

Eco Challenge 2024

Business activities undertaken by the SUMINOE GROUP are deeply connected to the environment. This holds true to our daily operations, as well as to the entire lifecycle of our products—from product development and design, material procurement, production, sales, distribution, consumption, disposal and recycling.

The Group is working on assessing and reducing the impact on the environment from all of our business activities and our products throughout their lifecycle. We are committed to manufacturing environmentally friendly products. One example is active use of recycled materials, including polyvinyl chloride powder recycled from used carpet tiles and raw cotton and polyester pellets recycled from PET bottles. To promote sustainability, we place focus on environmental conservation, and Group-wide efforts are underway to achieve the goals set under Eco Challenge 2024.

Eco Challenge 2024

As a set of goals on environmental activities, we have formulated Eco Challenge 2024, which covers the three years from fiscal 2022 to 2024.

Activity Goals and Fiscal 2023 Results

	Work areas	Index	Final numerical targets	Base FY	FY2023 numerical targets	FY2023 results	Evaluation
1	Prevention of global warming	Reduction of CO ₂ emissions (energy consumption)	Reduce by 3% (basic unit)	2021	Reduce by 2% (basic unit)	Reduced by 36.9% (basic unit)	○
2	Resources conservation	Increase in utilization rate of recycled resources (major factories in Japan ^{*1})	Increase 3%.	2021	Increase by 2%.	Increased by 24.5%.	○
3	3Rs regarding waste material	Reduction of industrial waste	Reduce by 3% (basic unit)	2021	Reduce by 2% (basic unit)	Reduced by 19.1%.	○
		Increase in recycling rate	65% or more	—	65% or more	39.4%	△
		Reduction in rate of waste disposed of in landfills	10% or less	—	10% or less	36.3%	△
4	Prevention of environmental pollution	Reduction of air pollution (reduction of N ₂ O emissions)	Reduce by 3% (basic unit)	2021	Reduce by 2% (basic unit)	Reduced by 23.3% (basic unit)	○
5	Promotion of green activities	Increase in green purchasing rate for office supplies (in Japan)	95% or more	—	95% or more	89.2%	△
6	Promotion of LCA assessment for products ^{*2}	Perform LCA for 18 items.	—	—	12 items	40 items	○
7	Promotion of development of environment-friendly technologies ^{*2}	3 cases	—	—	2 cases	1 case	△
	Promotion of development of environment-friendly products ^{*2}	9 cases	—	—	6 cases	7 cases	○
8	Promotion of biodiversity preservation in business activities	—	—	—	—	—	—

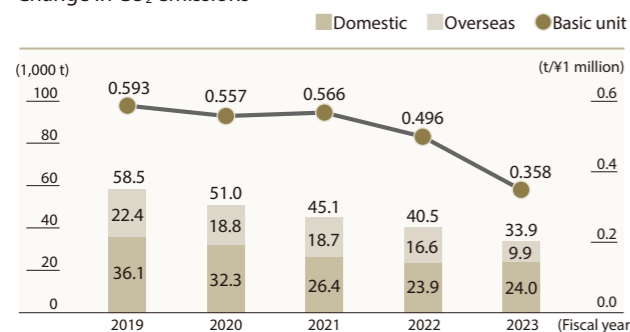
Basic unit: Consolidated sales used as a denominator for calculation
 ○: Attained △: Not attained at some factories ×: Not attained
 Evaluation: For domestic factories, the amounts of CO₂ and N₂O emissions are calculated based on an emission factor set in accordance with the law to promote measures against global warming. For overseas factories, the calculation is based on an emission factor set for each country in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
^{*1} Major factories in Japan: Shiga Factory and Nara Factory Suminoe Techno Co., Ltd., Teijin Teclot Ltd., and Head Office Factory and Ishikawa Factory Owari Seisen Co., Ltd.
^{*2} The figures for targets and results are cumulative totals from FY2022 to FY2023.

Results for fiscal 2023

① Prevention of Global Warming

We assess the impact of our corporate activities on global warming based on CO₂ emissions.

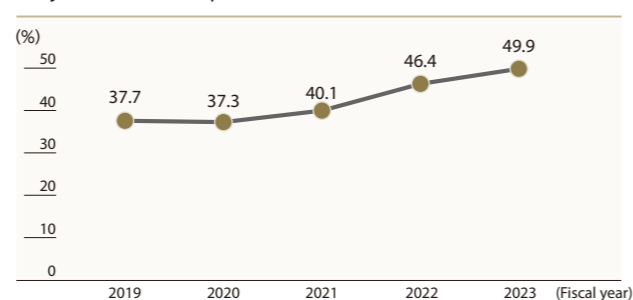
Change in CO₂ emissions



② Resources Conservation

We are actively using recycled resources for product manufacturing to promote savings in resources.

Changes in utilization rate of recycled resources (Major factories in Japan)



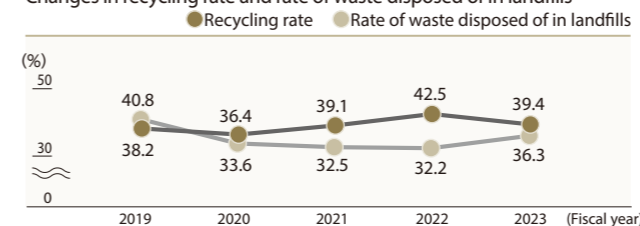
③ 3Rs regarding Waste Material

We are striving to reduce industrial waste generation by minimizing unused materials for our products, by not manufacturing products that do not pass quality standards, and by using resources effectively.

Changes in amount of industrial waste generated



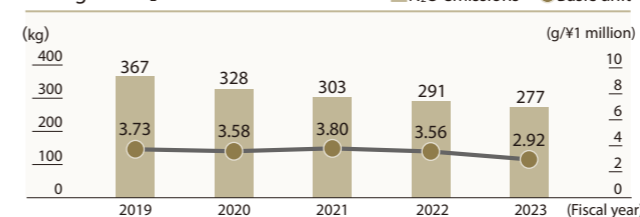
Changes in recycling rate and rate of waste disposed of in landfills



④ Prevention of Environmental Pollution

Among atmospheric contaminants, nitrous oxide (N₂O) is used here as an example to explain the situation of air pollution.

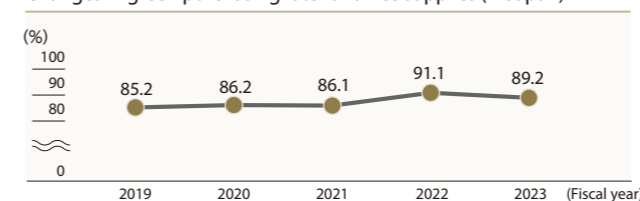
Changes in N₂O emissions



⑤ Promotion of Green Activities

We are actively promoting purchases of environmentally friendly office equipment and supplies to reduce their impact on the environment throughout their entire life cycle, from collection of materials to disposal.

Changes in green purchasing rate for office supplies (in Japan)



⑥ Promotion of LCA* Assessment for Products

We have conducted in-house LCA assessments for our products since fiscal 2016. Between fiscal 2022 and 2023, we carried out LCA assessments for 40 items.

* LCA: Stands for lifecycle assessment. LCA is a method to quantitatively evaluate the resources used to produce a product at each stage of its lifecycle—from raw material procurement, manufacturing, distribution and use to disposal—as well as its load on the environment, and also the potential environmental impact that the product and resources may have on the Earth and ecosystems.

⑦ Promotion of Development of Environment-Friendly Technologies and Products

- Promotion of Development of Environment-Friendly Products
- 1) ECOS NEO™ series of carpet tiles, which achieves a recycled material ratio of 81% by using recycled materials on the pile surface and the backing
- 2) SORAIRO, a rug made of 50% recycled wool
- 3) ECONIX, a seat covering material that utilizes スミトロン® (SUMITRON), which is eco-friendly yarn made from recycled chips
- 4) ECOS-US3000 and ECOS-MD8500 series of carpet tiles for railroad vehicles, featuring a backing created by using ECOS® specifications

⑧ Environmental Activities for Preserving Biodiversity in Business Operations

- Activity Policy
- 1) Reduction of impact on biodiversity from business activities
 - Monitoring the situation on biodiversity around factories and their vicinity
 - Using locally-grown native species, not nonnative species, for tree planting
 - Periodically cleaning areas near factories and improving environmental conditions there by weeding out grass
 - Checking sustainability when biological resources are used as product material
 - Promoting development of products with recycled material and building a recycling system to manufacture such products
 - Incorporating activities for biodiversity preservation into an environmental management system
 - Promoting new measures that are possible at each factory for preservation of biodiversity
- 2) Activities to seek suppliers' cooperation in reducing impact on biodiversity across the entire supply chain
 - Seeking cooperation from suppliers in observing green purchase guidelines to promote our efforts to preserve biodiversity
- 3) Social contribution activities
 - Supporting groups engaging in forestry preservation activities
 - Supporting green charity activities
- Activity Results

Each factory has been implementing activities, taking advantage of the regional characteristics.

Factory	Activity
Nara Factory of Suminoe Textile Co., Ltd.	Participating in the Ando Ouyu-Kai, an association that works to develop a cherry tree-lined promenade in the area along the Okazaki River
Shiga Factory of Suminoe Techno Co., Ltd.	Propagating the Sasayuri lily on the factory premises
Factory at the head office of Owari Seisen Co., Ltd.	Helping protect fireflies as a supporting member of the Ichinomiya Heisei Firefly Association