

# Sumitomo Heavy Industries Group 4th Medium-Term Environmental Plan

At the Sumitomo Heavy Industries Group, we aim to realize the “Excellent Eco Factory” that contributes to the realization of a sustainable society by holding fast to the “Sumitomo Business Spirit” and setting our sights on achieving a low-carbon society in 2020.

## Contributing to the Prevention of Global Warming in Both Product Use and Production

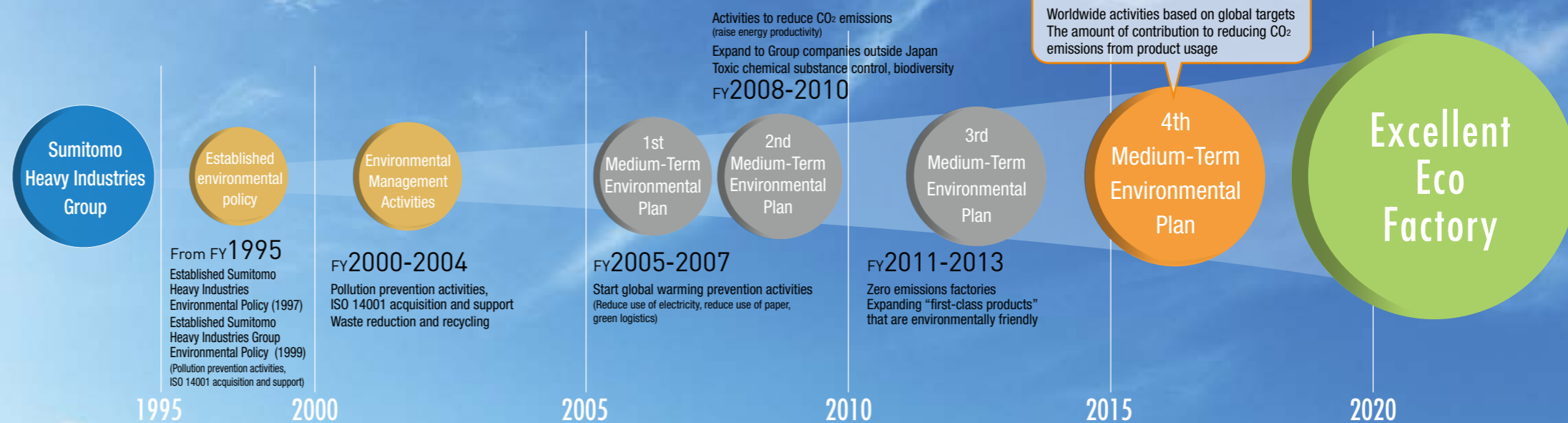
— 4th Medium-Term Environmental Plan Focuses on the amount of contribution to reducing CO<sub>2</sub> emissions from product usage —

Our Group's 4th Medium-Term Environmental Plan has the achievement of a low-carbon society as a major component. We are aiming for a 25% reduction in CO<sub>2</sub> emissions from global production and a 15% reduction in CO<sub>2</sub> emissions from product use. We have been taking measures for some time to reduce CO<sub>2</sub> emissions during production, and now we are putting additional focus on the amount of contribution to reducing CO<sub>2</sub> emissions from product usage. This will further reinforce our CO<sub>2</sub> reduction activities working through both products and services.

“The amount of contribution to reducing CO<sub>2</sub> emissions from product usage” refers to the size of the CO<sub>2</sub> reduction that we anticipate from the development of new products with greater energy-conservation performance than the older products (FY2008 standard). In order to increase the amount of contribution to reducing CO<sub>2</sub> emissions from product usage, we are setting fiscal year targets for the increase of the number of our proprietary environmentally friendly products and the expansion of our sales of those products. An overwhelmingly large part of lifecycle CO<sub>2</sub> emissions for our Group's products comes during product use, at 96%. This amount must be reduced. We will take steps to develop and popularize products with greater energy efficiency. Our aim is to contribute to the realization of a low-carbon society.

Meanwhile, our efforts to reduce CO<sub>2</sub> emissions during production are lowering CO<sub>2</sub> from our factories in Japan every year. Our actual records show a 40% reduction from 2004. However, due to an increase in the number of factories overseas, CO<sub>2</sub> emissions increased, leading to a significant overall increase in combined overseas and domestic CO<sub>2</sub> emissions. The 4th Medium-Term Environmental Plan sets a global reduction target of 25% in FY2020, and calls for energy conservation at our factories outside Japan.

## Changes in Environmental Management Activities at the Sumitomo Heavy Industries Group



## Environmentally friendly products from Sumitomo Heavy Industries Environment Co., Ltd.

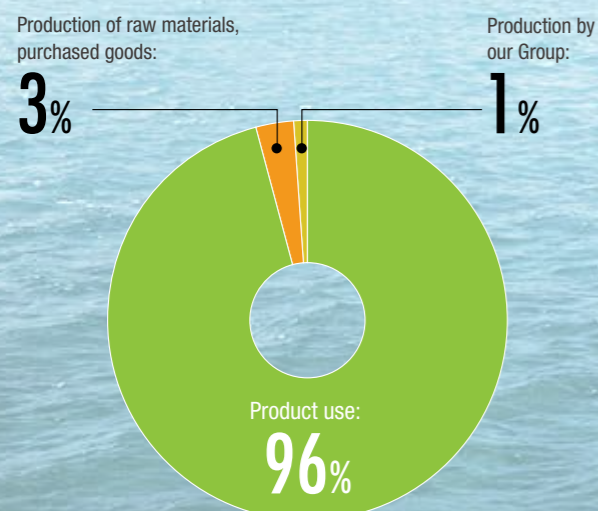
- Contributing to protection of the local water environment -

Sumitomo Heavy Industries Environment Co. Ltd. has business in three key areas: Business relating to water treatment equipment and facilities for the private sector (environmental plant business); business relating to water and sewage facilities for government and other public organizations (water and sewage business); and business relating to measurement and analysis of water quality, the atmosphere, gases, and so on (measurement and analysis business). With a central focus on treatment of factory wastewater, the environmental plant business will reinforce and enlarge the products it has been building up to positions of strength. At the same time, it will powerfully advance its development of new products and new technology. In the water and sewage business, our company will strengthen the commercial appeal of its unique unit equipment (powerful products and single-unit equipment), while promoting development and sales expansion. In the measurement and analysis business, our company is building on the water treatment, bio treatment, and exhaust gas treatment technologies and other knowhow we have cultivated over many years of experience and is taking steps to raise the level and expand the scope of its plant testing as well as its various types of measurement and analysis technologies. These products have been very well received by local governments and other such organizations in every region. Sumitomo Heavy Industries Environment Co. Ltd. equipment is in operation at locations in various areas, and we are contributing to protection of the local water environment.

As a result, we have received awards and commendations of all kinds under various criteria, such as the quality of our products as well as for our safety management and scheduling control during construction.

Going forward, we intend to continue with our research and development and place our high-performance, high-quality products in active use in every region. In this way, we aim to become an enterprise that contributes to the global environment and to society.

## CO<sub>2</sub> emissions during production and during product use



## Basic Policies of the 4th Medium-Term Environmental Plan

- Promote environmental risk management**  
 We will take steps to reduce environmental risks and aim to achieve zero environmental accidents. We will expand our environmental risk assessments to all our business establishments, including factories outside Japan, take steps to prevent environmental accidents, and maintain our zero accident record.
- Contribute to the achievement of a low-carbon society**  
 We have long been taking measures to reduce CO<sub>2</sub> emissions during production, and in addition we are reinforcing our activities to reduce CO<sub>2</sub> emissions during product use.
- Realize a resource-recycling society**  
 We will continue to reduce the amount of waste we generate and pursue zero emissions.
- Contribute to local communities and take measures for biodiversity**  
 We will participate in local community activities in every region, and contribute to the protection of a diversity of organisms by afforestation at our factories and other such activities.

### FY2014

- Japan Sewage Works Agency, “Excellence in Works FY2014” (Part 3 Construction of Water Treatment Facility, Nakatsu Terminal Treatment Plant, Nakatsu City)
- Japan Sewage Works Agency, “FY2014 Excellence as Contractor”
- Tokyo Metropolitan Government Bureau of Sewerage, “Commendation for Excellence as Works Contractor”
- Tokyo Metropolitan Government Bureau of Sewerage, “Commendation for On-Site Excellence in Safety Management” (Reconstruction of Mechanical Equipment for North System Reaction Tank, Shingashi Water Reclamation Center)
- Yokohama City, “FY2014 Commendation from Yokohama City for Excellence in Works” (Construction of Recycling Facility for Water Treated by Tsuzuki Wastewater Treatment Plant)

### FY2015

- Tokyo Metropolitan Government Bureau of Sewerage, “Commendation for Excellence of Contractor Construction Work Record”
- Gunma Prefecture, “FY2015 Gunma Prefecture Commendation for Construction Work (Prefectural Land Development Department Director Commendation)” (Part 2, New Reaction Tank Facility Construction, Kiryu Water Purification Center)
- Gunma Prefecture General Sewerage Office, “FY2015 Gunma Prefecture General Sewerage Office Commendation for Construction Work” (New Construction of Final Sedimentation Tank Facilities, No. 1 Water Treatment System, Okutone Water Purification Center)
- Japan Sewage Works Agency, “FY2015 Excellent Works Safety Contractor” (Sludge Treatment Facility Construction, Sewerage Treatment Center, Yuuki City)
- Yokosuka City, Kanagawa Prefecture, “Recognition for Excellence in Works” (New Construction of Final Sedimentation Tank Facilities, Shimomachi Treatment Center)

