

# News Releases

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## Taiheiyo Cement Sets Sustainability Targets

Taiheiyo Cement Corporation has set targets for two critical issues: climate protection and emissions reduction, corresponding to commitments made in the Cement Sustainability Initiative's (CSI) "Agenda for Action" launched in 2002. Taiheiyo Cement is a core member of the CSI, a global project formed under the auspices of the World Business Council for Sustainable Development (WBCSD).

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### 1. Background

In July 2002, the CSI launched its "Agenda for Action" dealing with six issues critical for sustainable development within the cement industry. This agenda included pledges to draft a protocol and guidelines for the gathering and publication of environmental data, establish definitions for Key Performance Indicators (KPIs) by 2005 and report targets for emissions reductions within five years.

In response, Taiheiyo Cement developed a policy extending the "Agenda for Action" to all member companies of the Taiheiyo Cement Group and began collecting data from both domestic and overseas Group companies. Toward reporting KPIs in 2007, we have established targets for the reduction of CO<sub>2</sub> emissions and for the management of other emissions.

### 2. Taiheiyo Cement Group Targets

#### (1) CO<sub>2</sub> Emissions Reduction

We have set the target of reducing specific net CO<sub>2</sub> emissions<sup>1</sup> from the cement production

process by 3% across the Group<sup>2</sup> between 2000 and 2010.

The target for specific net CO<sub>2</sub> emissions reduction is evaluated based on the CO<sub>2</sub> reduction effects of domestic capital investments called for in the Taiheiyo 07 medium-term management plan, and on the future plans of overseas plants. The target is mainly attained through the implementation of energy conservation measures and increasing the Group's utilization of alternative fuels and materials.

## (2) Management of Other Main Emissions (NO<sub>x</sub>, SO<sub>x</sub>, and dust)

All cement plants within the Group<sup>3</sup> will improve monitoring systems for the measurement and reporting of emissions of nitrogen compounds (NO<sub>x</sub>), sulfate compounds (SO<sub>x</sub>) and dust. By 2010, all kilns at all plants will either be installed with continuous monitoring systems or third parties will be contracted to conduct periodic monitoring. The Group is also working to improve the reliability of data at plants where monitoring is already conducted.

## 3. Future Plans

(1) Taiheiyo Cement will review its performance as a Group based on this data

(2) The volume of CO<sub>2</sub> emissions will be collated and reported annually. Data accuracy will be assured by a third-party international organization. In future, changes in conditions may mandate significant revisions to current plans. The Group will carefully monitor annual reductions in CO<sub>2</sub> emissions, and, if required, changes will be made.

(3) Other main emissions are monitored at each plant to enhance the reliability of baseline data in 2010. After the Group has fully evaluated its main emissions, we will be in a position to set the more demanding reduction targets.

Notes;

1 Specific net CO<sub>2</sub> emissions, or net CO<sub>2</sub> emissions per tonne of cement, are calculated by subtracting CO<sub>2</sub> emissions from alternative fuels per ton of cement from total CO<sub>2</sub> emissions per ton of cement.

2 The Group includes seven domestic plants, three domestic service stations, two domestic quarries, six domestic subsidiaries and affiliates, and eight overseas subsidiaries and affiliates.

3 The companies include seven domestic plants, six domestic subsidiaries and affiliates, and seven overseas subsidiaries and affiliates

