ΤΟΤΟ

CSR

Helping to Build a Sustainable, Carbon-Neutral Society by 2050

TOTO LTD. (Headquartered in Kitakyushu City, Fukuoka; President: Noriaki Kiyota) <u>will accelerate its CO2 emission</u> reduction activities across the entire lifecycle of its plumbing products, with the aim of helping to build a sustainable, carbon-neutral society by 2050 and providing a comfortable and healthy lifestyle to all people.

In 2014 the TOTO Group announced its CSR action plan, the TOTO Global Environmental Vision, and has been pursing initiatives aimed at building a sustainable society. With TOTO WILL2030, the new shared value creation strategy that was recently announced, TOTO will achieve a sustainable society and clean, comfortable and healthy lifestyles by integrating management with CSR to work on materiality issues, the key issues to be addressed by TOTO that comprise cleanliness and comfort, the environment, and relationships.

The TOTO Group <u>has been working to obtain certification for SBT (Science Based Targets)^{*1}, the science-based</u> <u>greenhouse gas reduction targets consistent with the Paris Agreement, and will promote CO2 emission</u> <u>reductions on this basis.</u> To reduce CO2 emissions from its business sites, TOTO will make improvements to energy savings, upgrade large equipment, and expand the introduction of renewable energy with the aim of using 100% renewable energy for electricity by 2040 (membership in RE100^{*2}). For reduced CO2 emissions when products are used, TOTO will make further strides in the environmental performance of its products, and promote the global uptake of its "Sustainable Products" line of unique plumbing products that balance *cleanliness and comfort* with *protecting the environment*. In doing so, TOTO will help build an enriched and comfortable society that is better for the global environment.

The TOTO Group has developed a corporate philosophy of striving to create "a great company, trusted by people around the world, and contributing to the betterment of society," and by working to solve social issues through its business activities, will also achieve economic growth and contribute to the United Nations' Sustainable Development Goals (SDGs).

Reducing CO₂ Emissions Percentages of CO2 emissions in product lifecycle (2018) Product use ▦⋒ 會 009.57 millior 3.1% 1.8% 0.1% 0.3% 93.5% 1.2% CO2 reduction volume based on SBT*1 Total reduction of CO₂ emitted from offices Reduction of CO₂ emitted when product is used Energy saving improvement/Large equipment renewal Spread of sustainable products Introduction of renewable energy:100% (2040) Evolution of environmental performance 90% (in 2030) Expansion of renewable energy (Social trends) Decarbonization of water and sewerage and hot-water supply energy Energy saving, energy c and energy storage of b Use of hydrogen Use of CO₂ *1 "SBT": Science Based Targets. Greenhouse gas reduction target for the companies that meet the level of the Paris Agreement TOTO will implement initiatives based on SBT to achieve a carbon-neutral society by 2050.

*1 Science Based Targets (SBTs) are greenhouse gas reduction targets for the companies that meet the levels described in the Paris Agreement. *2 Renewable Energy 100 (RE100) is a global initiative that aims to have companies employ renewable energy for 100% of the electricity used in business activities.

Sustainable Products

In the New Shared Value Creation Strategy, TOTO WILL 2030, which we have newly formulated, we have positioned TOTO's Sustainable Products as unique TOTO products that realize cleanliness and comfort and protect the environment. By expanding these products globally, we will contribute to the realization of an affluent and comfortable society that is conscious of the global environment.



TOTO Inititaives

Today, with the impact of climate change increasingly become apparent, the TOTO Group is supporting ESG information disclosures and global initiatives to realize a carbon-neutral society.

	Details
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	May 2019 <u>Support for the Task Force on Climate-related Financial Disclosures</u> (TCFD) Recommendations TOTO has disclosed information on its management strategy with the TOTO Global Environmental Vision serving as the engine for its promotion. * TCFD: The Task Force on Climate-related Financial Disclosures is a task force that was established in 2015 by the Financial Stability Board (FSB), an international body whose members include the central banks and financial regulatory authorities of major nations.
The Science Based Targets initiative	March 2021 <u>Expressing Support for the Science Based Targets Initiative</u> The TOTO Group set greenhouse gas reduction targets based on scientific grounds consistent with the Paris Agreement, and expressed its commitment to work towards them.
RE100 °CLIMATE GROUP	April 2021 <u>Participation in the Global RE100 Initiative</u> The goal of the TOTO Group is making 100% of the power consumed by TOTO Group companies across the world renewable energy by 2040.



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