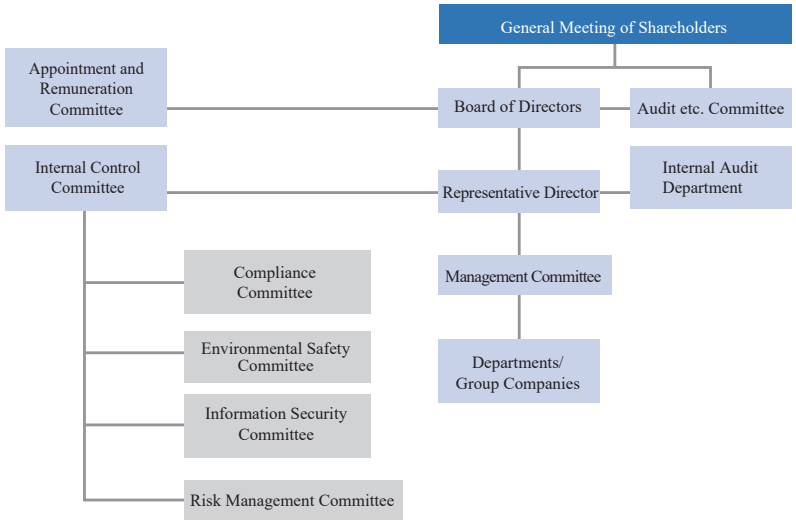
Introduction of segments and a scheme to make officers responsible for respective group companies

In the past, our business report described all activities under the singular segment of the “Resource Recycling Business.” However, in order to develop our implementation strategies by segment and to facilitate prompt management decision-making in response to drastically changing economic environment, we have introduced multiple segments since June 2019: “Resource Circulation Business,” “Global Resource Circulation Business,” and “Used-cars-related Business”; and “Environmental Management Consulting Business” and “Welfare Service Business for Persons with Disabilities” under other businesses (refer to page 9). Simultaneously, we introduced a new scheme whereby the officers of ENVIPRO HOLDINGS Inc. are made responsible for their respective consolidated subsidiaries in order to enhance the collaboration between ENVIPRO and subsidiaries, thereby strengthening the system to promote our businesses. In the future, we will strive to establish the foundations that allow us to grow continuously. To this end, we will promote the devolution of power, prompt decision-making, and transparent management with good governance.

Nurturing corporate culture

We believe that firmly establishing business objectives and values as corporate culture, and making everyday business activities consistent with these objectives and values creates the most effective form of governance. They are also essential activities for sustainable enhancement of corporate value. We distribute a management plan to our employees that clearly describes the corporate philosophy, values, and code of conduct, aiming at nurturing corporate culture. Adopting the management plan in business activities, we will spread the corporate philosophy across our organizations and nurture a corporate culture, thereby establishing the foundations that enable long-term sustainable growth.

Corporate governance system



Internal Control Committee

The Committee is composed of four subcommittees (Compliance, Environmental Safety, Information Security, and Risk Management). It identifies risks, develops measures, and establishes and operates an internal control system across the group including the organization of awareness-raising activities.

Management Committee

The Committee makes decisions on important matters in relation to the execution of our businesses and the timely disclosure of information.

Appointment and Remuneration Committee

The Committee is composed of a total of five members: one representative director, three outside board members who are independent officers, and one advisor. It holds preliminary deliberations on any nomination of candidacy for director (except for members of the Audit etc. Committee), remunerations, etc. as an advisory body to the Board of Directors.

Business foundation / Growth foundation

Human resource development

Self-reliant and well-disciplined organization, the type of person we want to be

Based on our corporate philosophy, we aim to create a self-reliant organization that allows every employee to be the manager of their own work. Although seemingly contradictory, the organization should also be well-disciplined. To this end, we have defined the "type of person we want to be" as one of the basic concepts that should be applied to human resource development. With our aim to develop human resources based on this concept, we have been working to reflect the concept during the recruitment process, internal training, employee evaluations, employee positioning, etc.

Type of person we want to be

1. Value
Person who feels empathy for the corporate philosophy (values), and is sincere and not arrogant

2. Proactive
Person who can think independently, judge on their own volition, and take action responsibly
Person who can be proactively engaged in enhancing the expertise in their work

3. Change
Person who can willingly put aside their past experiences and values with the attitude of positively embracing change

4. Speed
Person who can promptly decide and act

5. Challenge
Person who can take up challenges, confronting difficult situations and new things.

6. Teamwork
Person who can produce a greater output by helping others, getting the best out of others, and lending a hand to others

7. Diversity
Person who can fully demonstrate their own uniqueness, while accepting the characters and ideas of different people

Recruitment of the first batch of new graduates (Scheduled to join in April 2021)

We have been primarily undertaking mid-career employment. However, we have decided to recruit not only career people but also new graduates because we consider it important to recruit a diverse range of people to enhance corporate value in the medium- and long-term. By recruiting new graduates, we will be able to pass on the corporate culture and invigorate the organization in addition to optimizing the age composition of our group. We believe that to train new employees to become leaders or key personnel in the future will contribute the most to creating the business foundations that enable us to grow in the medium- and long-term.

ENVIPRO business school

We operate the "ENVIPRO Business School" as a business school of the group. It's aimed at improving the skills and expertise that employees need to carry out their work.
The school offers original training programs every year, targeting various personnel in senior management positions and job categories. In FY2018, it ran three courses, namely "Next-Generation Entrepreneurs," "Managers," and "Sales Representatives." The "Next-Generation Entrepreneurs" and "Managers" courses offered a total of 9 classes and the "Sales Representatives" course a total of 4 classes. In total, 30 employees attended.
Training topics included the ability to persuade/express, marketing philosophy, finance/management accounting, and human resource development which corresponded to the requirements of respective job categories. Especially, in the "Next-Generation Entrepreneurs" course, lecturers who were specialized in their respective fields conducted training which reflected actual work, such as the development of next year's business plan based on financial statements and the management policy of the company.
The training was attended by employees from different companies across our group, which helps to nurture a sense of togetherness and to promote collaboration throughout the group.

Interview

Shigeto Komatsu, Representative Director/President, SYN ECO Inc.

Attending the business school



I attended the "Managers" course in FY2016 and the "Next-Generation Entrepreneurs" course in FY2018.
I remember I felt a great sense of commitment and at the same time felt extremely tense because I was taking part in the training as the representative of my company with many other employees from different companies, even though we all belonged to the same group. I have developed good relationships with the trainees I met on the training, which has helped me a lot in my work.
During the training I gained knowledge and a way of thinking that cannot be acquired in day-to-day work. It gave me an opportunity to revisit my attitude to work and to life.



Attending a lecture

Business foundation / Growth foundation

Growth / Development strategy

Endorsement of the TCFD recommendations

Our group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in May 2019.

The TCFD is a task force established under the Financial Stability Board (FSB) based on a request from the Ministers of Finance and the Governors of Central Banks of the G20. It is a private sector-led initiative, associated with the disclosure of climate-related financial information. It has announced recommendations (the TCFD recommendations) that are aimed at companies to understand and disclose their financial impacts of climate-related risks and opportunities.

According to the TCFD recommendations, we will analyze the risks and opportunities of climate change on our businesses to integrate them into our business strategies and promote information disclosure on governance, strategy, risk management, and metrics and targets.

Establishment of a laboratory

To promote resource circulation under the circular economy, we need to have advanced technologies to recycle waste and materials. The development of core technologies through the assessment of recycling technologies, analysis of recycled raw materials, accumulation of data, and acquisition of technical know-how is essential for the sustainable growth of our group in the future. Cognizant of this, the research department of ECONECOL Inc. was reorganized as an organization directly under ENVIPRO HOLDINGS last year. It now leads research and development as a laboratory.

Enhancement of work efficiency by introducing RPA*

In recent years, work-style reform programs have been promoted and the enhancement of work efficiency has been given a high priority. If simple tasks are automated, it will become possible for workers to be engaged in tasks that can be only done by humans, using the time saved.

Our group has launched the operation of RPA in a survey of new business partners. RPA is used to collect information needed to decide if a trade connection should be established with a concerned company. As a result, the workload involved in collecting information for a company survey has been reduced.

* RPA: Robotic Process Automation
A technology to automate simple tasks and routine tasks.

Interview Toshihiro Koyama, Director, Laboratory, ENVIPRO HOLDINGS Inc.



Q1. Are there any research themes that are typical for ENVIPRO?

We are currently focusing on launching a business under VOLTA Inc. which will recover valuable metals, such as cobalt and nickel, from lithium-ion rechargeable batteries collected from mobile phones and automobiles. We are jointly engaged with VOLTA Inc. the establishment of efficient plant operating conditions to concentrate cobalt, through the introduction of facilities in a metal recovery plant, planning trial runs and assessments of prototypes. In addition, we have been continuously engaged in the analysis of materials such as gold and silver sediment sludge assisting ECONECOL Inc.



Q2. What are the challenges and prospects for the laboratory in the future?

We have seconded our researcher to the National Institute for Environmental Studies for joint research to develop methods to melt the metals contained in riddling ash, aiming to grow this field as a new core business of our group. It is becoming clear that the metal elements themselves determine the types of acid suitable to melt them and the treatment required after melting. After the secondment period is completed, we will further work on the commercialization of the research outcome in order to develop this into the next key business of our company.





Business foundation / Growth foundation

Challenge to contribute to create a sustainable society

In FY2018, we, the ENVIPRO Group, re-verified relations between our business activities and social issues, and, subsequently, developed a "Sustainability Strategy" as a growth strategy to realize the sustainable development of society and our group concurrently.
Until we were listed on the Second Section of the Tokyo Stock Exchange in September 2013, we prioritized the establishment of our business foundations. After being listed, we planted a variety of seeds for future growth with the objective of promoting the diversification of our businesses. Later, we reviewed the business areas we had expanded, and decided which businesses to primarily apply our resources.
Based on this decision, we will further promote the new businesses that we have already launched and accelerate investments in new growth fields. We will engage ourselves in the development of a sustainable society as a company which is relied upon by our stakeholders.

Business strategy (expansion of existing businesses, strengthening of foundations, erecting new pillars)

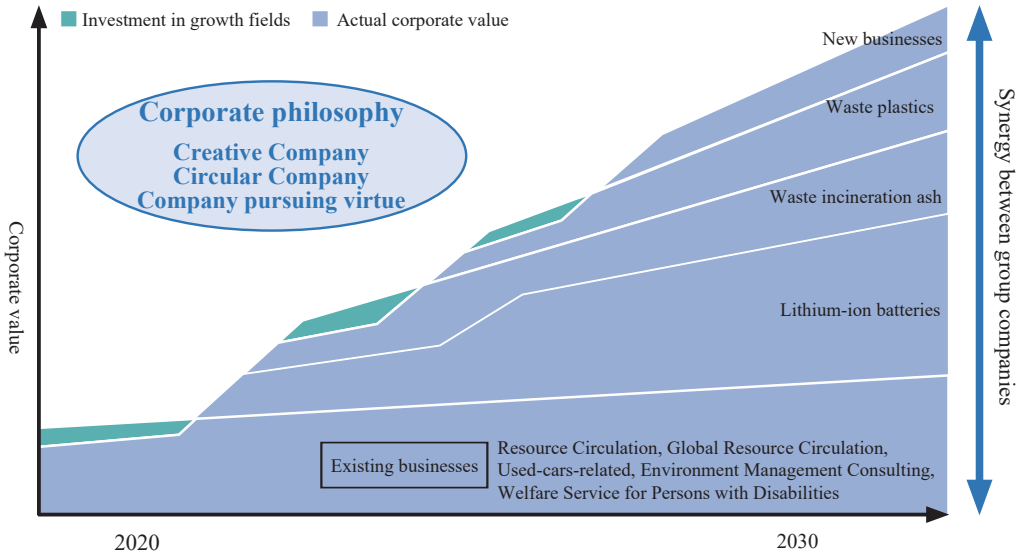
We will strengthen our growth foundation through developing human resources, improving corporate governance, brand development and others, while enhancing our financial stability by continuously generating profits through expanding existing businesses, technological innovation, improving productivity, etc. Simultaneously, we will erect new pillars of growth by investing in growth fields and collaborating with other companies, thereby enhancing our corporate value.

Profit distribution

To realize the above-mentioned policies, we will principally distribute profits according to the following proportions: 30% for investment in growth fields, 10% for research and development, 20-30% for dividends to return to shareholders, 30-40% for internal reserves.

Profit distribution	
Investment in growth fields	30%
Research and development	10%
Return to shareholders	20～30%
Internal reserves	30～40%

Enhancing corporate value by expanding businesses



Until a business is stabilized, the increase in corporate value will slow down because it cannot match the initial investment. Green areas indicate a negative balance caused by this condition.

Synergy between group companies

Making the best use of the human resources, assets, funds, technologies, and information that the group owns, we will support the development of the whole group, thereby maximizing the synergy between our group companies, and expanding and strengthening new growth foundations across the group.

Stakeholders

We will strive to win the trust of our stakeholders through our business activities as well as our communication with them. To this end, we will regard any concerns expressed by the various stakeholders (customers, shareholders, business partners, employees, local communities, administrative offices/industry associations) as challenges that will lead us to strengthen the business foundation of our group necessary to promote business activities and sustainable growth.

References

Materials balance

INPUT

Raw materials

Resources processed 258,400 tons



Metal scrap	170,200 tons	Wood scrap	3,500 tons
Mixed waste	45,300 tons	Wastepaper	8,600 tons
Waste plastics	2,300 tons	Used clothes	1,400 tons
Scrap cars	9,200 tons	Waste batteries	100 tons
Electronic waste	5,900 tons		
Waste rubber chips	11,900 tons		

Resources circulated 404,900 tons



Metal scrap	350,200 tons	Wastepaper	9,400 tons
Waste plastics	300 tons	Used clothes	400 tons
Scrap cars	5,200 tons	Wood pellets/PKS	39,300 tons

Energy

Petroleum-based fuels 58.9TJ Electricity 18.3GWh Water 30,800 m3

Resource recovery rate

97.6%

CO_2 emissions

13,000 tons



OUTPUT

Products

Recycled raw materials 94,400 tons



Ferrous metals	39,600 tons	Wood chips	800 tons
Nonferrous metals	9,900 tons	Raw materials for paper	8,400 tons
Raw materials for plastics	1,200 tons	Raw materials from used clothes	900 tons
Raw materials for fuels	29,900 tons	Others	3,700 tons

Recycled raw materials and used products for international trading 504,300 tons

Ferrous metals	437,700 tons	Raw materials for fuel	39,300 tons
Nonferrous metals	10,900 tons	Raw materials for paper	9,600 tons
Raw materials for plastics	1,500 tons	Used cars/maintenance parts	5,200 tons



Final products 12,300 tons

Rubber chip-based products 12,300 tons

* Resource recovery rate = Products used for raw materials / (products used for raw materials + simple incineration + landfilling) x 100



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