ENVIPRO
Envipro Holdings Inc.

Sustainability Report 2020

Your Partner in Circular Economy

Contribute to Create a Sustainable Society

Corporate philosophy

Creative Company

Engage in the ongoing creation of businesses that society needs

- Engage in everyday work in the spirit with which the company was established
- Create new businesses in the spirit of the founder for generations to come
- Every employee to exert efforts to become the leading player of a business that suits them

Circular Company

Help others, get the best out of others, and share with others to make a constant loop of joy

-Help each other and lend a hand to others to make your work more pleasant
-Use every material repeatedly, preserving their value for as long as possible
-Share the profit and joy with the people you live with

Company pursuing virtue

Pursue the virtue of companies and people, in perpetuity

-Don't choose the easy path but choose the path which serves others
-Do what others don't do by taking advantage of your distinctive qualities
-Be grateful for your life and don't be arrogant

Supervised by Mr. Yoshiharu Shimizu, Mirai Design Research Institute Enishiya
Effective March 20, 2004

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Editorial Policy

This sustainability report is issued by ENVIPRO HOLDINGS Inc. The report describes the corporate philosophy of our group and our overall activities in non-financial areas including business strategies, environmental performance, and corporate governance. Some business prospects including our future plan are also presented here.

Scope of report

The report presents the activities of ENVIPRO HOLDINGS Inc. and the following nine subsidiary companies: ECONECOL Inc., NEWSCON Inc., 3WM Co., Ltd., Kuroda Recycle Co., Ltd., SYN ECO Inc., ASTOCO Inc., Toyo Rubber Chip Co., Ltd., VOLTA Inc., and Bright Innovation Co., Ltd.

Reporting period

July 2019 - June 2020
(The report includes some activities and plans beyond the period specified above)

Top Message

We will exert group-wide efforts to "contribute to create a sustainable society."



As we were coming across a major turning point in history caused by disruptive innovations, COVID-19 came out of the blue and has brought about enormous confusion. At the same time, the pandemic has shown its power of negating conventional wisdom and common sense, bringing forward the advent of digitalization and other necessary changes in many aspects of our lives and society.

The pandemic also gave us the time to reflect on the way we have worked and ponder more than ever how the company should be run in the future. And most importantly, we have been pushed to a position of asking ourselves again the fundamental and long-term question: “For what purpose does our company exist?” I believe that the Almighty is testing and making sure that we are truly pursuing to be a player strongly needed by society in our own business areas.

If we genuinely commit ourselves to our mission to “contribute to create a sustainable society,” we should be able to keep moving forward, even if we may face whatever turbulence or adversity on the way. Under the present circumstances, we must promote concrete actions further toward the realization of the mission, in order to overcome the COVID-19 turmoil and come out as a stronger survivor.

The best example of such actions is to help create a circular economy. I have come to believe that transformation to an advanced manufacturing company producing high-quality raw materials and articles out of waste and scrap is the theme that we should focus on above anything else, in order to realize our mission.

At this major historical juncture that has been brought forward unexpectedly by the pandemic, we will be pushing ourselves to synchronize the sustainable growth of our company with that of the society and to find our reason for being in helping creating a circular economy as an important element in sustainable social development.

I see it my responsibility to further increase the social, environmental, and economic values of our company, and to reinforce the governance that would ensure their sustainability. Equally important for me to do is to “build a platform” filled with good-quality energy on which the employees and many other stakeholders of ours will be working energetically. With firm resolve, I will execute these responsibilities of mine.

It is because precisely there must lie our reason for being of contributing to creation of a sustainable society.

Always smile and work for keeps... Go forward

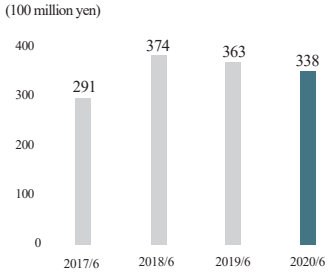
佐野富和

Tomikazu Sano
President, Representative Director

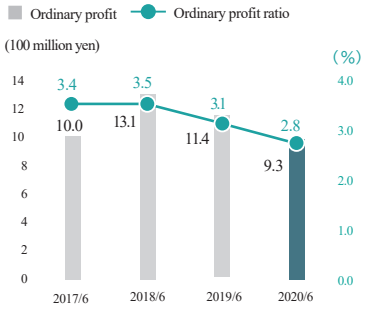
Company Profile

Outlook (Business results for the fiscal year ended June 30, 2020)

Sales



Ordinary profit / ratio



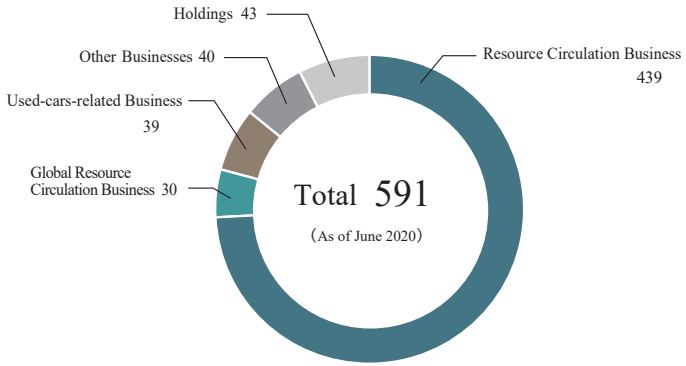
Number of subsidiaries and sites

Consolidated subsidiaries (including overseas companies) 12

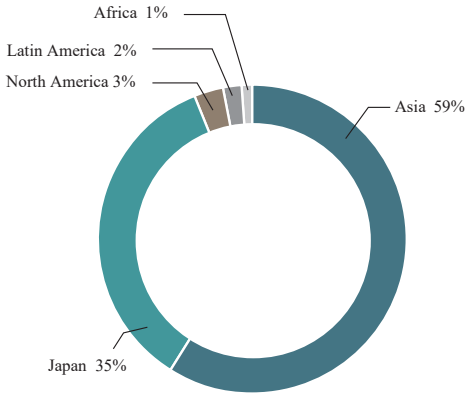
Domestic yards 14

Domestic processing sites 10

Number of employees by segment

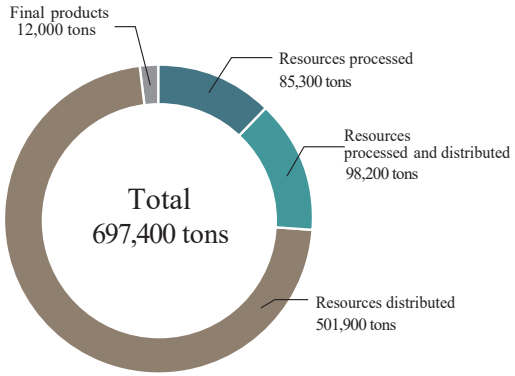


Sales by region



Handling volume

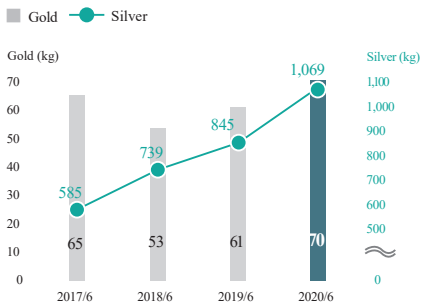
(Resources processed, resources processed and distributed, resources distributed, and final products)



Resource recovery rate

94.6%

Precious metals collected



Company Profile

Group History

History before the establishment of the company

1950	Mar.	Katsuyoshi Sano (father of Tomikazu Sano, President/CEO of ENVIPRO HOLDINGS Inc.) established SANO MARUKA SHOTEN.
1978	Jul.	Reorganized into SANO MARUKA SHOTEN Co., Ltd. with capital of 20 million yen.
1992	Aug.	Launched a trading business.
1997	Jun.	Installed a large shredding machine in the factory at head office.
2000	Apr.	Established Fuji Eco Cycle Co., Ltd. as a joint venture with FUJITSU GENERAL LIMITED.
	Jul.	Renamed the company from SANO MARUKA SHOTEN Co., Ltd. to SANO MARUKA Co., Ltd.
2001	Jul.	Launched a plastic recycling business.
	Aug.	Established an RPF factory (Refuse Paper and Plastic Fuel production factory).
2003	Dec.	Established ARBIZ Corporation as a joint venture.
2004	Nov.	Authorized by the Minister as a resource recovery plant for automobile shredder residue pursuant to the Act on Recycling, etc. of End-of-Life Vehicles.
2006	Jul.	Established 3WM Co., Ltd.
2007	Jul.	Renamed the company from SANO MARUKA Co., Ltd. to ECONECOL Inc.
2008	Feb.	3WM Co., Ltd. established JAPAN COAST USED CARS AND SPARE PARTS TRADING (UAE).
	Jun.	Acquired a 100% stake in Kuroda Recycle Co., Ltd., making it a subsidiary.
	Jun.	3WM Co., Ltd. established 3WM CHILE IMPORT EXPORT LIMITADA (Chile).





History after the establishment of the company

2010	May	To transition into a pure holding company, established ECONECOL HOLDINGS Inc. (Present ENVIPRO HOLDINGS Inc.) in Fujinomiya City, Shizuoka.
	Jul.	Renamed the company from ECONECOL HOLDINGS Inc. to ENVIPRO HOLDINGS Inc.
2011	Apr.	Acquired a 100% stake in Recycle Support Service LLC. (Present SYN ECO Inc.), making it a subsidiary.
2012	May	3WM Co., Ltd. established 3WM UGANDA LIMITED (Uganda).
2013	Sep.	Listed on the Second Section of the Tokyo Stock Exchange.
	Dec.	Established ECOMMIT Inc. (Present ASTOCO Inc.).
2015	Feb.	ECONECOL Inc. established a Representative Office in Vietnam.
	Dec.	Acquired a 100% stake in Toyo Rubber Chip Co., Ltd., making it a subsidiary.
2016	Apr.	Established Bright Innovation Co., Ltd.
2017	Apr.	Invested in MINE BIOMASS SYNERGIES PRIVATED LIMITED (Singapore) for the stable procurement of wood biomass fuel.
	Sep.	Transitioned to a company with an audit and supervisory committee.
2018	Jan.	Established VOLTA Inc.
	Jun.	Listed on the First Section of the Tokyo Stock Exchange. The first company listed on the Tokyo Stock Exchange in the industry. *The Second Section of the TSE in 2013 and the First Section of TSE in 2018
2019	Apr.	Opened Syn Eco Plaza Azumino.
2020	Apr.	Established NEWSCON Inc.



Company Profile

Company Name	ENVIPRO HOLDINGS Inc.
Address	●Head Office 87-1 Tanaka-cho, Fujinomiya-shi, Shizuoka, 418-0075, JAPAN TEL: +81-544-21-3160 FAX: +81-544-21-3163 ●Tokyo Office SHINKAWA EAST 2F, 1-23-5 Shinkawa, Chuo-ku, Tokyo, 104-0033, JAPAN TEL: +81-3-6280-3938 FAX: +81-3-6280-3937
Representative Director	Tomikazu Sano
Established	May 21, 2010
Capital	1,524,830,656 yen
Business	Management and operation of affiliated subsidiary companies and associated works
Group Companies	Twelve consolidated subsidiaries (including second-generation subsidiaries), two equity method affiliates

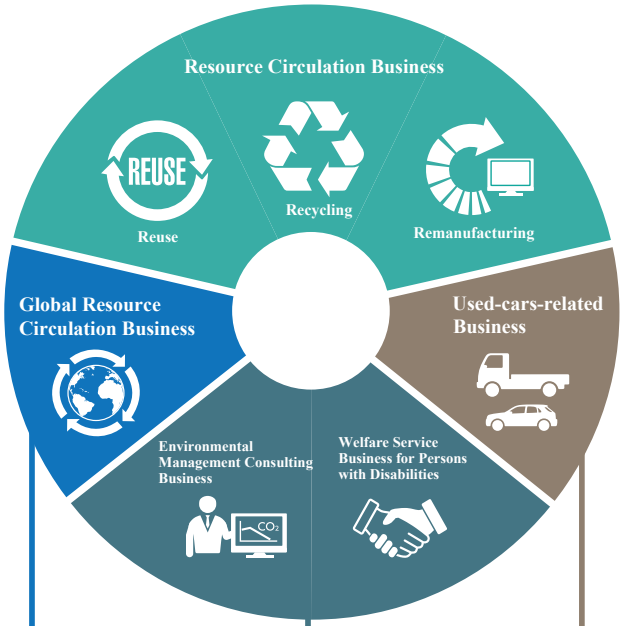


Company Profile

Subsidiary companies

Resource Circulation Business

By promoting the reuse, recycling, and remanufacturing of goods disposed of as waste, we offer new value to society, engaging in the effective utilization of limited resources, waste reduction, and the production of recycled raw materials from waste.



ECONECOL Inc.

Engaged in the recycling of metal scraps and electric/electronic waste composed of metals and plastics.

Kuroda Recycle Co., Ltd.

Engaged in a locally-focused recycling business in Hakodate City and the surrounding Southern Hokkaido area.

SYN ECO Inc.

Engaged in a community-based recycling business in Matsumoto City, Azumino City, and their environs in Nagano.

VOLTA Inc.

Engaged in the collection and recycling of minor metals from lithium-ion and other batteries.

株式会社東洋ゴムチップ

Engaged in the manufacture and sale of color rubber chips as well as development of a wide range of applications of rubber materials, including playground equipment flooring and railroad crossing panels.

ARBIZ Corporation

Operates a unique system that crushes and sorts used cars and other waste, turning them into resources.

株式会社富士エコサイクル

A joint venture company with five household appliance companies engaged in the recycling of home appliances.

Global Resource Circulation Business

We promote optimal global resource circulation through the import/export and trilateral trading of a wide range of resources including metals, plastic scrap, and biomass fuel.

NEWSCON Inc.

Engaged in the global distribution and sale of ferrous and nonferrous scraps and biomass fuels .

Other Businesses

We help persons with disabilities secure employment by offering on-the-job training to enhance their skills. In addition, we offer consulting services specialized in environmental management, including support for companies to develop their environmental strategy and CO_2 emission reduction plan.

ASTOCO Inc.

Supports persons with disabilities all the way from assisting their inclusion in society, capacity building in knowledge and skills, to finding jobs.

Bright Innovation Co., Ltd.

Provides consulting services to support environmental management, as well as solutions such as the implementation of renewable energy.

Used-cars-related Business

We stock high-quality used Japanese cars/heavy machinery as well as used engines and other car maintenance parts, and export them overseas or use them for trilateral trade.

3WM Co., Ltd.

Engaged in the international transactions of used Japanese and other cars and maintenance parts, thus promoting reuse on a global scale.

Consolidated subsidiaries Equity method affiliates

ECONECOL Inc.

Since being established in Fujinomiya City, Shizuoka in 1950, the company has been engaged in a recycling business that primarily deals with metal scrap, a processing and sales business that deals with recycled materials including minor metals, plastics and biomass.

3507-19 Yamamiya, Fujinomiya-shi, Shizuoka, 418-0111
TEL: +81-544-58-5800
FAX: +81-544-58-5807

Kuroda Recycle Co., Ltd.

Since being established in 1922, the company has been engaged in a community-based recycling business in Southern Hokkaido, centering on Hakodate City. It pursues the policy of the founder which is to "value anything at hand," for instance, by collecting ultrafine precious metals left in the dust.

246-27 Nishikikyo-cho, Hakodate-shi, Hokkaido, 041-0824
TEL: +81-138-49-8880
FAX: +81-138-49-8960

SYN ECO Inc

The company is engaged in a community-based recycling business such as "*Mottainai BOX*" and "Comfortable Life Support" in Matsumoto City, Azumino City, and their environs in Nagano. In 2018 it was awarded a commendation by the governor of Nagano as a distinguished company in the employment of persons with disabilities.

2346 Shimadachi, Matsumoto-shi, Nagano, 390-0852
TEL: +81-263-47-3211
FAX: +81-263-47-3213

VOLTA Inc.

The company is engaged in the collection and recycling of minor metals, such as nickel and cobalt, from lithium-ion rechargeable batteries, nickel hydrogen rechargeable batteries, and other batteries, the demand for which is expected to further increase. It also undertakes the recycling of casings other than batteries.

3507-19Yamamiya,Fujinomiya-shi, Shizuoka,418-0111 (c/o ECONECOL Inc.)
TEL:+81-544-66-3132
FAX: +81-544-66-3133

Toyo Rubber Chip Co., Ltd.

The company is a pioneer in rubber-recycling, making effective use of industrial rubber scrap over half a century, mainly operating in Maebashi City, Gunma. It manufactures a wide range of products from the flooring for play equipment in parks and schools, and the flooring for gymnasiums, to railroad crossing panels, which all contribute to enhancing the safety of various facilities.

1573 Fukazu, Kasukawa-machi,Maebashishi, Gunma, 371-0215
TEL: +81-27-285-3131
FAX: +81-27-230-6008

NEWSCON Inc.

Established in April 2020, succeeding the global resource circulation business of ECONECOL Inc. With a view to becoming "a company that brings the world closer to us," NEWSCON contributes to international resource circulation through global distribution and sale of ferrous scrap, nonferrous metals, and biomass fuels.

Daiichi Toyo Kaiji Building 4F
1-16-3 Nishishimbashi, Minato-ku, Tokyo, 105-0003
TEL: +81-3-3502-1022
FAX: +81-3-3502-1024

3WM Co., Ltd.

The company globally supplies high-quality Japanese used cars and maintenance parts through its overseas sites in UAE, Chile and others. It also globally promotes the reuse of used cars/maintenance parts through its international transactions of used maintenance parts.

Chikko bldg. 2F, 2-3-5 Hama, Minato-ku, Nagoya-shi, Aichi, 455-0036
TEL: +81-52-659-5200
FAX: +81-52-659-5208

ASTOCO Inc.

The company helps persons with disabilities find a suitable job and become a self-supporting member of the public, by training them on how to sustain their livelihood and integrate themselves into society, in addition to the job training on relevant knowledge and skills.

2346 Shimadachi, Matsumoto-shi, Nagano, 390-0852
TEL: +81-263-31-3440
FAX: +81-263-48-3067

Bright Innovation Co., Ltd.

The company offers consulting services to help companies formulate their own environmental strategies, CO2 emission reduction strategies and others, which are becoming increasingly important to their operation and management. It also proposes solutions such as the implementation of renewable energy.

SHINKAWA EAST 2F, 1-23-5 Shinkawa, Chuo-ku, Tokyo, 104-0033
TEL: +81-3-6280-3936
FAX: +81-3-6280-3937

ARBIZ Corporation

A joint venture with USS Co., Ltd., operating in and around the Chukyo region. It is engaged in a recycling business that crushes and sorts various types of waste including scrap cars, adopting a unique system for turning waste into resources.

14-24 Showa-cho, Minato-ku, Nagoya-shi, Aichi, 455-0026
TEL: +81-52-619-6600
FAX: +81-52-619-6601

Fuji Eco Cycle Co., Ltd.

A joint venture with five household appliance companies including FUJITSU GENERAL LIMITED. Pursuant to the "Home Appliance Recycling Law," it is engaged in a "Home Appliance Recycling Business" that aims to reduce waste and the disposal of environmentally hazardous materials, and to create a circular society where economic growth and environmental protection are mutually compatible.

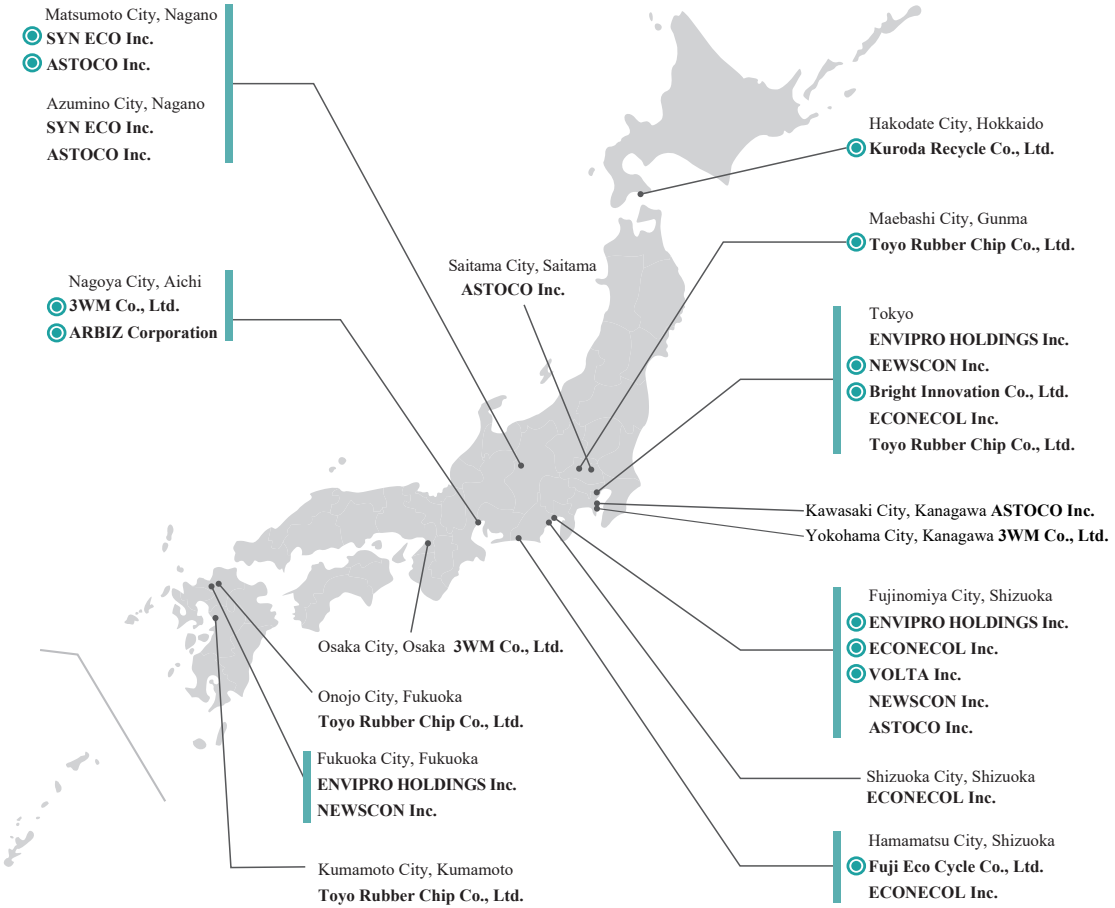
1930-4 Nakagawa, Hosoe-cho, Kita-ku, Hamamatsu-shi, Shizuoka, 431-1304
TEL: +81-53-523-1152
FAX: +81-53-523-1153

Consolidated subsidiaries
Equity method affiliates

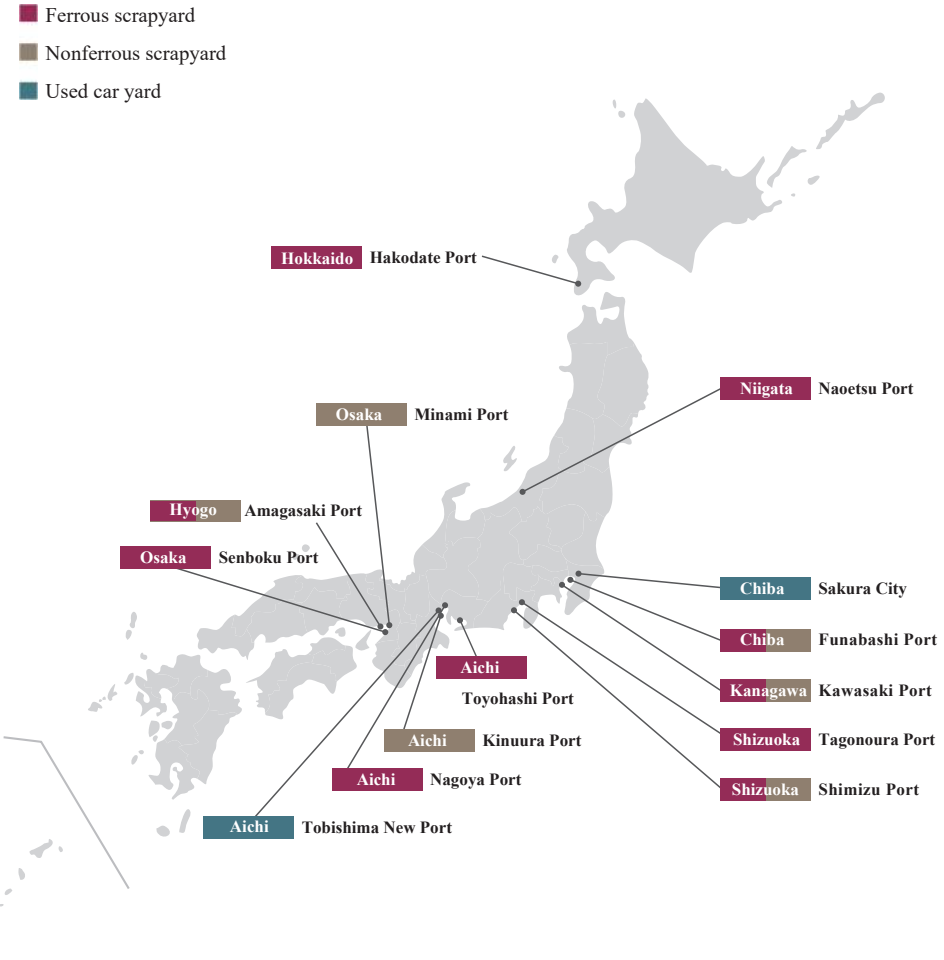
Company Profile | Locations（Domestic）

Domestic sites

Head office＝◎



Shipping ports



Company Profile | Locations（Overseas）

- Sales sites for recycled resources
- Business sites for used cars
- Business sites for biomass fuel




NEWSCON Europe Representative Office



NEWSCON Vietnam Representative Office


Mine Biomass Synergies PKS Stockyard



3WM Chile Import Export Limitada

Sustainability Strategy

To achieve carbon neutral

Commit to become carbon neutral in our business by 2050

Carbon neutral by 2050

Through our Resource Circulation Business, we contribute to greenhouse gas (GHG) emissions reduction in the product lifecycle. Nonetheless, we declare that the GHG emitted from all of our businesses of our Group to be carbon neutral by 2050.

In this way, treatment and recycling operations of all the scrap and waste we handle, will be performed with net zero emissions.

Resource depletion and climate change are not just two separate issues; they are closely intertwined with each other as a global social issue. Our Group's business, which is located at the end of the supply chain and responsible for Resource Circulation Business, has the characteristics that enable it to tackle both of these critical social issues through its business process, and we believe that this is precisely the social responsibility that we should fulfill.

Endless resource exploitation and GHG emissions are detrimental to sustainability. Thus we should find the solution to preserve the Planet Earth's resources and its natural environment we share in the future.We will continue to play the role of supporting the social infrastructure by accelerating resource circulation through circular economy-related business activities and by making our entire business operations carbon neutral.



Renewable energy 100% in our business by 2030

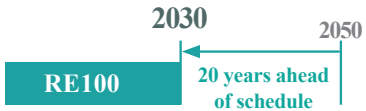
RE100 by 2030

In July 2018, we joined "RE100", which aims to source 100% renewable energy in our business by 2050. Currently, renewable energy sources in our group accounts for 17.8%.

This time as we announced our commitment to be carbon neutral by 2050, we reset our target year of RE100 to 2030, which is 20 years ahead of schedule. This is because we recognize that expanding and accelerating renewable energy which is the most important measure against climate change is an important theme to tackle for our company, which has the mission of "contribute to create a sustainable society".

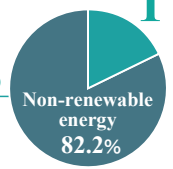
RE100
CLIMATE GROUP | CDP





Renewable energy
17.8%

Renewable energy percentage (FY2019)
As of the end of June 2020



Sustainability Strategy

Sustainability Strategy to overcome non-continuous changes and to sustain business growth

Mission Statement

The ENVIPRO Group espouses the mission statement, which is to "contribute to create a sustainable society." The mission statement demonstrates how our group will contribute to society through our businesses, which is our purpose for existing. It indicates the general, unchanging direction for our group to follow, no matter how the times and social environment change. This is also a message to those people who feel empathy with this statement to "work together to this end."

Sustainability Strategy

To ensure the achievement of the mission above, our group has developed the Five-year Sustainability Strategy (FY2018 - FY2022). By focusing on businesses that address unsustainable conditions in society, we will promote the sustainability of both society and our company.

Based on the corporate philosophy, we will restructure and establish a set of systematized mechanisms, ranging from the mission and the strategies to the implementation plans over years. Linking the Sustainability Strategy with the implementation plans developed by our group companies through the steady operation of the new mechanisms, we will enhance the implementation levels, thereby achieving our mission.



Sustainability Strategy

(Five-year strategy for the period from FY2018 to FY2022)

Goal

To achieve concurrent sustainability of society and our company

Key policies

Greatly enhance the company's credibility in society

Effectively demonstrate the HOLDINGS' leadership within the group to improve corporate governance and promote the brand

Greatly enhance efficiency in the use of operational resources

Consolidate businesses in line with the Sustainability Strategy for the efficient use of operational resources

Greatly enhance productivity

Greatly enhance productivity by making use of new technologies and experience

Sustainability Strategy

Identifying material issues for the realization of sustainable development

In modern times, a wide variety of issues have surfaced which put the sustainability of society at risk, such as the impacts of climate change, anticipated shortages of material resources, the declining birthrate and the aging population. We believe that businesses can play a crucial role in addressing these issues, which will in turn provide them with larger markets and more business opportunities.
In view of our mission statement, which is to "contribute to create a sustainable society," we examined the strengths of our group and the impact of these issues on business, in addition to requests from society to address such issues and our purpose for existing. We subsequently identified "material resources" and "energy resources" as two material issues to the company.
By explicitly designating the business strategy concerning these material issues as the Sustainability Strategy, we will firmly promote the implementation of any relevant activities.

Process to identify material issues

Step1 Identifying business risks/ opportunities in society

Unsustainable conditions

- Increasing impacts of climate change
- Material resource limitations
- Limitations of fossil fuel consumption
- Losing the spirit of generosity
- Development of Asian countries and their limitations
- Decline of developed countries
- Difficulties in sustaining social infrastructure
- Increasing number of countries with an aging population
- Increasing adverse effects of short-term investment

Exploring sustainability

- Expansion of resource circulation
- Expansion of clean energy
- Development of a service industry that pursues people's happiness
- Development of an economy that promotes local consumption of locally produced products
- Privatization of public infrastructure
- Expansion of ESG investment
- Accelerating electrification, automation, and networking
- Growth in China/Asia

Step2 Examining issues from the three points of view

Elements to identify material issues

1. Impact on business
2. Strength of our group
3. Effects on society

Step3 Identifying material issues

Material Resources

- Depletion of minor metals/ Shortage of mineral resources
- Reduction of waste/scrap (increasing in Japan and the whole of Asia)

Energy Resources

- Climate change/Decarbonized society
- Increasing demand for renewable energy
- Energy demand (Asia)
- Development of an economy that promotes local consumption of locally produced products (Energy, resources)



Sustainability Strategy

Various activities for the achievement of Sustainable Development Goals (SDGs)

The ENVIPRO Group has specified some SDGs that are particularly relevant to the business and our mission statement, which is to "contribute to create a sustainable society," and has been implementing various activities which contribute to the achievement of SDGs, particularly focusing on those specified above.

What are the Sustainable Development Goals (SDGs)?

The Sustainable Development Goals are a collection of international development goals to be achieved between 2016 and 2030, which was adopted by the UN Summit held in September 2015. They consist of 17 goals and 169 targets to realize a sustainable world and pledge to leave no one behind.



Goal 1: Poverty

- With the improvement of the efficiency and the profitability of our business, including those of the Resource Circulation Business, we will increase the income of the employees and improve their quality of life.

Goal 3: Health

- We prevent water and soil pollution and contamination by properly managing scrap materials at our plants which comply with safety and environmental standards.
- We are promoting new ways of working, including telecommuting and the flex-time scheme, as part of measures to prevent the expansion of COVID-19 to employees and the general public.

Goal 4 and 10: Education/Equality

- Under government sponsored programs such as the pre-employment transition support program and the type B continuous employment support program, we provide an environment where persons with disabilities are able to acquire knowledge and skills, and support them to be continuously engaged in rewarding work.
- We run various employee training programs to improve their skills, including a business school for employees.

Goal 5 and 8: Gender/Working Environment

- We have created an environment where employees can choose a working style that fits them best, by introducing various systems including those for permanent employees with shorter working hours and telecommuters in order to meet the different needs of employees including female employees with small children.
- We thoroughly implement measures to prevent work accidents in order to ensure the safety of employees.
- Envipro Holdings Inc. began recruiting new graduates in fiscal 2019. To build upon the current practice of hiring persons with disabilities, we will be offering worthy job opportunities for people of different backgrounds.

Goal 7: Energy

- We joined "RE100*1" in July 2018, setting a goal to match 100% of the electricity consumed in our business activities with electricity generated from renewable sources by 2050. We have adopted renewable energy to power our factories, and promote the introduction of renewable-energy power systems such as the installation of solar panels on factory roofs.
- We promote international transactions of PKS (Palm Kernel Shell) by establishing container yards in South East Asia. We will contribute to increasing the supply of sustainable biomass fuel by expanding our involvement in the supply of wood pellets in the future.

*1RE100:aglobalinitiativewhichbringstogethercompaniescommittedtousing 100%renewableenergyfortheelectricityconsumedintheirbusinesses.

Goals 9 and 12: Technology Innovation/Consumption and Production

- We contribute to the circulation of limited resources and reducing waste by engaging in the recycling business to collect precious metals from metal scrap and waste, and the remanufacturing business to produce recycled raw materials. Moreover, we aim to establish a sustainable consumption and production mechanism by further developing the technologies and experience that we have nurtured over the years. To this end, in 2018 we established a new laboratory in ENVIPRO HOLDINGS Inc.

Goal 11: Community Development

"Syn Eco Plaza Azumino" contributes to revitalizing the local community and the development of a sustainable community through recycling and creating employment: the collection and recycling of waste and items disposed by households, and the hiring of persons with disabilities at the factory.

Goal 13: Climate Change

- We contribute to the reduction of CO2 emissions across supply chains through our engagement in the recycling and remanufacturing businesses, the mainstay of our company. Furthermore, we promote CO2 emission reductions in the recycling and manufacturing processes by promoting the purchase of electricity generated from renewable sources and adopting a renewable-energy power system.
- We help companies reduce CO2 emissions by providing consulting services for them to formulate their decarbonization strategies as well as solution services such as the adoption of renewable energy.
- We endorsed the "TCDF (Task Force on Climate-related Financial Disclosures) recommendations" in May 2019. We will analyze the risks and opportunities of climate change on our businesses and integrate them into our business strategies.

Goal 14: Marine Resources

- We contribute to preventing marine pollution caused by plastics by developing technologies which sort waste plastics and recycle them into pellets, and expanding the range of recycled raw material use.

Goal 17: Partnerships

- We contribute to promoting global resource circulation and the control of environmental pollution through the export of reusable products, including used cars from Japan and international transactions of resources.
- By joining the following initiatives, we acknowledge our engagement in environmental businesses and promote activities which will lead to the realization of a sustainable society.
  - Japan Climate Leaders' Partnership (JCLP)
  - RE100 • CDP*2 Scoring partner
  - CLOMA (Clean Ocean Material Alliance)

*2 CDP: A global initiative concerning the disclosure of climate change-related information.

Sustainability Strategy

Circular Economy and Our Group Businesses

What is the Circular Economy?

In recent years, the circular economy concept has been gaining considerable attention. This is an alternative economic system to the linear economy which is characterized by mass-production, mass-consumption, and mass-disposal, and the one-way flow of materials. The circular economy is aimed to reduce wastes and instead use them circularly as resources.
It is intended to address environmental issues while achieving economic growth by creating the maximum added value with the minimum investment. This concept is totally consistent with the goal of our Sustainability Strategy, “to achieve concurrent sustainability of society and our company.”

Risks and Opportunities

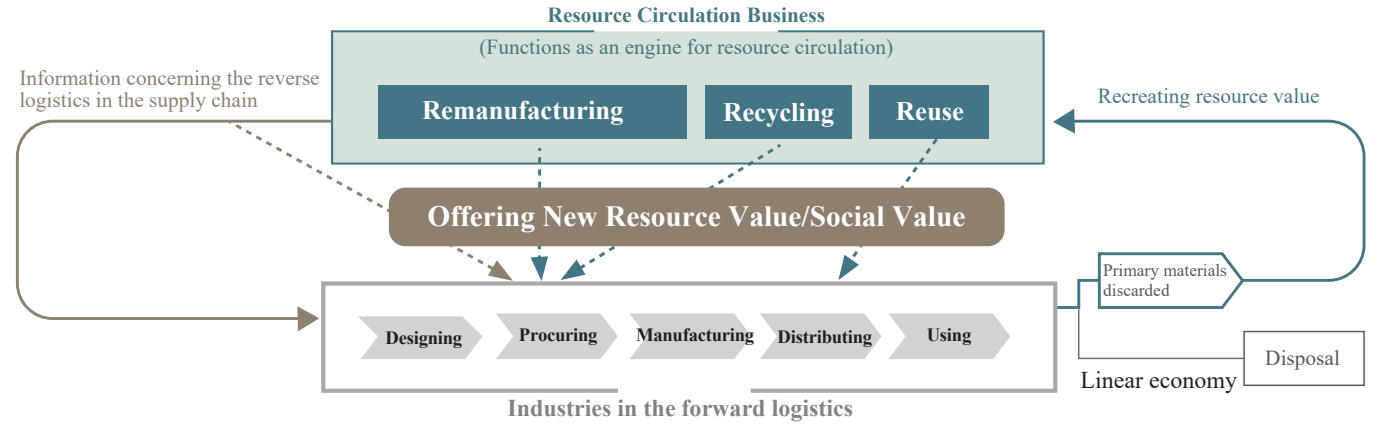
The circular economy is expected to change economic models from the simple selling of products to the sharing of products, and the selling of experiences and functions. Furthermore, the flow of wastes and resources will be potentially adjusted in accordance with whoever owns the products.
Moreover, if manufacturers start getting involved in the procurement of necessary resources or recycled raw materials, the boundary between forward (product supplying) and reverse (recycling) logistics in the supply chain may disappear, potentially leading to new competition among industries. This could pose business risks for our group.
On the other hand, there are also various potential business opportunities such as the expansion of recycled raw material use and markets, and the emergence of new business models through the development of IoT in the industries in the reverse logistics. Our group needs to decide on our positions where we can take the maximum advantage of our strengths.

Circular Engine of the Circular Economy

The circular economy aims to provide another value for materials that were once discarded. Our group’s Resource Circulation Business offers social value to consumers by giving them the opportunity to choose eco-friendly products. It creates new resource value for disused primary materials. Therefore, our group believes that we can play a crucial role in the circular economy, performing the function of an engine for resource circulation.

Focusing on the reuse, recycling and remanufacturing of materials, we will promote the finest technologies for resource circulation across supply chains, and the development of collaboration systems of forward and reverse logistics through partnerships with manufacturers. Through these engagements, we will grow into a company that is truly appreciated in a society which is experiencing a transition to the circular economy.

Roles of Our Businesses in the Circular Economy



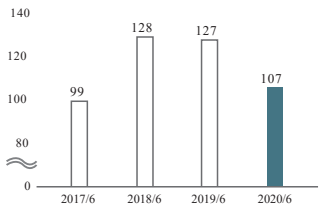


Resource Circulation Business

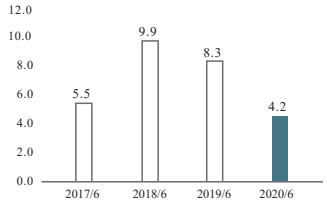
Resource Circulation Business that enhances the sustainability of a society



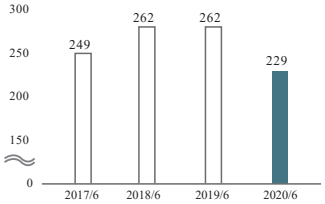
Sales (100 million yen)



Ordinary profit (100 million yen)



Handling volume (1,000 tons)



The ENVIPRO Group promotes the resource circulation business as our key business to achieve ourmission statement that is to "contribute to create a sustainable society." We offer new value to society,engaging in the effective utilization of limited resources, waste reduction, and the production of recycled raw materials from waste, by promoting the reuse, recycling, and remanufacturing of materials that were disposed of as waste.

Three key businesses

Our group operates the resource circulation business, focusing on the following three businesses as its key components.

1. Recycling Business (resource recovery)

Our group has been engaged for more than half a century in a recycling business in which metal scrap, waste and others are crushed, and physically sorted into ferrous and nonferrous metals, gold, silver, and copper sediment sludge(mixed metals), plastics, etc. based on differences in their properties. With the use of advanced sorting technologies based on the above-mentioned technologies aswell as our accumulated know-how, it is possible to condense and collect ultrafine precious metal particles from both waste incineration ash and ASR* that seemingly contain no precious metals.

Furthermore, with regard to waste plastics, we have achieved a recycling rate of approximately 94.6%, minimizing simple incineration and landfilling by producing RPF for thermal recycling.

*ASR: Abbreviation of Automobile Shredder Residue. The residue which remains after end-of-use vehicles are dismantled and shredded to remove chlorofluorocarbons and their parts, such as air bags, doors, and engines, and to collect useful metals.

2. Remanufacturing Business (re-production)

Our group promotes and actively invests in the "Remanufacturing Business" which aims to manufacture recycled raw materials out of waste and scrap by taking recycling technologies to the next level.

We are engaged in manufacturing recycled resin pellets from waste plastics, rubber chips from waste tire rubber, and recycled cobalt and nickel materials from lithium-ion batteries. To become a manufacturer of recycled raw materials for products, we must maintain product quality, fabricate prototypes, ensure a stable product supply, guarantee delivery schedules, and others. We need to have totally different viewpoints in order to develop technologies and business know-how from the recycling businesses. We are now taking up these new challenges.

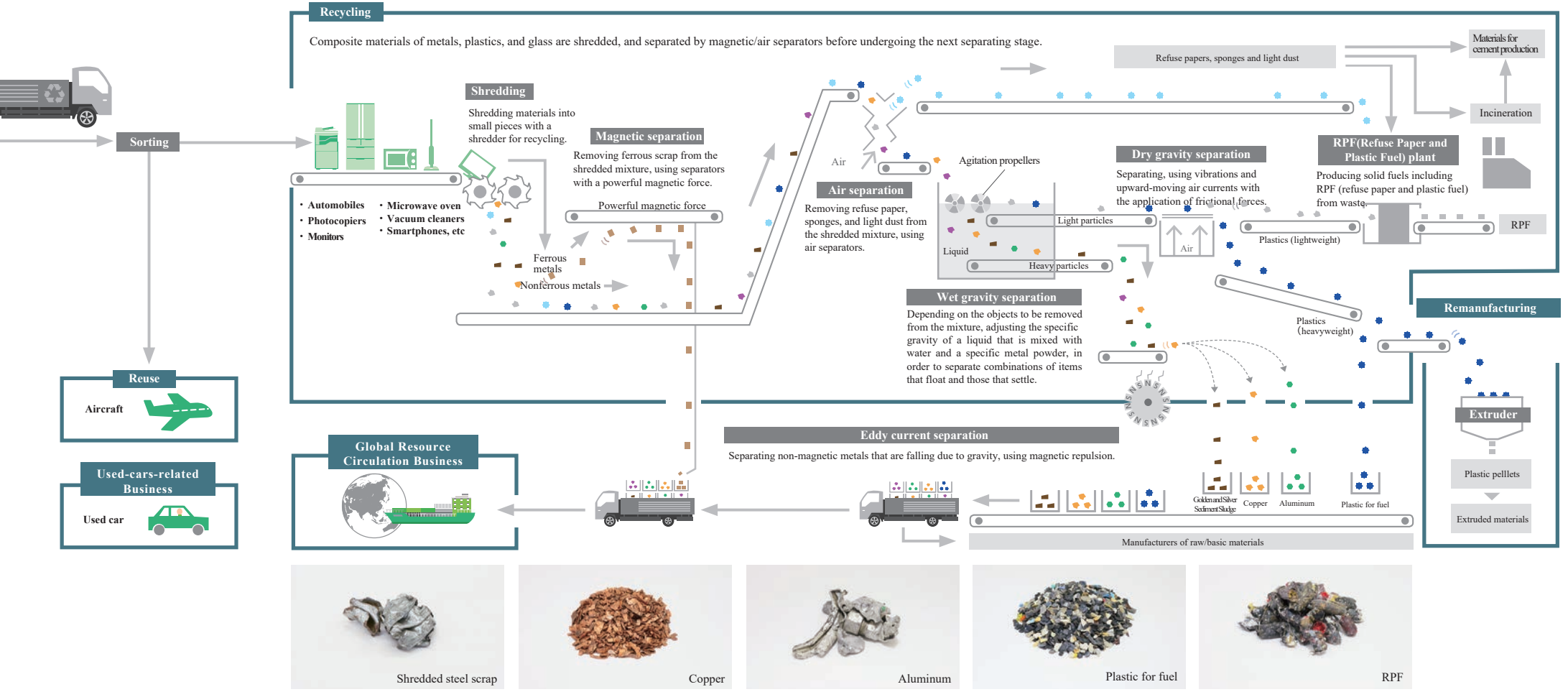
3. Reuse Business (reuse)

We are engaged in a reuse business that distributes used products and maintenance parts without modifying their functionality or value. The volume of metal scrap and waste will inevitably decrease in Japan where more people share goods and products, and where the population is declining. Therefore, for our group which is engaged in the resource circulation business based on these materials, our involvement in the reuse business is important from the viewpoint of securing materials for our key businesses.

Resource Circulation Business

Flow diagram of treatment/processing in resource circulation business

In the resource circulation business, we promote resource recovery and recycle a large variety of used equipment and machinery, ranging from PCs, mobile phones, home appliances, small appliances, industrial equipment, and other electric and electronic waste, to used mechanical equipment, automobiles, and aircraft. To convert these kinds of waste that are composites of metals and plastics back to useful resources, the Envipro Group has developed a sophisticated physical separation process that starts with advanced shredding. The sophisticated separation technology enables us to not only separate plastics from metals, but also separate the metals into iron, copper, aluminum, stainless steel, and gold and silver sediment sludge. In this way, a very high level of recycling of individual resource materials is realized.



Resource Circulation Business

Promoting resource recovery of waste

Since its inauguration some 70 years ago, ECONECOL Inc. has accumulated abundant expertise in the treatment and recycling of various metal resources and has come to possess proprietary recycling technologies. Through the pursuit of these technologies, it has established an integrated system to collect metals, plastics, minor metals, and precious metals from a variety of scrap and waste materials, and recycle them to resource materials.

■Resource recovery from urban mines

The metals including precious metals contained in waste materials such as used cars and household appliances are often referred to as “urban mines,” a reserve of many useful resources. However, advanced technologies are required to convert such composite waste materials into materials ready for use. We shred the “urban mine” waste materials and apply optimum combinations of magnetic force, wind power, wet specific gravity, dry specific gravity, color, and other separation technologies to separate and concentrate individual materials to achieve a high level of resource recovery.



Gold, silver, and copper sediment sludge (mixed metal)

■Collection of precious metals from waste incineration ash

Through further advancement of the separation technologies, we have developed a technology to collect precious metals from waste incineration ash discharged from general waste incineration facilities. A patent on the technology was issued in May 2019. Waste incineration ash is normally disposed of in landfills. Our collection technology contributes to the improvement of the resource recovery rate and the reduction of the amount of waste incineration ash put to landfill.

Amount of waste incineration ash collected

2,298t

Quantity of precious metals collected from waste incineration ash

Au (gold) **43.4kg**

Ag (silver) **361.0kg**

■RPF production

RPF (Refuse Paper and Plastic Fuel) is a solid fuel that is made by compressing such waste plastics and paper waste that are difficult to put to material recycling. It is characterized by stable quality and being more environment-friendly than coal or other fuels. We produce approximately 25,000 tons of RPF per year, and are continuously supplying it to paper mills and other manufacturing industries for use as boiler fuel. It is expected to become more widely used as an alternative fuel to promote recycling.



RPF

■Reuse and recycling of aircrafts

In May 2019, we won the tender for two retired dedicated aircrafts of the Japanese government invited by the Air Self-Defense Force. They were sold to a US buyer as a reuse and recycling resource to collect aircraft maintenance parts. Unlike selling them just as used aircrafts, correct valuation of the aircrafts and their parts and components was necessary. The know-how we had accumulated over the years on the evaluation and conversion to cash of metals and other composite materials was key to the success of the transaction. In the United States and Europe, the current major market for reuse and recycling of aircrafts, companies who trade used aircrafts are usually different from those who deal with the recycling of frames and other non-usable resources. We will continue to contribute to the reuse and recycling of aircrafts as a pioneer in providing a one-stop, comprehensive service of evaluating and recycling, capitalizing on its rich know-how on recycling.



Aircraft

■Wide-ranging one-stop services

We offer one-stop services that range from collection, transportation, and disposal of waste to building demolition. Usually, removal of machinery and equipment from factories and offices prior to demolition requires separate contracts with multiple companies, each having specific licenses for collection, transportation, or disposal of discarded articles (including those containing low-concentration PCB or asbestos), or remediation of contaminated soil after demolition. We can offer one-stop services encompassing waste removal and disposal, demolition of structures, and remediation of contaminated soil after demolition, thus helping to increase the recycling rate and at the same time reducing the burden and costs on the part of the customer.

■Promoting responsible recycling

Marking one of the cornerstones evidencing the technologies and track record behind its diverse business, we became certified for the R2 Standard in August 2019. The R2 Standard refers to a certification program managed under the guidance of the U. S. Environmental Protection Agency to encourage and evaluate responsible actions for electrical and electronic equipment recyclers. The R2 Standard covers recycling of used electrical and electronic equipment such as mobile phones, TV sets, and computers. Because of the reliability of this certification, R2 certified recyclers are increasingly preferred in the market. We will continue to strive to promote responsible recycling of electric/electronic equipment, ITC equipment and secondary batteries.



R2 certificate

Resource Circulation Business

Recycling of lithium-ion batteries

Lithium-ion batteries (LIBs), which contain cobalt and nickel known as minor metals, are widely used in mobile devices such as smart phones and laptops, as well as home appliances. In addition, the global decarbonization trend has led to an increase in the amount of LIB used in electric vehicles. There is a risk that the growing demand for LIB could raise pressure on the supply and demand balance of cobalt and nickel in the near future, which has been a cause for concern.

VOLTA Inc. is engaged in the recycling of rechargeable batteries such as LIB and Nickel Hydrogen batteries, which have traditionally been simply incinerated. By having established a resource circulation business of minor metals, we contribute to the effective use of limited resources.

Establish a safe and rapid recycling process

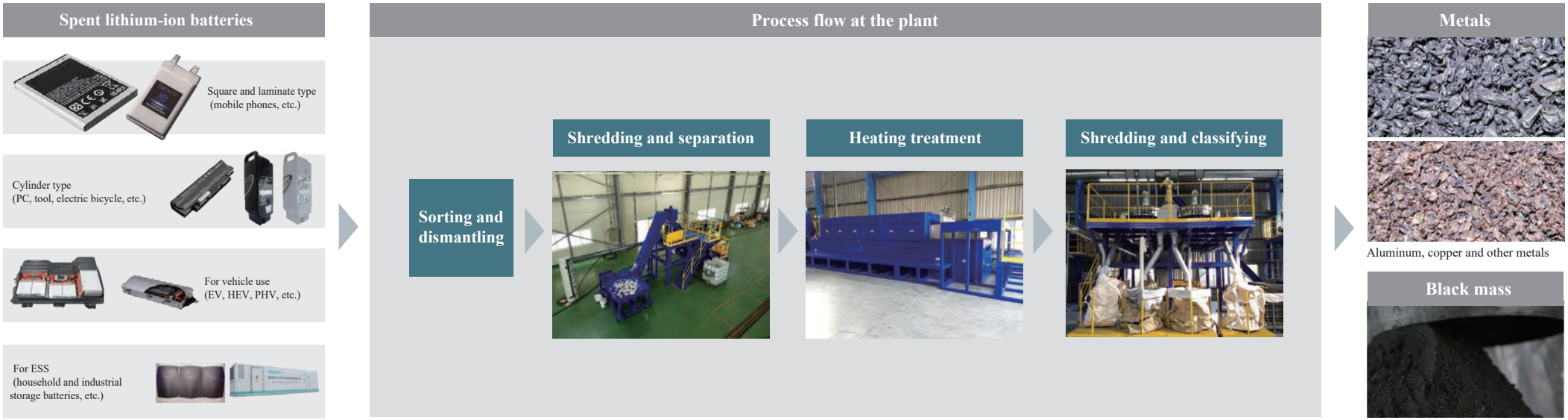
We are capable of recycling various types of spent LIB that are generated in town. The physical sorting technologies of the Envipro Group are fully applied for the dismantling and sorting of the batteries and the casings. In order to ensure the safety of the neighboring and surrounding environment, we employ a heat-drying method and no incineration in the treatment process so as to minimize toxic gas generation. In addition, we have introduced a unique exhaust gas treatment system. In November 2020, we successfully received R2 certification with a view to establishing its position as a responsible recycler.

The currently-operated recycling process can produce concentrated cobalt and nickel sludge called black mass. We are considering refining the black mass in-house in the future for sale of the materials to customers in the battery-related industry.

Obtaining a license to treat/dispose of industrial waste

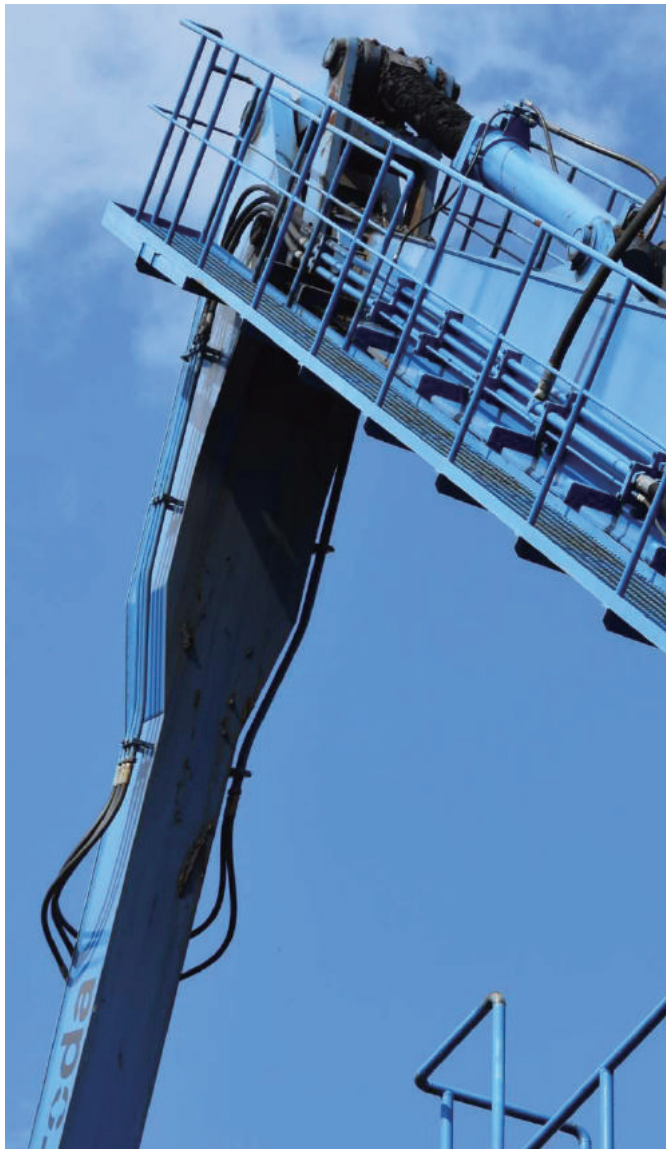
In July 2020, we obtained a license to treat/dispose of industrial waste. This enables us to handle waste batteries with a low content of minor metals, thereby expanding our business scope.

Lithium-ion battery treatment flow diagram



Resource Circulation Business

One-stop services from removal through disposal of unneeded goods



■ Overview of “Comfortable Life Support”

Kuroda Recycle Co., Ltd. launched its "Comfortable Life Support" business in 2017, serving the area of Hakodate City and its environs in southern Hokkaido, to make a contribution to the community. Initially, the business was limited to tidying up of individual homes. As the birthrate declined and aging of the population progressed, the business scope expanded to include offices, tenants, and large commercial facilities. The integrated service by the recycling company covering removal, transportation, and disposal of unneeded goods helps achieve a high recycling rate of the treated materials, while reducing the client’s labor and cost. Although the contact point is just one, the network cultivated within the Envipro Group is mobilized to offer constructive proposals to solve problems of all kinds.

(i) Tidying up of individual homes

We provide comprehensive service of removing, transporting, treating, and disposing of unneeded goods out of individual homes.

(ii) Removal of unneeded goods out of offices and tenants

We provide one-stop services of removing, transporting, and treating in-house unneeded goods out of offices, tenants, and large commercial facilities.

(iii) Demolition of buildings

We are engaged in demolition of houses and stores, as well as the collection of chlorofluorocarbon gas from air-conditioning equipment etc.



Disposition of tenant’s unneeded goods



Demolition of a residential house

■Community-based recycling business

In the southern Hokkaido area, demolition and disposition of wooden houses are increasing. Accordingly, we receive an increasing number of inquiries for the disposal of wood waste and other waste construction materials generated from the demolition of buildings. Also, the need is rising for the management of waste generated by the fisheries industry, one of the core industries in the region. However, there are neither recycling plants nor land-fill disposal sites for such waste in the nearby area, and appropriate and prompt waste management is getting more and more difficult.

To respond to these issues, we have added a new shredding line to treat wood chips and waste plastics and to start accepting fishing tools and other hard-to-treat waste.

Operating the existing shredding and separation facilities and the new line together, we improve the capability of treatment in order to recycle those waste into raw materials for wooden products, wood chips as fuel, or cement raw fuel. In this way, we contribute to promoting community-based resource recycling and stimulating the local economy by enabling comprehensive waste management and recycling which reduces the amount of waste that needs to be transported to distant sites for disposal.

■ASR Recycling Business

We are also engaged in the recycling business of Automobile Shredder Residue (ASR), which remains after end-of-use vehicles are dismantled to remove chlorofluorocarbons and their parts, such as air bags, doors and engines, and shredded to collect useful metals. ASR contains metal particles that were not collected during the shredding process. By further separating/pulverizing and kneading ASR, we successfully collect the metal particles and recycle them as materials for cement production, thereby contributing to to improving the recycling rates of scrap cars.

There are only a small number of ASR recycling facilities nationwide. Hence, our facility in Hakodate-City, Hokkaido, accepts ASR from outside of Hokkaido.



ASR Recycling Facility

Resource Circulation Business

Regional circular and ecological economy through recycling



Syn Eco Plaza Azumino

A recycling facility for regional circular and ecological economy through recycling

"Syn Eco Plaza Azumino," a recycling facility SYN ECO Inc. opened in April 2019, collects, recycles, and disposes of bulky waste, specified home appliances, and resource materials generated in Azumino City as a general waste disposal facility. The facility can accept and treat large used furniture such as items that the city residents find hard to bring in directly to the Clean Center, the inter-municipal public treatment facility. It is appreciated by many residents of Azumino City, particularly as a rare facility that can recycle the legally specified home appliances (TV sets, air conditioners, washing machines, refrigerators).

Permanent placement of resource materials collection box

We operate 17 collection stations of "*Mottainai BOX*", a container for the collection of resource materials, in the Chushin region, the central part of Nagano. Each of the stations is managed with utmost care to the local environment to receive used paper, metals, and other resource materials.

In fiscal 2019, we collected approximately 6,000 tons of such resources through this program for our intermediate treatment and thus contributed to the resource recovery. A number of companies have agreed to set up the "Mottainai BOX" in their premises, contributing to the local resource circulation.


Mottainai BOX

Supporting the comfortable life of local residents

快適ライフサポート
快適な暮らしをトータルサポート

We extend a "Comfortable Life Support", a home pick-up service for people who cannot transport bulky waste by themselves. In order to respond to various requests, we have established a service platform to help solve the problems of the local residents, such as discharge, disposal, or transfer of large furniture and the like and pruning of garden trees. Recently we receive more inquiries about estate sale services. Staff members officially registered as liquidation professionals provide the services (including in-life clearance), listening attentively to the wishes of the family members. We also provide one-stop services from disposal of unneeded goods and building demolition to the necessary legal paperwork of abandoned houses, being one of the nationwide social problems

Large shredder for high quality intermediate treatment

Our head office plant has the largest shredder in Nagano used for the intermediate treatment of metals, waste plastics, waste paper, etc . By taking advantage of the features that shredding gives to the intermediate treatment, we treat ferrous metals, nonferrous metals, and composite waste and send each of the recycled materials to manufacturers, who make them into new products. The treated mixed metals and nonferrous metals are re-sorted and re-made by other group companies, taking advantage of economies of scale as a Group. In addition, our big used paper packing machine is used to pack different types of used papers and ship to paper-manufacturing companies to make recycled paper. In this way, we play an important role in the circulation of resources.

The plant collects reusable resources from local municipalities in Nagano. In parallel, we collaborate with PTAs of local elementary and junior high schools, welfare providers, and local J-League football team Matsumoto Yamaga FC in the collection of reusable resources so as to develop community-based recycling activities.

Establishment of an IT-based sophisticated recycling system

In December 2019, we introduced to the shop floor a novel system using wearable devices. This enables novice operators to work with more confidence, as they are navigated by the image and voice instructions prepared from the expert's perspective. As a result, work standardization has become possible, and less skilled workers perform the same work procedures as skilled workers to increase overall productivity. The system has not only freed skilled workers and supervisors of the burden of coaching, but also visualized their know-how and expertise, which helps prevent work errors. In the resource recovery process of specified home appliances, the recycling rate is displayed in a timely manner, and the intake of waste appliances and the shipping out of collected resources are controlled integrally, so the system captures the entire recycling process.


Wearable device



Recycling rate visualized

Resource Circulation Business

Manufacturing high-quality recycled materials from waste

Safety technology and universal design

Toyo Rubber Chip Co., Ltd. procures waste tires and offcuts of industrial rubber products to make black rubber mulch for recycling. We also produce color rubber chips out of synthetic rubber.

Black rubber mulch

Most of the synthetic rubber products found in the market are made from petroleum and other virgin natural resources. In contrast, we have a nearly 80-year long history since 1942 of using waste tires and offcuts of industrial rubber products as precious starting materials for recycling. Currently, we procure 5,700 tons of waste rubber materials annually, and manufacture rubber chips, rubber powders, and other recycled raw materials , as well as final products such as rubber panels for pedestrians. Rubber chips are mainly used for elastic pavement and cushioning of artificial turf, contributing to the "safety" of people. Rubber powders, which are finer than rubber chips, are used as the raw material for automobile brake linings and as a filler for tires. Rubber panels for pedestrians help reduce accidents at railroad crossings.

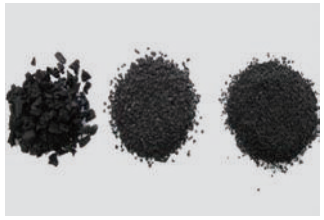
While other companies mostly manufacture standardized products, we use its unique processing technology to tailor its rubber panel products to the configuration of the railroad crossing, including any track intersection and diversion. Our products fill the front-line needs that cannot be met by off-the-shelf products. They are leveraged by the technical staff's years of experience and expertise.

Color rubber chips

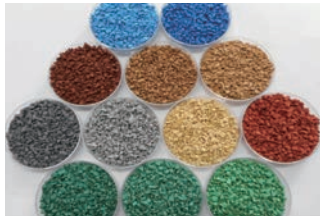
We also manufacture color rubber chips using synthetic rubber, EPDM (ethylene propylene diene monomer). It is used in playground facilities, nursery school and kindergarten gardens, and nursing homes, public facilities, hospitals, and other safety-critical situations, because it is rich in color that can be freely designed to meet the needs, and reduces the risk of fatal injury in the event of fall or stumbling. In addition, we have a drop test machine and have established an in-house system for quality assurance, including conformity with the HIC1000 safety standard for head injuries. Furthermore, the color rubber chips suppress temperature rise more effectively than do black rubber mulch. For this reason, they are used in artificial turf cushioning and poolside flooring for heat prevention purpose, thus providing not only safety but also comfort features.

Sustainable products made at the RE100 plant

In May 2019, we became an RE100 plant, with 100% of the electricity used in its plant sourced from renewable energy. Literally, we now produce sustainable products in a sustainable plant. The electric power we use at the plant is supplied from the RE100 menu of retail power operators. In addition, power generated at the Komiya Solar Power Plant of SYN ECO in Matsumoto City, Nagano, one of our group companies, is used preferably through non-fossil fuel energy certificate with tracking information.



Black rubber mulch



Color rubber chips



Rubber panels for pedestrians



Dekoboko Square in Hibikinada Green Park



Maebashi Children Park

Global Resource Circulation Business

Toward the establishment of a global recycling system



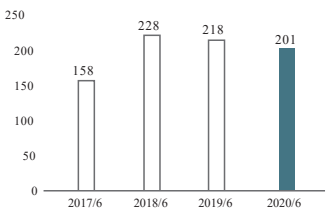
NEWSCON Inc. was established in April 2020, succeeding the global resource circulation business of ECONECOL Inc. To play a role in the circular economy, we are charged with the responsibility of expanding overseas business of the entire ENVIPRO Group. The NEWSCON name captures the idea of "the creation of new business on a global scale." We will create unique values in order to become “a company that brings the world closer to us.”

NEWSCON / NEWSCON Inc.

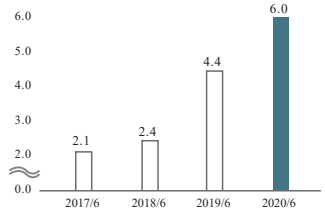


NEWS stands for North, South, East, and West, signifying global operation.

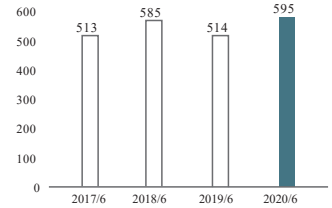
Sales (100 million yen)



Ordinary profit (100 million yen)



Handling volume (1,000 tons)



Products handled

Ferrous raw materials	Nonferrous raw material	Biomass fuels	
			
Ferrous scrap, etc.	Nonferrous scrap (stainless steel, aluminum, gold and silver sediment sludge, mixed metal, etc.)	PKS	Wood pellets

Other recycled materials		
		
Waste paper	Used clothes	Waste plastics

Core business

● Ferrous raw materials

We collect ferrous scrap at ports around Japan, control the quality according to customer requirements, and sell them to steel mills (blast furnaces and electric furnaces) both in Japan and overseas. Recently, in response to the expansion of demand for steel in Vietnam and other Southeast and Southwest Asian countries, we have opened Amagasaki Yard and expanded the Kawasaki Yard to accommodate the growing size of bulk ships and port cargo handling equipment. In addition, we are actively using bulk ships and containers to serve small lot and geographically distant customers.

● Nonferrous raw material

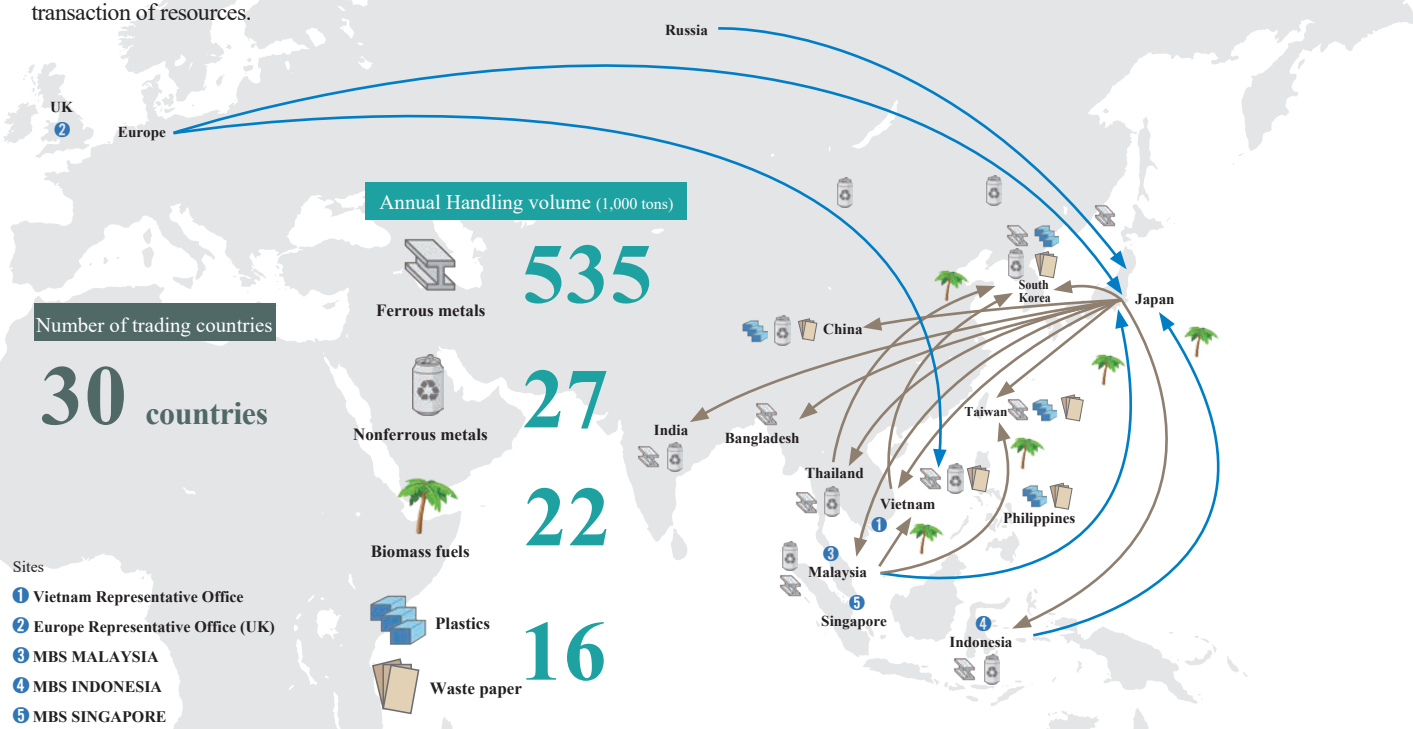
The nonferrous metals contained in various types of scrap are shredded and sorted at the recycling plant of our group company ECONECOL Inc., and we sell them to major nonferrous smelting and secondary alloy manufacturers both inside and outside of Japan after classification according to the quality requirements of each customer. In addition, we are actively engaged in the collection and sale of aluminum and stainless-steel scrap using the yard function. Recently, we started sale of European E-scrap (circuit boards, etc.) to smelters in Japan for the supply of minor metals such as copper, gold and silver.

● Biomass fuels

We sell PKS (Palm Kernel Shells) to customers in Japan as fuel for biomass-based power plants. PKS is drawing attention as a renewable energy fuel, and demand is expected to expand, particularly in Japan. We stably supply PKS with quality needed by the consumers after foreign objects removal and moisture adjustment, at the stockyards we hold in Malaysia and Indonesia. We plan to increase the number of items that we trade, not only PKS but also wood pellets, new fuels, and others, as well as increase the number of the stockyards.

International transactions of resources

NEWSCON Inc. has established trading bases mainly in Asia and other countries all over the world to accelerate the international transaction of resources.



● Others

We also sell waste paper as raw material for paper mills, used clothes as reuse products, and various goods including cosmetics and hygiene products. For waste plastics which are currently at issue, with a view to helping establish an optimal recycling flow, we are also selling home appliance-derived waste plastics and industrial waste plastics to partner companies in Japan and in Asia.



Ferrous scrap loaded into container

Global Resource Circulation Business

International network × Diversity × Front-line strength

As a team consisting of diverse members of different backgrounds, we handle a wide range of recycled raw materials generated from various industries.



Shinobu Tachibana
Europe Representative Office
Joined: 2019

I am developing suppliers and customers in Europe for nonferrous metals, electronic circuit board, and recycled plastics. My current focus is on developing European suppliers for our sales in Japan, Southeast Asia, and Southwest Asia. Europe has made world-leading technological investments and has set up a regulatory regime and policies on environmental issues. In resource circulation business, it is essential to understand and act accordingly this. As the percentage of recycled materials used in products has been specified by law or as a target, manufacturing and petrochemical industries have begun to enter the recycling market seriously. Going forward, I hope to pursue the possibility of selling the superb European environmental technologies and materials to non-European countries, while keeping a focus on recycled materials.



Sapkota Prabin
Nonferrous Materials Section
Joined: 2020

Although many people may have the image of the recycling industry being a dirty one, it is for me a “school” where I can learn something new every day. I work in the Nonferrous Materials Section, and I learn many things about copper, brass, aluminum, and other metals. By sorting out and analyzing the mix metals collected from the group company, ECONECOL Inc., I have deepened my understanding of nonferrous metals. I feel more confident because, in addition to the on-site work I just mentioned, I have started learning other works such as sales with senior colleagues and export container booking. In the future, I would like to be able to use my language skills (Japanese, Hindi, and English) to do business with overseas customers.



Takuya Matsubara
Ferrous Raw Materials Section
Joined: 2017

Now I belong to the Ferrous Raw Materials Section of the Recycling Materials Department. My main activities are procurement of domestic ferrous scrap, yard management, and ship loading. We have eight yards across the country, and I am responsible for three of them: Tagonoura, Shimizu, and Amagasaki. One of our company’s strengths is its front-line strength. We do everything from scrap purchases to ship loading by ourselves, so we take great care in quality control. Although the quality and volume I deal with differ from one region to another and I need to be very careful about it, I am very excited to be able to know everything from purchase to shipment. I would like to increase the business volume with new partners, while deepening our relationships with present customers.



Dang Thi Bich Hanh
Vietnam Representative Office
Joined: 2019

I came across the nonferrous industry during the final academic year of my university days in Vietnam. I received a high evaluation when I worked as an intern at a local trading company, and I was officially hired by the company. There I started my career in the nonferrous industry, which I truly love. Having been involved in the nonferrous business in Vietnam for years, I have a good understanding about the country's demand and market conditions. Now I am in charge of sales at our Vietnam Representative Office. While I am engaged in daily negotiations with customers in a fiercely competitive market, I am also focusing on developing new suppliers and customers who would match well with the raw materials and services of our company. Based on my work experience, sales skills, and market knowledge, I would like to deliver more value to the company as a sales professional.



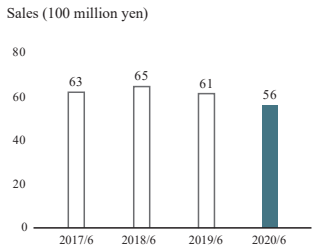
Yukina Mochizuki
Business Support Section
Joined: 2007

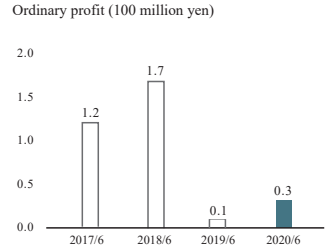
At Sano Maruka Co., Ltd. (now ECONECOL Inc.), I started my career with the Foreign Trade Department, where I became familiar with a range of international trade matters from purchase to overseas sales. After some time, I got married and became a mother, but I did not want to throw away my business career so after maternity leave I returned to work under the short-working hour program. After working in sales and support services for domestic transactions in other departments, I am now back to the international trade matters. Recently, COVID-19 disaster is changing our work style, such as telecommuting, flex-time, and no uniform. For a mother of three children, the new way of working gives me more flexibility and makes it easier to balance my family time and work. I intend to continue doing my best on both child rearing and work.

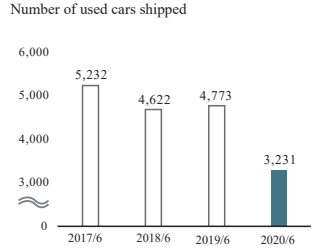
Used-car-related Business

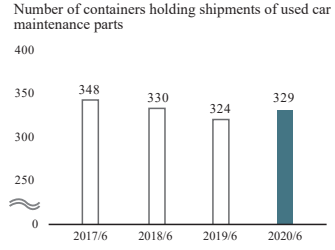
Cross-border circulation of resources







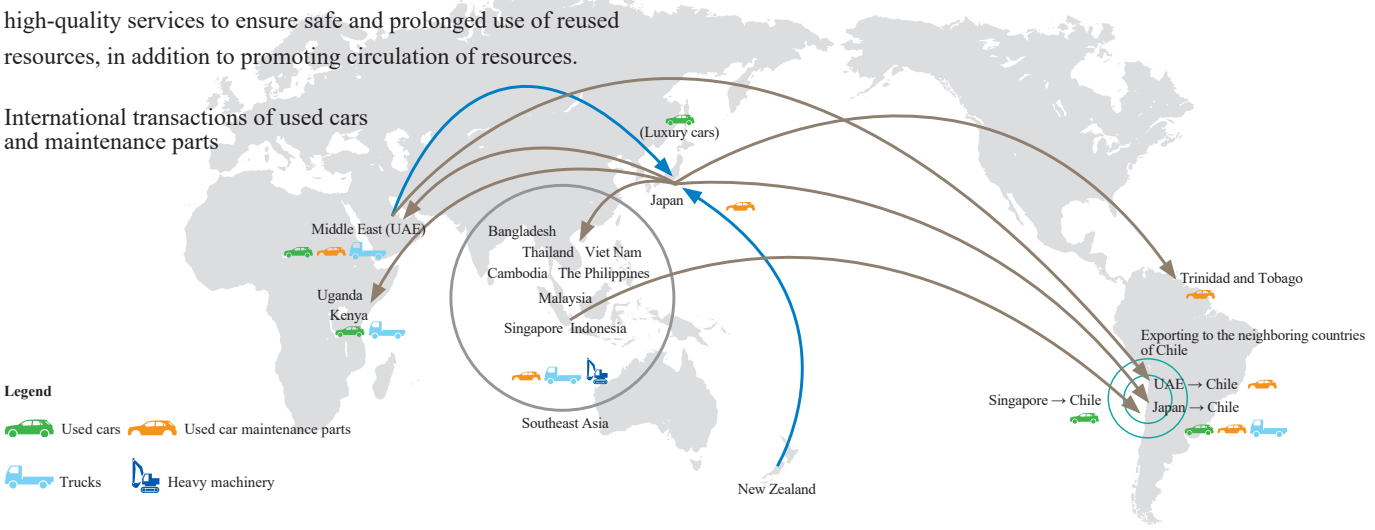




3WM Co., Ltd. exports to overseas countries used cars, trucks, and heavy machinery generated in Japan, and the engines and other parts disassembled from end-of-life vehicles. Export products and parts are sold directly to buyers through subsidiaries in UAE, Chile, and Uganda. In addition, we provide contract services for shipping arrangements, export customs declarations, and other logistic operations. For the Japanese market, we are engaged in the business of purchasing used trucks for export and renting campers for general consumers. We are working to utilize the Internet for our business, including the launch of a special website for booking.

In Uganda we set up a service garage in 2015. Today it caters to not only individual customers but also local and Japanese corporations, embassies of various countries and UN agencies, and major taxicab companies. Skilled Japanese mechanics are stationed there and they train the local staff. In this way, the same level of high-quality service as in Japan is provided, which has led to strong trust in us among our customers. We are happy to have become a preferred service garage in the country. Going forward, we will continue to strive to provide high-quality services to ensure safe and prolonged use of reused resources, in addition to promoting circulation of resources.

International transactions of used cars and maintenance parts



Other Businesses

Approaches to social issues






ASTOCO Inc. supports the self-reliance of people with disabilities in their employment and community life through provision of welfare service for persons with disabilities.
Today, the declining birthrate and aging population, and the resulting shortage of the work-age population are serious social problems. The April 2018 revision of the Act on Employment Promotion, etc. of Persons with Disabilities added persons with mental disabilities to the basis for calculation of the statutory employment rate of persons with disabilities. In March 2021, the statutory employment rate is to be raised to 2.3%. These circumstances are pushing forward the employment of persons with disabilities as workforce. However, the number of people who change their jobs in a short period of time is also increasing because of poor match with the work environment or the type of work. We continue to approach these social issues through our welfare service for persons with disabilities with a view to opening the ways to their solution. Specifically, many of those with developmental disabilities are unable to participate in social activities because they have received neither due assessment (collecting information about their backgrounds and current situations, and identification of their problems) nor necessary support. We have in-house experts, who are working hard to improve these situations.
Furthermore, we arrange for experienced retired professionals to serve as lecturers of the seminars we organize. These lecturers tell the participants about the enjoyment of living in a community, in addition to sharing knowledge and personal experiences.
We believe that there are still latent social challenges we must address. We will continue our efforts to "create a place where tomorrow will be bright", the vision from which our company name (in Japanese) is derived.

Employment Transition Support [Bright]

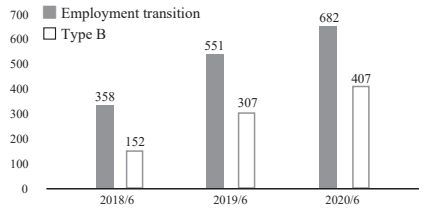
We offer a variety of seminars and training courses necessary for job seekers with disabilities. We provide support for job hunting activities such as resume preparation and interview practice, as well as support for employment retention in the workplace.

Examples of seminars and training courses
- Business manners seminar・PC skills seminar
- Self-management seminar・Communication skills seminar
- Work/light work training course

Support of Continuous Employment Type B [Ecommit]

For those with disabilities who find it difficult to work in a general company, we prepare places where they can participate in social life with self-confidence and purpose in life. Based on individual support plans drawn up according to the respective disability conditions, we provide developmental support, support for acquisition of knowledge and skills, training for light work, and the job opportunities that are made available in cooperation with the Group companies, local companies and farms, etc. The participants with disabilities receive wages in accordance with their performed work.

Yearly total number of people registered



18 people found employment

July 2019 – June 2020

Satellite Work Business

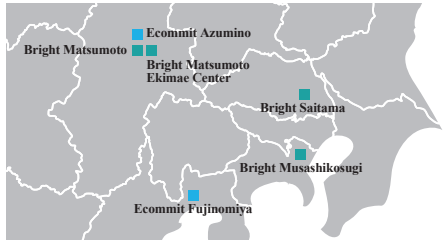
To help solve problems of companies finding it difficult to respond appropriately to the disability characteristics, we support creation of a work environment and work-style that best fit the individual with disabilities.

Support Manager for persons with developmental disabilities

As a support manager for persons with developmental disabilities commissioned by Nagano prefecture, we provide coordination services for consultation and cooperation among persons with developmental disabilities and related organizations.

ASTOCO Inc. offices
- Bright
- Ecommit


Ecommit Azumino



Other Businesses

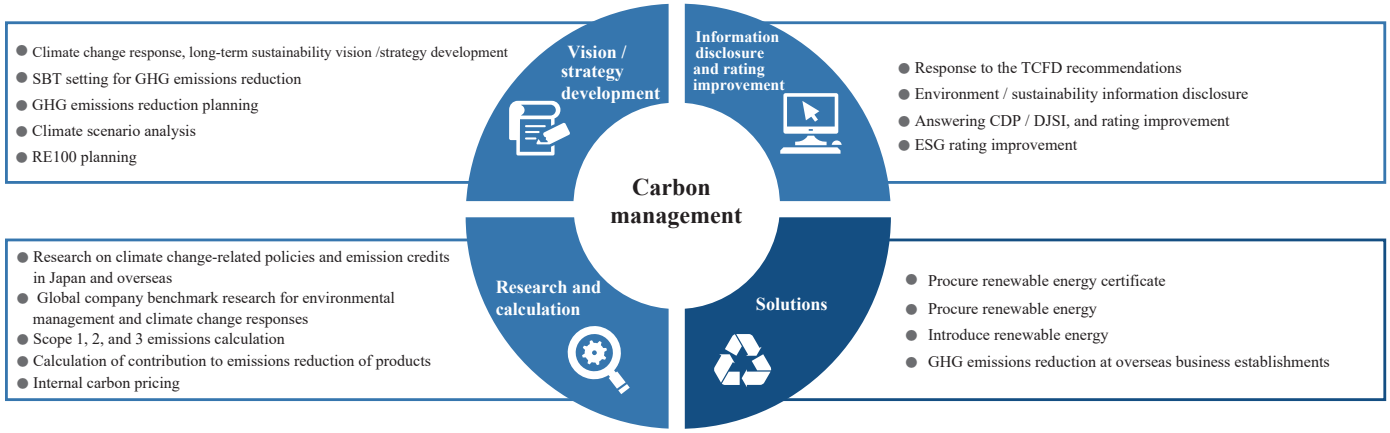
Provision of consulting services integrated with solutions

Promotion of decarbonization and response to climate change

Since the Paris Agreement entered into force in November 2016, global efforts for decarbonization have been accelerated. Companies are required to reduce greenhouse gas (GHG) emissions throughout their supply chains, including their own operations, and otherwise respond to the aggravating climate change problems. Bright Innovation Co., Ltd. supports companies' efforts to meet these social demands through consulting services such as formulation of Science-Based Targets (SBT) for GHG emissions reduction, information disclosure support, and improvement of ESG scores including CDP.

In addition, we offer integrated services to help achieve CO_2 reduction by proposing decarbonization strategies combined with introduction of renewable energies and other specific solutions.

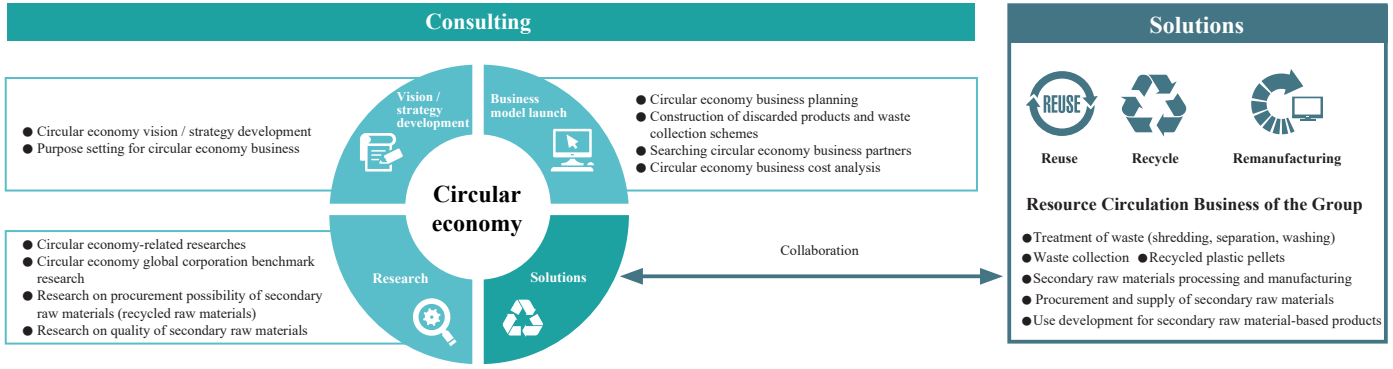
Carbon management consulting & solutions



Accelerating circular economy

In recent years, efforts toward the realization of a circular economy have been given larger weight than before, reflecting the increasing severity of pollution by marine plastics and others. We provide consulting services for the construction of closed-loop circular models through conversion of plastic containers back to recycled raw materials and their use for containers production, as well as chemical and material recycling of waste plastics. In addition, we are responding to the needs of companies to promote circular economy by providing a consistent range of consulting and solutions in cooperation with the Group companies that are engaged in the resource circulation business. Thus, we will continue contributing to the realization of a sustainable society by enhancing resource circulation and decarbonization throughout the entire product life cycle.

Circular economy consulting & solutions



Environment

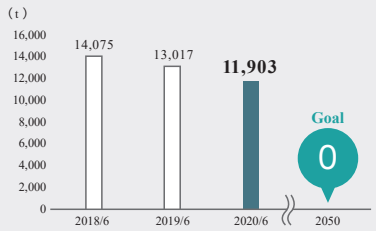
Promoting decarbonization and expanding renewable energy



Carbon neutral by 2050 declared

In light of the Paris Agreement coming into force in 2016 and the ensuing global moves toward decarbonization, the Envipro Group has decided that it will achieve net zero GHG emissions from its entire businesses by 2050. In order to achieve our GHG emissions reduction target, we will promote efficient use and decarbonization of energy and enhance information disclosure and engagement, thereby realizing both decarbonization and circular economy through our business operations.

CO_2 emissions results and goal

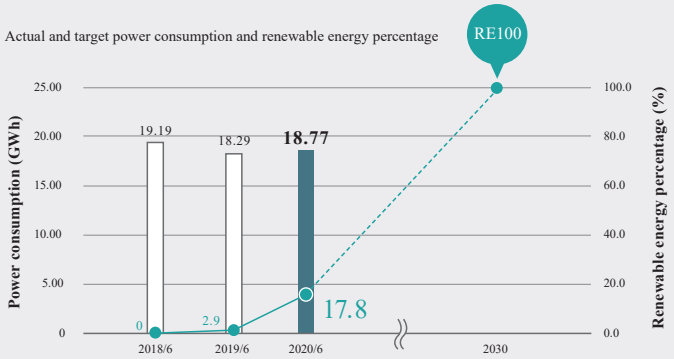


RE100 target year moved up to 2030

The Group joined the "RE100*" in July 2018. In October 2020, we moved up the target year of achieving RE100 to 2030. With the new target year in sight, we are introducing renewable energy at plants and offices of each company. In fiscal 2019, we installed solar panels on the roof of the manual dismantling plant of ECONECOL, Inc., and the captive power supply began in February 2020. In addition, the head office of Envipro Holdings Inc. switched its purchased power entirely to that of RE100 menu in May 2020. These efforts raised the share of renewable energy in fiscal 2019 to 17.8%, a significant increase from 2.9% in fiscal 2018.

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

Actual and target power consumption and renewable energy percentage



Efforts toward acquisition of SBT

Given the aggravating adverse impacts of climate change, the goal of keeping the temperature rise to less than 1.5°C from the era of the Industrial Revolution is becoming the global standard. The Group has begun to compute its GHG emissions at the Scope 3 level for some of its operations, with a view to acquiring an SBT (Science-Based Targets) to achieve the 1.5°C target. Starting next fiscal year, we will work with suppliers and customers so that our Scope 3 emissions can be computed for all of our applicable operations.

*For fiscal 2019 results, please see P. 29.

Environment

Materials balance

INPUT

Scrap and waste 720,800 tons*1

Resources processed	Metal scrap	142,100 tons
	Mixed waste	43,400 tons
	Waste plastics	900 tons
	Scrap cars	9,100 tons
	Electronic waste	14,500 tons
	Wood scrap	2,600 tons
	Wastepaper	7,300 tons
	Used clothes	1,000 tons
	Waste batteries	700 tons
	Subtotal	221,600 tons
Resources distributed	Ferrous scrap	430,100 tons
	Nonferrous metals	21,200 tons
	Waste plastics	1,100 tons
	Wastepaper	13,600 tons
	Used clothes	300 tons
	Wood pellets/PKS	22,000 tons
	Used cars/trucks	2,962
	Subtotal*2	488,300 tons
Raw materials	Raw materials for rubber chips	11,000 tons

*1 Sum of resources processed, resources distributed, and raw materials *2 Exclueding used cars/trucks

OUTPUT

Recycled raw materials, products, and waste 726,600 tons*1

Resources processed	Ferrous metals	33,100 tons
	Nonferrous metals	11,700 tons
	Raw materials for plastics	100 tons
	Raw materials for fuels	29,200 tons
	Wood chips	1,500 tons
	Raw materials for paper	6,900 tons
	Raw materials from used clothes	700 tons
	Others	2,100 tons
	Subtotal	85,300 tons
Resources processed and distributed*2	Ferrous metals	98,200 tons
Resources distributed	Ferrous metals	436,100 tons
	Nonferrous metals	27,400 tons
	Raw materials for plastics	1,900 tons
	Raw materials for fuel	22,000 tons
	Raw materials for paper	14,400 tons
	Used cars/trucks	3,231
	Used maintenance parts	329 containers
	Subtotal*3	501,900 tons
Final products	Rubber chip-based products	12,000 tons
Total (handling volume) *4		697,400 tons
Recycling	Material recycling	6,800 tons
	Thermal recycling	12,000 tons
Waste disposal	Simple incineration	1,000 tons
	Landfill	9,400 tons

*1 Sum of handling volume, recycling, and waste disposal *2 Amount of resources processed which are distributed to overseas etc *3 Excluedes used cars/trucks and used maintenance parts *4 Sum of resources processed, resources processed and distributed, resources distributed, and final products

Energy / Water

Fuels	62.8 TJ
Electricity	18.8 GWh
Water	146,000m^3

CO_2 emissions (Scope1+2) 11,902 tons

Scope1	4,234 tons
Scope2	7,668 tons

CO_2 emissions (Scope3) 92,000 tons

Category 4*	Upstream transportation and distribution	92,000 tons

*Category 4 = (Logistics cost for procurement (million yen) + Logistics cost for transportation (million yen) x Emissions per unit (t-CO_2 / million yen)

Resource recovery rate* 94.6%

*Resource recovery rate = (Resources processed +Resources processed and distributed from OUTPUT) / (Resources processed + Resources processed and distributed + Simple incineration + Landfill from OUTPUT) x 100

Society

Activities to enhance safety and security in the workplace



ENVIPRO HOLDINGS Inc. places its highest priority on creating a secure and safe working environment. However, the number of industrial accident cases has been increasing over the past four years and countermeasures were needed. The following are the safety activities we are undertaking to reduce the risk of industrial accidents and to ensure the safety of workers:

Development of risk prediction activities

At ECONECOL Inc., we put together the safety activities and practices of the Engineering Department, which had no industrial accidents at all for about eight years, and extended to other departments of the Company the risk prediction practice that every employee performs as daily routine. We learned that the routine risk prediction practice not only nurtures common understanding about the dangerous spots of the day's work but also ensures that all workers clearly understand what they must do to get the work done correctly. The extension of the risk prediction activities was made generally in a unified manner but with necessary modifications and adaptations agreed with the managers of production departments operating with machinery and equipment, and with many workers. Each such plant has installed a bulletin board on which risk prediction tables and charts are put up, and they are updated every day by each crew (by the shift team in the case of shift work). The program was extended with necessary modifications also to sales departments, including logistics teams, while its effectiveness was verified.

As a result of the internal extension of the risk prediction activities, the Company experienced a 70% reduction in the number of industrial accident cases from the previous period.



Posting of the risk prediction table & chart

Horizontal extension within the Group

The program is extended "horizontally" to other member companies of Envipro Group, while monitoring the progress of its internal extension at ECONECOL. Especially, Kuroda Recycle Co., Ltd. and SYN ECO Inc. are in the same waste recycling business and were considered to have very similar risks. In addition, as risk prediction is an important issue for the entire Group, regardless of the type of business operation, that we have begun to commonly share the case examples and effects of risk prediction activities at the Group's Environmental Safety Committee*. As a result of this extension, the number of industrial accidents in the Group decreased by 50% compared with the previous period.

* Now renamed Environment and Safety Promotion Committee

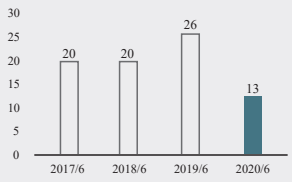
Growing activities

The Environment & Safety Promotion Committee takes the lead in developing measures not only on safety aspects but also on the work environment and plant management aspects. As we need to cover a wide range of areas, we share the efforts and information of a Group company with other member companies for effective and efficient adoption.

We are planning information sharing and horizontal extension of the introduction and performance of drive recorders on forklifts. Group companies that have plants or yards often use forklifts, and many of the Group's industrial accidents have involved forklift operations. We are hoping this group-wide program will be not only useful for investigating accidents and taking remedial measures but also conducive to increased awareness about the importance of safe forklift operations.

We will keep promoting continual improvements by the Group companies so as to "solidify the corporate brand of being a safe and clean company."

Changes in the number of industrial accident cases





Forklift with drive recorder

Society

Toward a workplace where everyone shines

Creating a work environment where women can play more active roles

For the sustainable development of ENVIPRO Group, we must create a work environment where every employee can show his/her full potential and where people of different backgrounds can keep working together. We place a special emphasis on creating a friendly work environment for female employees. We are active in updating our programs and measures to facilitate full use of maternity and childcare leave (“maternity/childcare leave”) and return to work. We interviewed two female employees of our Group about their experiences with maternity/childcare leave.





(Left): ENVIPRO HOLDINGS Inc.
Yuri Ando

(Right): SYN ECO Inc.
Arisa Naka

Q Did you have any concerns before taking the maternity/childcare leave?

Ms. Ando

A: I was not sure if I could finish passing over my work properly in time for my maternity leave. I listed the tasks I was assigned to do and discussed with the manager how to allocate them to my coworkers. With the help of the manager, I was able to pass over the tasks systematically and in time without omission. I was a bit concerned that I might not be able to do a smooth handoff of one of my tasks which is done only once a year, but the department manager kindly arranged for an appointment and I was able to have a good meeting with the client and my successor.

Ms. Naka

A: I had hardly any concerns, but it so happened that I had to be excused from work unexpectedly earlier than my scheduled maternity leave period. I was worried because I could not have enough time for passing over before starting my maternity/childcare leave.

Q Did you have any concerns about your return to work? How did you cope with them?

Ms. Ando

A: I was worried whether I could satisfy the requirements of both work and childcare after my return. Fortunately, I have many senior female colleagues who had returned to work from maternity/childcare leave at ENVIPRO HOLDINGS and ECONECOL. I consulted with them to let my worries go away.

Ms. Naka

A: Although there were many people who had successfully returned to work after maternity/childcare leave in ENVIPRO Group as a whole, I was the first one at SYN ECO. It was rather hard to imagine what it would be like when I go back to work. One big concern was whether I would be able to perform my previous tasks smoothly upon my return to work. But I felt greatly relieved because I was given enough time for the switchover and for re-familiarization. I am also appreciative of the very friendly working environment, such as considerate attention about the amount of work, the work hours, paid holidays, and the introduction of the work from home system.

Q What was good about your return to work? How did the people around you react?

Ms. Ando

A: When I returned, the people in the workplace gave me a warm “Welcome back!” I am really grateful to the people around me who, for quite some time after I came back to work, cheered me up with words like “Don’t work too hard” and cared for me when I had to leave the office early because my child caught a fever all of a sudden.

Ms. Naka

A: I was very happy when one of my colleagues told me that: “I am glad that you managed to be back.” I am glad to be back, even though I realize that my work schedule is not the same as before and that must be causing some extra burden on lots of people. I should add that, during my maternity/childcare leave, many people in the Group were kind enough to do necessary follow-up and support. I have found that the tasks I used to do are now more streamlined and efficient. I am performing my service more smoothly than before the leave.

Supporting persons with disabilities

For the growth of a sustainable society, it is a must to prepare schemes and an environment for persons with disabilities to have stable job opportunities, and to extend necessary support for their self-reliance. We promote collaboration among the member of our Group companies to extend continual support for persons with disabilities to work actively.



ASTOCO Inc.
Developmental Disability Support Manager
for the Matsumoto Subdivision
Fumihiko Shimbo

In fiscal 2013, Nagano prefecture assigned a "developmental disability support manager" trained and certified by the prefectural government in each of the 10 Healthcare and Welfare Zone for People with Disabilities of the Prefecture. I started my service for persons with developmental disabilities in this framework. As I work on my everyday service, everyone calls me by the abbreviated nickname "*SAPOMANE*". The role of the developmental disability support manager is, rather than providing assistance directly to persons with developmental disabilities or their families, constructing support systems in the subdivision by sending information to the assistance providers and related organizations, building networks, consulting, and giving advice at interviews and meetings.
In response to a single phone call, I visit health centers, kindergartens, nursery schools, elementary and junior high schools, senior high and technical schools, universities, companies, welfare facilities, medical institutions, employment support organizations, judicial institutions, and administrative agencies. There are still many things to be done, but with the help of people around me, I am determined to do my best in acting as a “coordinator” between the local community and the persons with developmental disabilities and their families.

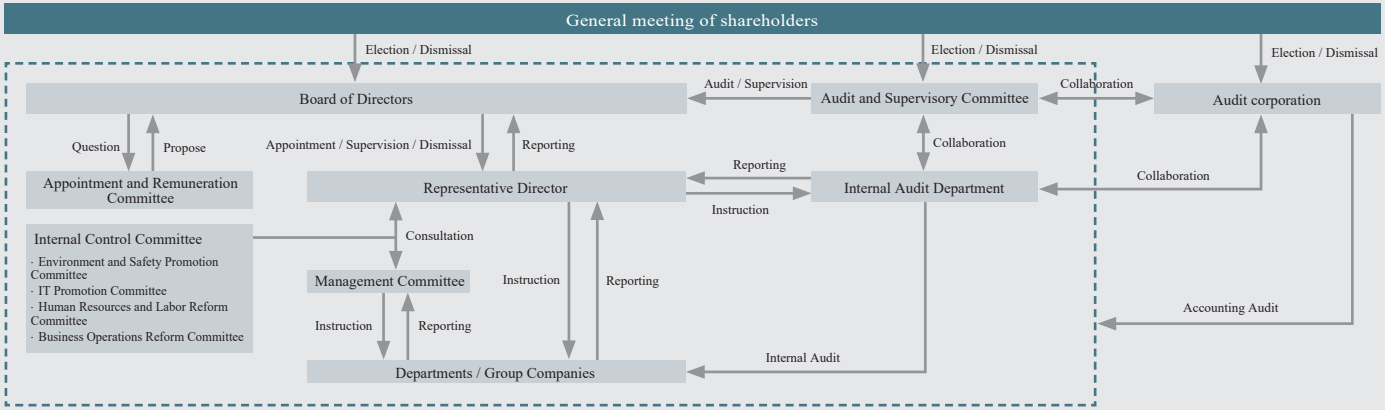
Business foundation / Growth foundation

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.

Corporate governance system



Board of Directors

The Board of Directors of ENVIPRO HOLDINGS Inc. is composed of 11 directors, six of whom are outside directors (three of whom are members of the Audit and Supervisory Committee) and, in principle, meets once a month. The Board of Directors makes decisions on matters important to the execution of the Company's business and oversees the execution of directors ' duties. In fiscal 2019, the Board of Directors met 13 times, and all directors attended all meetings.
At the meetings of the Board of Directors, the President and Representative Director acts as a chair, respects all other directors and encourages them to express opinions, not from the viewpoint of short-term benefits, but rather to discuss even seemingly irrelevant policies or measures and other matters from the perspective of medium- to long-term business growth.

Outside directors of ENVIPRO HOLDINGS Inc.



Mr. Yoshiharu Murakami (Independent Director)
Elected as an Outside Director because Mr. Murakami can offer valuable advice to the business strategy development of the Group, based on his experiences as a top management of a publicly listed company.



Hwang Kyu Chang (Independent Director)
Elected as an Outside Director because Professor Hwang can offer valuable advice to the business strategy development of the Group, based on his academic knowledge as a scholar of economics.



Mr. Keiji Miyaki (Independent Director)
Elected as an Outside Director because Mr. Miyaki can offer valuable advice to the business strategy development of the Group, based on his broad global knowledge and experiences on business management gained, among others, by his service as the representative of an international consulting firm.



Mr. Shoji Ide (Independent Director, Chair of Audit and Supervisory Committee)
Elected as an Outside Director because Mr. Ide can offer valuable advice to the business strategy development of the Group, based on his experiences as a former top management of a publicly listed company.



Mr. Naoyoshi Komuro (Independent Director, Member of the Audit and Supervisory Committee)
Elected as an Outside Director because Mr. Komuro can offer valuable advice to the business strategy development of the Group, based on his experiences as a former city mayor.



Mr. Takashi Wada (Independent Director, Member of the Audit and Supervisory Committee)
Elected as an Outside Director because Mr. Wada can offer valuable advice to the business strategy development of the Group, based on his experiences as a former top management of a major subsidiary of a publicly listed company.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three Outside Directors. In addition to attending the General Meetings of Shareholders and Meetings of the Board of Directors, the directors who are members of the Audit and Supervisory Committee actively participate in various meetings of the Company to better understand the situation of the Company, including the management system and the execution of businesses. Furthermore, the Audit and Supervisory Committee meets regularly with the President, Representative Director to exchange views and maintain close communication on issues that the Company must address, the situation of the environment for auditing by the Audit and Supervisory Committee, and other important matters pertaining to audit.
In order to maintain close collaboration with the Internal Audit Department and the Accounting Auditor, the Audit and Supervisory Committee holds liaison meeting regularly with them and otherwise exchanges information actively to enhance the auditing functions.
The Committee conducts adequate audit by collecting information from internal control departments, in addition to the one from Internal Audit Department.

Appointment and Remuneration Committee

The Appointment and Remuneration Committee is composed of six members comprising one Representative Director, one full-time Director, and four Outside Directors who are independent directors. As an advisory body to the Board of Directors, the Committee holds preliminary deliberations on the nomination of candidates for directors (excluding those who serve as members of the Audit and Supervisory Committee) and their remunerations.

Management Committee

The Management Committee is composed of the full-time directors and the Chair of the Audit and Supervisory Committee, and may be joined by some executive officers, department managers, as well as some members of the Board of Directors of the Group companies, as required depending on the matters to be deliberated. In principle, the Committee meets at least once a month. The Management Committee makes decisions on matters important to the execution of the Company's business and on their timely disclosure of information.

Sustainability Committee

In fiscal 2018, we newly looked deeply into the relationship between the Envipro Group's business activities and social issues, and formulated a “Sustainability Strategy” to achieve harmonious sustainable development of both society and our Group. The Sustainability Committee is engaged in flexible and vibrant discussions and examination of the progress and future direction of the strategy from a long-term perspective.
The Sustainability Committee consists of the full-time directors and some executive officers, and meets every month. The matters discussed and examined include the feasibility of a new business in light of the Strategy, establishment of the business and growth foundations, and synergy effects among the Group companies. When firmed up, the directions and specific measures are submitted to the Board of Director, etc.

Internal Control Committee

The Group has established an "Internal Control Committee," chaired by the President of the Company. The Internal Control Committee has four sub-committees: the Environmental Safety Promotion Committee, the IT Promotion Committee, the Human Resources and Labor Reform Committee, and the Business Operations Reform Committee. The Internal Control Committee identifies risks, formulates countermeasures, and constructs and operates internal controls across the Group, including awareness-raising activities. The Internal Control Committee is convened on a quarterly basis, in principle, to hear reports from the presidents of Group companies and members of the subcommittees with respect to important compliance matters, litigation and other legal risk matters, and other matters that may have a major impact on the management, before it sets policy and makes decisions.

Interview: Director Ide, Chair of Audit and Supervisory Committee

● Could you tell us about your business career?

I joined an IT company affiliated with a manufacturing company. But I spun off in 1973 to set up an independent company with the owner and about a dozen employees. Thirty years after its establishment, the company made an IPO to the second section of the Tokyo Stock Exchange. Helped by the good market sentiment at the time, we were successful in moving up to the first section in less than a year. Although the company was family-owned, I served as its president for six years from 2003. Because of that experience, I came to be acquainted with ENVIPRO and was asked to lend a hand to this family-owned company aiming to go public. ENVIPRO made an IPO to the second section of the Tokyo Stock Exchange in 2013 and succeeded in changing the designation to the first section in 2018. During that time, I served for six years as an outside director, and the next three years as an outside director and a member of the Audit and Supervisory Committee. This is my tenth year with ENVIPRO.

● What are the major features of our corporate governance?

Of the 11 ENVIPRO directors, three are outside directors and another three are outside directors and members of the Audit and Supervisory Committee. This high ratio of outside directors in a family-owned company is something I have never heard of elsewhere. It is great that ENVIPRO, based on the personality of the President, has earned the trust of people outside the company. Another important feature is that the history and experiences of the IPO and the designation change to the TSE first section have made ENVIPRO a highly transparent group of companies, satisfying most provisions of corporate governance codes.

● We see you attending some company meetings besides the board meetings and the Management Committee meetings. From what standpoint are you taking part in those meetings?

Any member of the Audit and Supervisory Committee is entitled to participate in any meeting of the Group as an observer when it is deemed important. I participate voluntarily because I want to learn more about the front line, out of my belief that what takes place at the front line does count. Among the four sub-committees of the Internal Control Committee, I think the Environmental Safety Promotion Committee is particularly important, because it deals with our lifeline theme that cuts across the entire Group. I am very interested in what measures are taken. Also, I think it’s important for me to attend such meetings because I can get to know the middle management people better.


Director Ide

Business foundation / Growth foundation

Human resources development and realizing diverse working styles

Recruiting of new graduates introduced

The ENVIPRO Group began recruiting new graduates, with the view that securing diverse human resources is important for corporate value enhancement over the medium to long term and that the company needs to reinforce its business foundation by fostering future leaders on its own. The recruiting activity is effective not only for securing the human resources for the future of the Group, but also is helpful for the Group's businesses to be better understood by a wider spectrum of audience. In fiscal 2019, we were able to issue preliminary job offers to three students for formal joining in April 2021. In the course of the recruiting activity, many students showed a strong interest in keywords such as "environment," "sustainability," "SDGs," and "social contribution." The stated mission of our Group, "Contribute to create a sustainable society," was received with strong support and empathy.
While making necessary improvements in the recruitment activity, we plan to recruit new graduates again for joining in April 2022.

Holding Business Schools

We have been running the in-house business school which is aimed at improving the skills and expertise that employees need to carry out their work, and is operated as a series of training lessons and seminars. In fiscal 2019, we introduced a new format with a theme set for every lesson so that we can widely invite employees to attend the lesson of their interest. The idea was to attain better training outcomes by encouraging voluntary participation and to pinpoint and enhance the skills required of the individual employees. We will continue to work on building effective training programs, including the introduction of web-based training courses, in order to develop human resources in a systematic manner.

●Examples of fiscal 2019 themes

- Problem solving through logical thinking
- Management theory and coaching for human resource development
- Understanding the regulatory regime on appropriate treatment of waste and responsibility of corporations
- Building an IoT-based Smart Factory and important tips for it

Building personnel evaluation system

We operate a personnel evaluation system for employees. We consider it has an impact on employees' motivation and is also very important from an aspect of human resource development. We will continue to work toward optimization of the system.

● Characteristics of the Group's personnel evaluation system

- Transition from behavioral assessment to a system that emphasizes the performance of the employee
- Makes it easier for the assessed to know "what evaluation can be obtained by doing what"
- Makes it easier for assessors to know "what performance leads to what evaluation," and clearly tells their roles, including aspects such as objective planning and process management

COVID-19 countermeasures and realizing diverse work styles

In response to the expansion the COVID-19 infection, we reevaluated the conventional working style and schemes with the aim of reducing the risk of infection and realizing opportunities such as enhancing our resilience. In fiscal 2019 we took measures such as introducing telecommuting, making a trial of flextime system with eventual formal launch in mind, switching from personal seals to electronic stamp for the internal application procedures and replacing the contracts both for internal and with outside parties by Cloudsign.
Even after the pandemic is over, we will continue to work on constructing new schemes with the aim of achieving higher operational efficiency, improving the working environment, and offering more diverse working styles.



Business foundation / Growth foundation

Challenge to contribute to creation of a sustainable society

The ENVIPRO Group developed a “Sustainability Strategy” in fiscal 2018, as a growth strategy to realize the sustainable development of society and our group concurrently, and we have been promoting our businesses.

Until we were listed on the Second Section of the Tokyo Stock Exchange in September 2013, we prioritized the establishment of our business foundations, and 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 to concentrate our investment and management resources mainly on our resource circulation business. Based on this decision, we will further promote the new businesses that we have already launched and accelerate investments in new growth fields, and we will engage ourselves in the development of a sustainable society as a company which is relied upon by our stakeholders.

Fostering corporate culture

We believe that establishing the business objectives and values as a corporate culture and matching them with the daily business activities is the best governance and is an essential step toward the sustainable enhancement of corporate value. In order to foster corporate culture, we distribute books of a copy of the management plan to our employees, setting forth clearly our corporate philosophy, values, and code of conduct. We aim to build a foundation for long-term, sustainable growth by utilizing the management plan in our business activities, instilling our corporate philosophy throughout the organization, and fostering our corporate culture.

Response to COVID-19 disaster

The COVID-19 disaster has caused a considerable slowdown in socio-economic activities and even changed our working environment. Although the business environment is in a difficult situation, we are taking steps toward change, because we see this circumstance as an opportunity to make a significant transformation.

Basic policy to counter the COVID-19 crisis

Cash is king (short-term perspective approach)

We will conduct thorough cash management in all sales, administrative, and production divisions

- Tighten control over personnel expenses and expenses for business operations
- Review unprofitable businesses and business formats
- Strengthen the occupational safety system to prevent cash outflow due to accidents or occupational injuries

Restructuring of work (medium-term perspective approach)

Take the COVID-19 disaster as a good opportunity to conduct a fundamental review of the way we work and make the company “transformation” dramatically

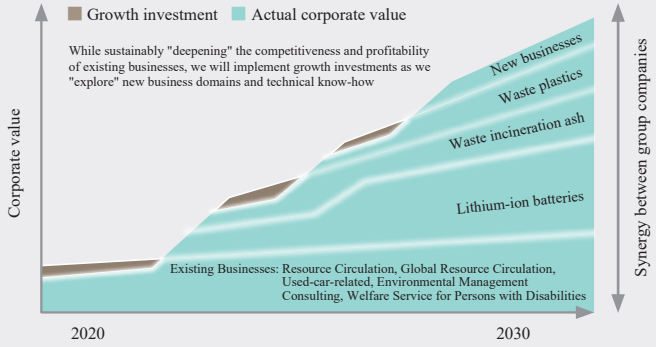
- Implement remote work, web meetings, and flextime systems
- Conduct research on remote management of facilities possibilities using IoT and robots
- Change from a membership-based approach to a job-based approach and explore better evaluation system

Reaffirming the purpose (fundamental and long-term perspective approach)

To become a company that is strongly needed by the world to create a sustainable society

- Help realize a circular economy as a manufacturer of recycled raw materials
- Improve the efficiency of resource collection by strengthening the platformer role through combination of resource circulation with digitalization
- Achieve 100% recycling by establishing recycling systems by making full use of chemical technologies

Enhance corporate value by expanding businesses



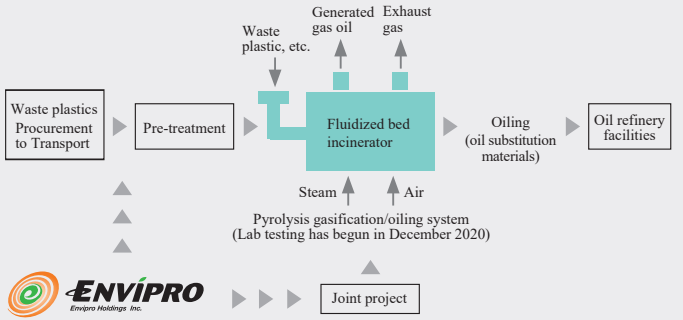
Until a business is stabilized, the increase in corporate value will slow down because it cannot match the initial investment. The brown areas indicate a negative balance caused by this condition.

An example of new business area

Research on chemical recycling of waste plastics

We are conducting research on the recycling business of dirty waste plastics, which would realize chemical recycling by oiling waste plastics and recovering them to crude oil, which is the raw material of plastics.

Outline of the contemplated business model



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%



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