ECO FIRST Commitment (Updated)

Our initiatives as a leading company in environmental conservation

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Mr. Masaharu Nakagawa
Minister of the Environment

The Kubota Group wishes to become a more valuable company that contributes to the improvement of social development and the global environment in the field of food, water, and the environment. We place the greatest importance on environmental conservation regarding our CSR management and continue the following efforts.

1. **We will implement measures to prevent climate change as a priority issue.**
   (1) Production plants of the Kubota Group in Japan and other countries have a target, for 2020, of reducing CO₂ emission per production money amount by 14% or more compared to the base year 2014.
   (2) Production plants of the Kubota Group in Japan and other countries have a target, for 2020, of reducing energy consumption per production money amount by 10% or more compared to the base year 2014.
   (3) The Kubota Group in Japan has a long-term target, for 2030, of reducing CO₂ emission by 30% compared to the base year 2014.
   (4) To achieve the above targets, the Kubota Group will fully utilize available cutting edge technologies as follows: improve the efficiency of facilities such as production equipment, HVAC, and lighting devices; replace fuel for production equipment; improve the insulation efficiency of buildings and facilities; use photovoltaic power generation; visualize energy and reduce unnecessary use of energy; and recover waste heat.

2. **We will work towards recycling-based society in a positive manner.**
   (1) Production plants of the Kubota Group in Japan and other countries will promote their “Wastes 3R (Reduce, Reuse, Recycle)” efforts to achieve the target, for 2020, of reducing the waste discharge per production money amount by 10% or more compared to the base year 2014.
   (2) The Kubota Group will promote the recycling of wastes and achieve 99.5% or more recycling ratio* of wastes generated by production plants in Japan and 90% or more in overseas production plants in 2020.
   * Recycling ratio (%) = (Sales amount of valuable resources + External recycling amount) / (Sales amount of valuable resources + External recycling amount + Landfill disposal) × 100.
   (3) Production plants of the Kubota Group in Japan and other countries will promote their “Water 3R (Reduce, Reuse, Recycle)” efforts to achieve their target, for 2020, of reducing the water consumption per production money amount by 10% or more compared to the base year 2014.
3. We will work toward reducing emissions into the atmosphere.
   Production plants of the Kubota Group in Japan and other countries have a target, for 2020, of reducing the amount of VOC* emission per production money amount by 10% or more compared to the base year 2014.
   * VOCs comprise the six VOCs that are most prevalent in emissions from the Kubota Group, namely xylene; toluene; ethylbenzene; styrene; 1, 2, 4-trimethylbenzene; and 1, 3, 5-trimethylbenzene.

4. We will develop highly environmentally friendly products.
   (1) The Kubota Group will improve environmental performances in the product development phase and reduce environmental impacts throughout the life cycle of products. We will increase the sales ratio of Eco-Products certified products* to 60% or more in 2020. In addition, we will increase the sales ratio of Eco-Products certified products* to 80% in 2030. We also aim to put all new products which are certified as Eco-Products on the market in 2030 and later.
   We quantitatively identify the effect of saving energy consumption by supplying low-carbon products and services. We will actively provide the information to our clients.
   * The sales ratio of the products which have fulfilled the internal requirements in our own Eco-Products Certification System
     Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100
   (2) The Kubota Group will maintain the usage ratio of recycled materials* among casting products and their parts as more than 70%.
   * Usage ratio of recycled materials (%): materials used in the cast metal products and parts (ductile iron pipes, fittings, machine cast products (engine crankcase, etc.))
   (3) The Kubota Group will develop industrial diesel engines that comply with the latest emission regulations of Japan, the US and Europe and put on the market of the engine-based products*.
   * Targeting the tractors and combine harvesters (output range: 56 kW≤ P<560 kW) equipped with engines compliant with the European emissions regulations (Europe Stage IV) level, shipped to Europe, North America, Japan, and Korea.

5. We will promote activities friendly to the natural environment and biodiversity.
   (1) Based on our activity guideline on the conservation of biodiversity, the Kubota Group will appropriately manage environmental impacts and risks accompanying business activities. Also, we will promote the protection of natural environment by greening our establishments and creating biotopes.
   (2) The Kubota Group will promote the protection of natural environment through our activities to help restore abandoned farmland and conserve rural natural areas and forests, in the framework of our social contribution activity “the Kubota e-Project.”

The Kubota Group will monitor the progress of the above initiatives, report the results to the Ministry of the Environment, and publish annually the results in our CSR Report and so on.

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