

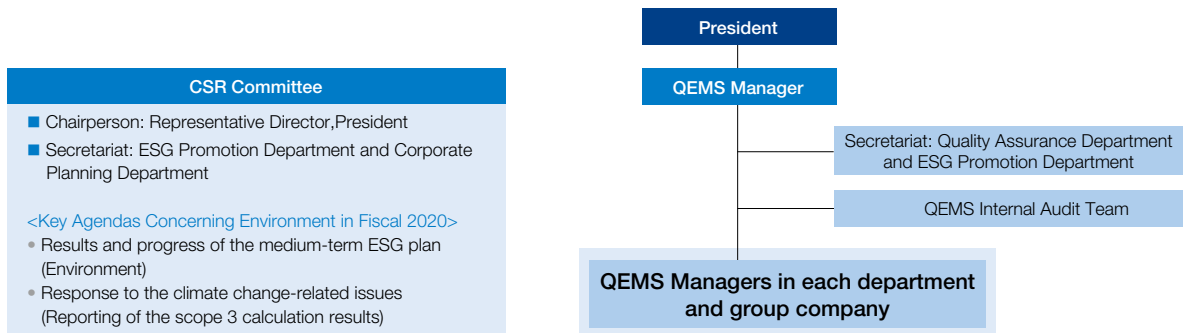
E Environment

Environment Management

Basic Approach

Toward the realization of the Daiken Group Environment Policy, the Daiken Group has formulated the medium-term ESG plan and raises the level of environmental activities in the entire group while improving the Environment Management System (EMS). To efficiently operate it integral with the Quality Management System (QMS), we promote and deploy activities as the Quality and Environment Management System (QEMS).

Structure of promote Environment Management



Strengthen Environmental Risk Management

Based on the basic approach on environment management, the Daiken Group operates the management system that integrated the ISO 9001-compliant quality management system and the ISO 14001-compliant environment management system and the overseas production bases individually acquired the ISO 14001 certificate, and the entire group is putting effort into the improvement of environmental performance. To be able to effectively operate the system of ISO, we implement internal audits annually, in addition to the periodic review by the external institution, and by continuously following PDCA, such as extracting issues and responding to the improvement, we raise the level of the company-wide environment management.



The scene of the external review

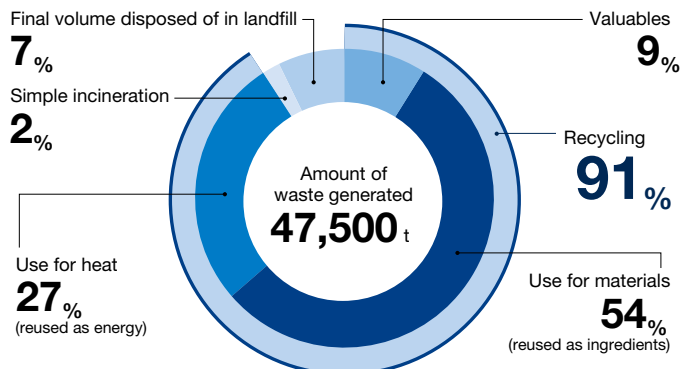
ISO 14001 Certificate Acquisition Status (As of the end of March 2020)

(1) The percentage of the offices that acquired the certificate in all offices in Japan: 90.6% (Based on the consolidated number of employees)	37 offices and plants at 9 companies
(2) The percentage of the offices that acquired the certificate in all overseas offices: 61.4% (Based on the consolidated number of employees)	5 offices and plants at 5 companies

Recycling of Waste Materials

The Daiken Group aims to realize a recycling-oriented society and puts effort into recycling the waste, such as reusing defectives generated in the manufacturing process as product materials to the extent possible, using those for heat even if those cannot be used for product materials. In fiscal 2020, by promoting the initiative to increase the use of waste for materials at the Takahagi plant, in addition to the promotion of use of heat by stably operating biomass boilers, the recycling rate of waste materials was 91%, which led to the reduction of the final volume disposed of in landfill. We continue to further improve the recycling rate.

Breakdown of Waste Processing



Note) Recycling rate = Amount of recycled resources / Amount of waste generated × 100 (%)
 Amount of recycled resources = Valuable + Use for materials + Use for heat

Pursue new possibilities of the industrial materials business by comprehensively using wood in cooperation with local communities

We upheld “Contribute to the building of a sustainable society by efficiently using limited resources” as one of the elements in the significance of existence and ambitions for the long-term vision GP25 in which our vision in 2025 was drawn, have been actively promoting the use of domestic timbers that are particularly requested by the state policy, and have been pursuing the possibilities of new use application development through the comprehensive use of wood toward the expansion of the industrial materials business. As one of these initiatives, we established the Nichinan Total Cascading Use of Wood commercialization study project in November 2016 with Nichinan, Tottori Prefecture, that has been actively putting effort into the forestry industry and the wood processing industry to use abundant forest resources, Nichinan Forestry Cooperative, and Orochi Co., Ltd., which is a local LVL manufacturer and started new development toward the effective use of wood resources by cooperating with the local community.

Developed a Soil Improvement Additive DW Fiver and Started Proposing It

A soil improvement additive DW fiber that we started proposing in May 2017 is a soil improvement additive made of timber offcuts (wood chips) that are generated in manufacturing LVL by Orochi Co. Ltd., using wood that the Nichinan Forestry Cooperative hewed out and that are fibrillated and to which fulvic acid with plant growth-promoting effects is added. It contributes to the greening of the soil and crop growth promotion, as well as post-disaster reconstruction, such as regeneration of protective forest from salty winds.



Case of greening by DW fiber



After about six months



Soil improvement additive DW fiber

*DW fiber has been registered in the New Technology Information System (NETIS) by the Ministry of Land, Infrastructure, Transport and Tourism. Registration number: KT-170110-A

Established Nichinan Daiken Co., Ltd., a company that processes veneer for LVL

At Nichinan Daiken Co., Ltd., which was established in March 2019, business to give rot-proof and ant-proof treatment to veneers to be used for LVL as the previous process for LVL to be manufactured by Orochi Co., Ltd. is slated to start.

Development image of the total use of wood through regional cooperation

Regional precious wood resources will create value in various scenes by fresh ideas, technologies, and partnerships.



Conservation of Forests

Appropriate management and operation of forest resources will grow healthy forests and contribute to ecosystem conservation



Greening Promotion

DW fiber's excellent water-holding property and water permeability will improve plant growing environment and promote greening

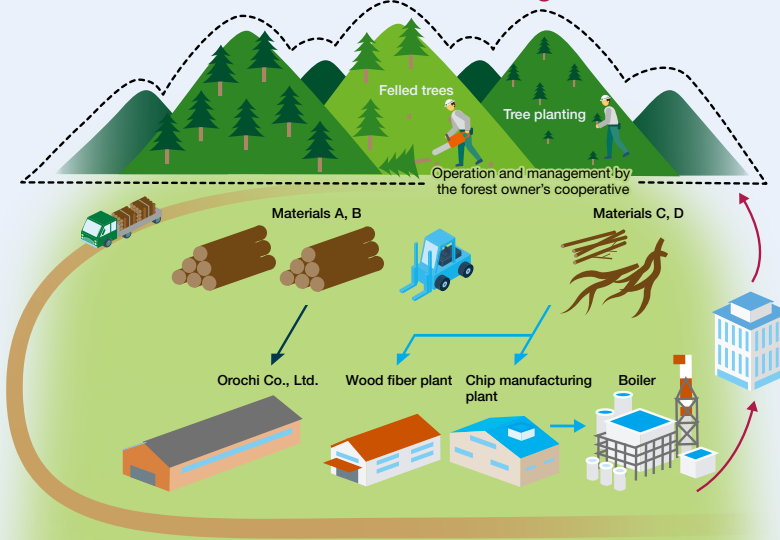


Promotion of Crop Growth

DW fiber will promote soil aggregation, help roots grow, and promote crop growth



Business Base for Total Cascading of Wood



Use of Renewable Energy

Use residual wood offcuts of lumber manufacturing as the fuel for the biomass boiler and fully and effectively use the resource



Research Institute

- Development of tree trimming and planting techniques and human resources
- Utilization development
- Development of products with highly added value

Promotion of the use of domestic timber

By developing wood products to which new value is added, promote the use of domestic timber



Disaster Restoration

DW fiber's soil buffering action will transform soil to the environment appropriate for plant growth and improve salt balance



Regional Development

Revitalization of the forest products industry using local resources will contribute to the development of local economy and employment creation

