

4. The EBARA Group strives to improve the global environment.

ISO 26000
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EBARA Group Environmental Vision

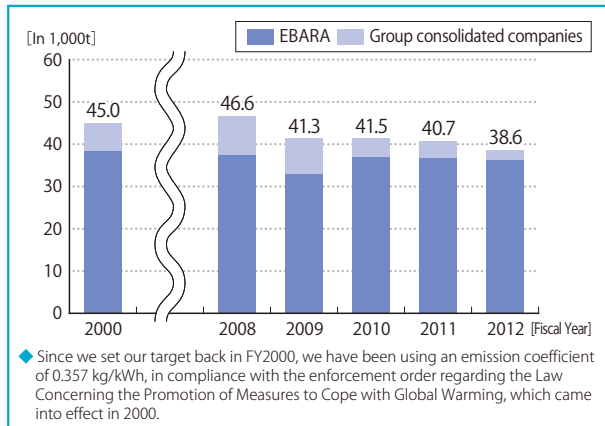
EBARA Group Environmental Vision

1. The EBARA Group is striving to create a society in which nature and technology are in harmony.
2. The EBARA Group endeavors to conserve the global environment through its technology, product and service supplying.

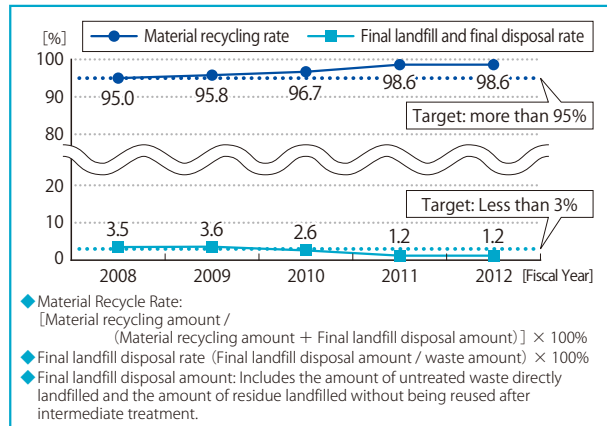
EBARA Group environmental objectives (FY2020)	Achievements in FY2012
1. Environmental Conservation Activities in Our Daily Business	
① Keep voluntary standard values for environmental laws and regulations such as water pollution prevention, air pollution prevention and the like.	Activities for pollution prevention have been carried out, and all voluntary standard values have been achieved.
② Continuously reduce the amount of waste output produced from each office and business site. Maintain a waste material recycling rate of 95% or higher. Maintain a final waste landfill rate of less than 3%. Completely comply with the legal terms stipulated in the Construction Waste Disposal Consignment Contract. Utilize recognition system about reliable industrial waste disposers.	Total waste generated: 9,064 tons (Increased as a result of the merger with Ebara Techno-Serve and Ebara Yoshikura Hydro-Tech) A 98.6% material recycling rate was achieved. A 1.2% final disposal rate was achieved. We managed waste-related risks by using our own boilerplate contract and outsourcing processing to certified waste disposer.
③ Continuously reduce CO ₂ emissions	Down 5.2% compared to FY2011.
④ Reduce water usage by 30% from the FY2000 level.	Up 5.9% compared to FY2011. Down 17.7% compared to FY2000.
⑤ Continuously reduce emissions of PRTR Law controlled substances. Reduce VOC emissions by 30% from the FY2000 level.	PRTR volume was down 9.7% compared to FY2011. VOC emissions were down 32.9% compared to FY2000.
⑥ Identify and minimize environmental risk involved in R&D planning and in the planning, installation and operation of facilities at all offices and business sites.	Conducted second-party audits and environmental inspections at business sites.
2. Contribution to Environmental Conservation in Business Activities	
⑦ Set and implement policies and goals for achieving the industry's leading environmental performance per each product.	We practiced environmental consideration (energy conservation, miniaturization, etc.) with a wide variety of products and services.
⑧ Build and run a framework for managing information about the chemical substances found in procured components and communicating information about the chemical substances found in finished products for customers.	The ability of suppliers to provide information concerning chemical substances in procured products is being surveyed.
⑨ Reduce the environmental load through a products lifecycle by continuous reanalysis of technological standards of paints, ingredient materials, etc. from a LCA standpoint. Establish and implement standards for topics of environmental concern in the CSR procurement.	The technology stipulation UB1101 was formulated on the basis of design guidelines for the environment, and are being enforced.
⑩ Enhance the availability of products designed for use in the global warming prevention field. a Dry vacuum pumps for solar cell manufacturing b Desalination pumps and equipment c Nuclear power plant pumps d Energy-saving standard pumps driven by high-efficiency motors e High-efficiency chillers f Biomass utilization operations	The lineup of pumps, premium high efficiency electrical stainless steel pumps, and high-efficiency turbo coolers for use in desalination plants was increased and new products were introduced. Research and development was conducted on exhaust gas processing using sodium bicarbonate, water cooling of stoker incineration furnaces and fire grates, and other means to improve product environmental performance.
3. Efforts for Environmental Management	
⑪ Run the environmental management system across the EBARA Group and continuously apply revisions to standardize the system rules in operation. Link environmental management systems to the other management systems such as systems of energy management, occupational safety and health, and quality management.	All offices and business sites other than the Tochigi District, which plans to obtain certification in FY2013, maintained their ISO14001 certification. Some branches and sales offices of Ebara Techno-Serve and Ebara Yoshikura Hydro-Tech, which merged with EBARA, that were outside the scope of the ISO14001 certification were incorporated into the scope of the Haneda Office's certification.
⑫ Thoroughly manage environmental risk by continuous implementation of second-party audits throughout major business sites of the EBARA Group in Japan and overseas.	A corporate environmental audit was conducted of 14 domestic organizations and necessary improvements were completed.
⑬ Establish an enhanced sense of ecology among all employees in the EBARA Group through promoting education concerning biodiversity, and environmental contribution activities.	A biodiversity survey was conducted and the land use report was evaluated at the Fujisawa District.
⑭ Continuously disclose environmental information associated with business activity by the CSR Report, especially the enhancement of environmental assessment information on products. Continuously increase sales of environmental label certified products.	Published the EBARA Group CSR Report 2012.
⑮ Make contributions to society, such as environmental technology seminars, by utilizing technical knowledge developed through the EBARA Group's business activity and environmental activities.	Conducted technological seminars in Southeast Asia sponsored by EBARA Hatakeyama Memorial Fund.

Major Environmental Performance Data

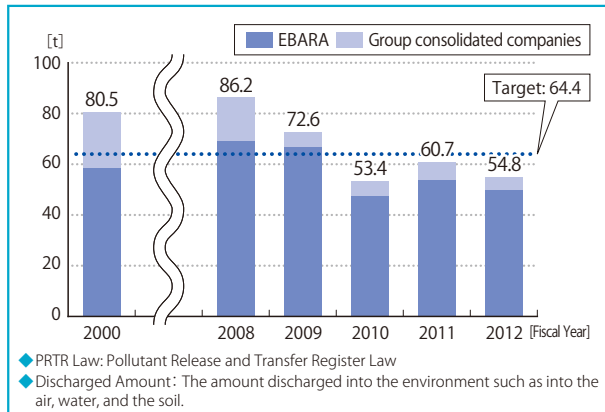
Change in CO₂ emissions (Electric power and fuel-derived)



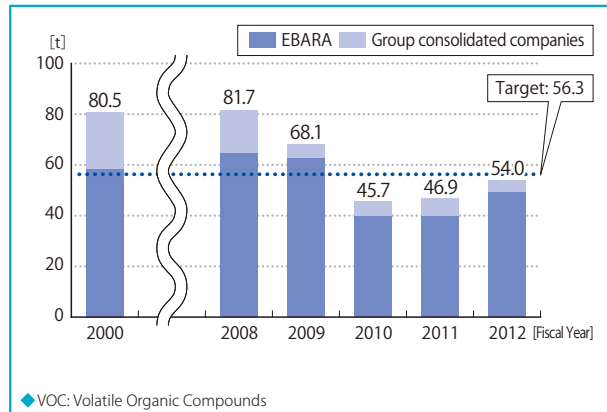
Change in material recycling rate and the final landfill disposal rate



Change in emissions of substances controlled by the PRTR Law



Change in emissions of VOC out of substances controlled by the PRTR Law



EBARA Group Environmental Management

The EBARA Group conducts environmental management in accordance with ISO14001. A total of 19 offices, branches, and companies have obtained certification.

Status of ISO14001 Certification
<http://www.ebara.co.jp/en/csr/env/management/iso14001.html>

Under a reorganization implemented on April 1, 2012, three consolidated subsidiaries (Ebara Techno-Serve, Ebara Yoshikura Hydro-Tech, and Ebara Environment Techno Hokkaido) merged with EBARA, and as a result, EBARA's workforce increased by 1,400 to 4,140 persons (as of April 1, 2012). The absorbed subsidiaries had sales offices, plants, service divisions, and production plants throughout Japan, and these sites were not included in the scope of the former subsidiaries' ISO14001 certification, so a new, broader ISO14001 registration was conducted. The production plant at the Tochigi District is an integrated plant that can perform all processes from casting to machining, assembly, and testing, and because of its significant environmental impact, a decision was made to obtain separate

ISO14001 certification for the Tochigi District. A project team to create an environmental management system (EMS) was established and began taking action with a target of undergoing final screening in September 2013.

In addition, domestic sales offices, plants, and three service divisions were added to EBARA's Haneda Office EMS. In FY2013, a total of 34 sites were incorporated into the scope of certification under an expanded screening, and measures are being taken to incorporate the remaining 29 sites in the scope of the Haneda Office's ISO14001 certification by the end of FY2014.

Measures to Streamline EMS

Following the occurrence of a dioxin release at the Fujisawa District in 2000, EBARA spent 12 years rebuilding its system in strict compliance with the ISO14001 standards and put the new system into practice. EBARA's offices and business sites have undergone third-party audits by the same environmental survey company since the Haneda Office obtained ISO14001 certification in 1997, the EMS has been continuously improved. Since FY2011, EBARA has been streamlining its EMS by creating opportunities for improvement from a broader perspective and

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changing the review company to include integration with other management systems. The Haneda Office changed its screening company in FY2012. Other sites are also conducting investigations to enhance the effectiveness of their EMS.

Measures are also being taken to ensure legal compliance by waste processing service providers and to increase the efficiency of waste processing operations.

To ensure total compliance, efforts are being made to eliminate deficiencies in legally-required provisions of waste processing outsourcing agreements and to eliminate omissions from manifests (waste management documents).

As a general rule, shared EBARA Group boilerplate contract are used for waste processing outsourcing agreements. Offices with numerous agreements and with many agreements where it is difficult to use the model provisions introduced a service to conduct agreement reviews online, and other measures are being taken to simplify internal review procedures.

To prevent violations of waste storage standards, shared EBARA Group storage site specifications were posted on the Group intranet, making it possible for waste storage personnel to refer to the standards at any time during operations.

Manifests were switched from manually completed documents to electronic manifests to raise operational efficiency.

◇ Adoption and Effects of Energy Management Standards

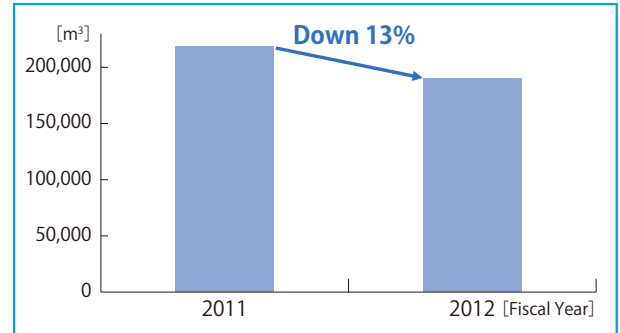
The Haneda Office adopted energy management standards in accordance with the Energy Saving Law in FY2011. With the start of application of the standards in FY2012, energy consumption reduction effects were achieved. The energy management standards consist of operating management manuals, measurement and record keeping manuals, and maintenance and inspection manuals with the aim of reducing energy consumption by equipment that uses energy. The management standards include the following.

1. Overview of the head office building
2. Energy management policies and energy saving targets
3. Energy management systems and responsibilities
4. Energy Saving Promotion Committee
5. Employee education and training
6. Operating management methods for each type of equipment
7. Relationship with provisions on determination standards issued by administrative agencies

Energy management standards were prepared for a total of 24 types of equipment including transformers, air conditioning equipment, thermal storage units, lighting equipment, and so on. Appropriate energy management is conducted in accordance with those standards.

The volume of natural gas used by thermal storage units, for example, was down 13% in FY2012 compared to FY2011, when conservation measures were taken following the Great East Japan Earthquake.

»» Natural Gas Consumption for Air Conditioning at the Head Office Building



Operational management will continue to be conducted in accordance with the energy management standards for each type of equipment to achieve further energy savings.

◇ Survey of Biodiversity at the Fujisawa District Green Space

In FY2012, some trees located in the green space on the north side of the main entrance road were cut down to create an area with greater sunlight and a survey of biodiversity was conducted with the aim of investigating green space management methods in Fujisawa District in consideration of biodiversity.



A green space with little sunlight and a area with abundant sunlight.

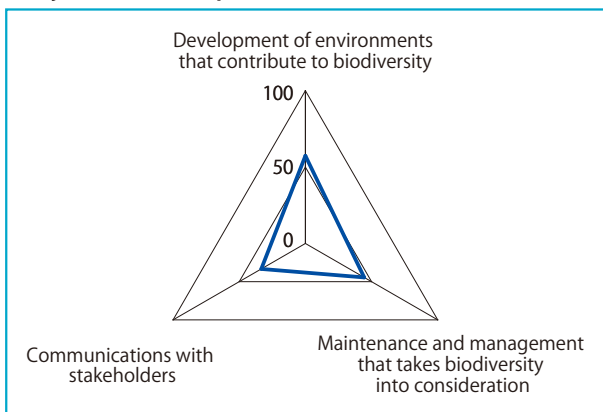
Measurement of plant types was conducted in 10 m × 10 m areas at one location in the sunny green area and two locations in the green area without much sunlight. The survey found that there were 54 types of plants in the sunny location, which is 1.5 times to 2 times higher than in the less sunny location.

◇ Fujisawa District Green Space Report Card

The green space at the Fujisawa District, which encompasses more than seven hectares, was graded using a technique known as the green space report card proposed by the Japan Business Initiative for Biodiversity.

The assessment is conducted based on detailed questions relating to the development of environments that contribute to biodiversity, maintenance and management that takes biodiversity into consideration, and communications with stakeholders. Out of a total of 100 points, the Fujisawa District green space scored 52 points on questions relating to 18 items on the report card. Based on these results and considering that various organisms use the green space to cross between the river in the area of the office and other areas, improvements will be made to the green space to contribute even further to local biodiversity.

» Fujisawa District Report Card on Land Use



◇ Management of Chemical Substances in Products

The European RoHS Directive *1 was revised (RoHS2), and as a result, some EBARA products are subject to the RoHS Directive. To indicate that products are compliance with RoHS2, it became necessary to obtain CE marks *2 for the subject products.

Accordingly, EBARA is establishing information management and quality management systems to ensure that no substances regulated by the RoHS Directive (lead, hexavalent chromium, cadmium, mercury, PBB, or PBDE *3) are included in its products. Discontinuation of PFOS (a type I specified chemical under the Chemical Substances Law), which is contained in the fluoride resins used in semiconducting manufacturing, is proceeding worldwide. EBARA adopted procurement standards for products that do not contain PFOS and is taking measures for its complete elimination.

Introduction of the REACH Regulations *4 is expanding globally, and EBARA is working with suppliers to conduct surveys and collect data so it can exchange JAMP-AIS *5 with supplies using a commercial application service starting at the beginning of FY2015 to ensure compliance with the rules.

◇ Responses to Conflict Minerals

The inhumane treatment of civilians and environmental destruction by armed groups in the Democratic Republic of Congo and neighboring countries has become a major international issue.

These armed groups use tin, tantalum, tungsten, gold, and other minerals mined in the region as sources of funds, and these materials are referred to as "conflict minerals."

To cut off funding to armed groups, companies are being requested to engage in appropriate procurement and ensure that tin, tantalum, tungsten, and gold derived from conflict minerals are not used in their products.

As a member of global society, EBARA sees conflict minerals as a major CSR issue. Going forward, EBARA will cooperate with suppliers to conduct procurement that does not support armed groups that commit human rights violations and will take concrete measures.

◇ Proper Storage and Processing of PCBs

EBARA created special-purpose storage warehouses at its Sodegaura District and Fujisawa District to store equipment collected from the former Haneda Office and other sites that contains PCBs. The stored items are old, and in FY2013, we began processing the equipment because of problems concerning the durability of internal storage units in capacitors and transformers as well as issues concerning the aging of some of the storage warehouses themselves and the need to replace some equipment currently in use, making it impossible to store additional equipment in the warehouses. Processing is proceeding with a focus on transformers that contain insulating oil with low concentrations of PCBs and is being conducted in conjunction with the acceptance of new storage items as equipment is replaced and additional storage space is secured. The next steps will include processing of capacitors and large transformers that have had the insulating oils removed and contain PCBs. The target is to complete processing around 2019.



Status of Sodegaura District PCB Warehouse

The Sodegaura District and Fujisawa District warehouses comply with the storage standards specified in the Waste Processing Law (Regulation Article 8-13)

* 1 [RoHS Directive] A law concerning the use of specified hazardous substances in electrical and electronic equipment

* 2 [CE Mark] A mark indicating the products comply with safety standards

* 3 [PBB and PBDE] Types of fire retardants added to plastics

* 4 [REACH Regulations] Regulations concerning chemical substances that when into effect in the European Union in June 2007

* 5 [JAMP] Refers to the Joint Article Management Promotion Consortium; [AIS] Refers to Article Information Sheet