

Basic Policy

The Daido Steel Group considers it extremely important for contemporary corporations to take on a role that extends beyond economic activities and to contribute to the sustainable development of society through environmentally conscious activities and involvement in the resolution of social issues.

The Daido Steel Group is playing a part in helping to create a recycling-oriented economy and society through its primary business operations: the manufacture and sale of specialty steel largely created from recycled scrap steel. Daido Steel is also engaged in a broad range of initiatives, including developing a variety of environmental activities, abiding firmly by our corporate ethics, striving for disclosure to increase the transparency of management, and creating a safe and pleasant place for employees to work.

Major Initiatives

Preventing global warming

The first commitment period for the Kyoto Protocol runs from 2008 to 2012. Daido Steel's five-year management plan for 2006–2010 aimed to reduce the volume of CO₂ emissions by 10% compared to the 1990 level in accordance with the guidelines of the Japan Iron and Steel Federation. We had planned to invest a total of approximately ¥2.9 billion towards the achievement of this goal by expanding the use of exhaust heat recovery in heating furnaces, shifting our fuel source from heavy oil to natural gas, and improving the yield ratio through an increase in

the ratio of production by continuous casters. In 2007 we had already achieved a CO₂ emissions reduction of 6% compared to 1990.

However, certain investment plans were frozen or revised due to cutbacks in production levels associated with the worsening business conditions in the second half of 2008. Due to the effects of cumulative investments of ¥3.0 billion made up to 2010, operational improvements and lower production, CO₂ emissions in 2010 decreased by 19.9%. Going forward, we will implement further reform measures, such as reductions in the number of heats. It is Daido Steel's policy not to purchase carbon credits during the first commitment period.

Strengthening the CSR promotion framework

The Daido Steel Group has responded to the needs of our various stakeholders by establishing committees as parent organizations to support CSR activities, such as the Environment and Energy Committee and the Human Resources Labor Committee. With a view to further strengthening this framework, in fiscal 2007 the CSR Committee was established to supervise general CSR activities. Members of the CSR Committee formulate Group-wide policies and action plans with the aim of unifying and expanding CSR activities across all Group companies and divisions.

For details, please refer to the annually issued CSR Report. URL: <http://www.daido.co.jp/csr/data/report.html> (Japanese only)

ENERGY CONSUMPTION AND CARBON DIOXIDE EMISSIONS VOLUME



■ CO₂ emissions volume (left)
 ● CO₂ emissions per ton of production (right)
 CO₂ emissions coefficient for electric power: 0.374 kg of CO₂/kWh
 Figures for 2011 are estimates