

Showa Sangyo and the Environment

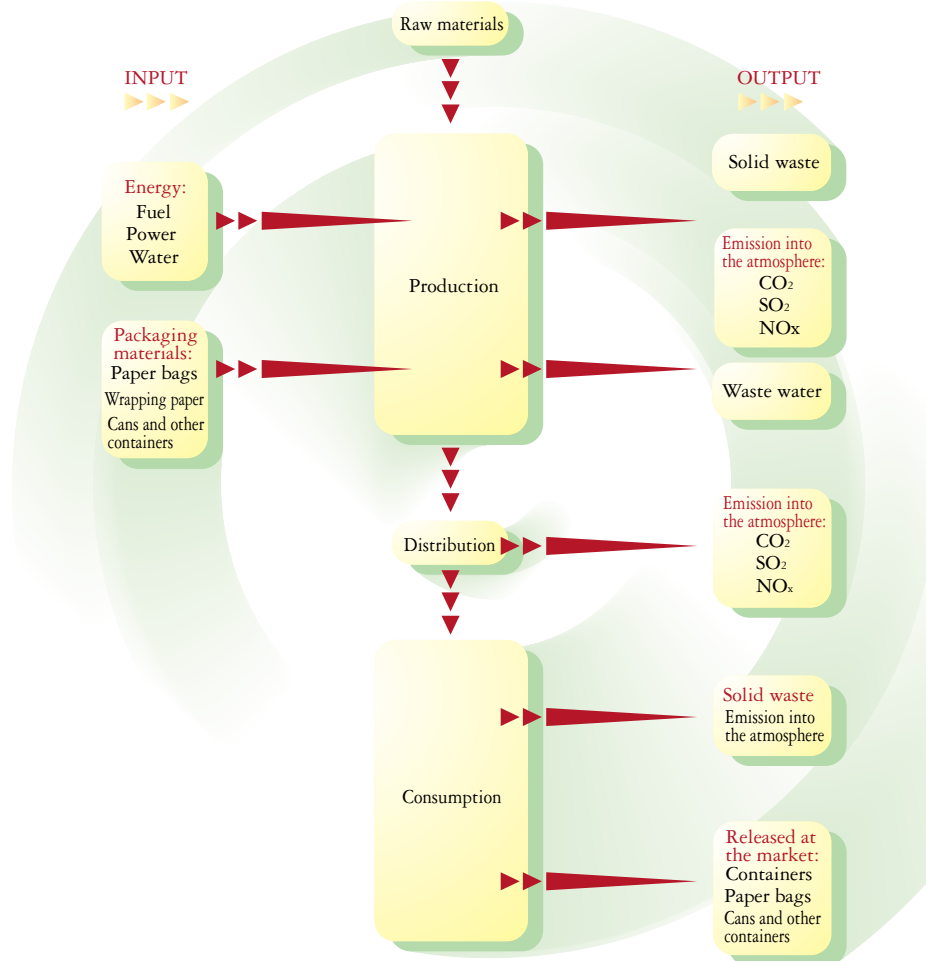
As environmental problems grow on a global level, the Showa Sangyo Group is more and more carefully scrutinizing ways to protect the environment.

In 1992, we established our Environmental Policy Committee and in 1999, we renamed it our Environmental Management Committee. We added three special committees: a committee to handle ecological packaging, one to handle ecological plants, and another to work toward environmental ISO certification. We also have implemented a number of policies and measures to protect the environment. These include measures to reduce packaging linked to dioxins and endocrine disruption; setting guidelines for designing containers and packaging; an initiative to reduce carbon dioxide by 6%; a policy to reduce industrial-waste emissions to zero; a treatment policy for hazardous waste, such as carbon dioxide and fluorocarbons; and a policy to preserve greenery within plant compounds.

In addition, to promote environmental management for the Showa Sangyo Group as a whole, we added a dedicated staff in 2000 and, in 2001, added an executive position to oversee environmental management. Through our various committees, we are identifying concrete problems by drawing on the Group's core environmental policy principles, action guidelines and action goals. We are promoting the 3Rs – reduction, reuse and recycling – of waste, utility expenses reduction, Material Safety Data Sheets (MSDSs) for chemical substances, and the Pollutant Release and Transfer Register (PRTR) system.

We will also further strengthen the management of our business by obtaining ISO 14001 certification granted by the International Organization for Standardization. The Showa Sangyo Group will make environmental policy an integral part of its management and strive to reach its goal of creating an environment in which people feel safe and live healthy lives.

Diagram of Showa Sangyo's Major Environmental Loads



Showa Sangyo's Environmental Management System

Basic Principles

The destruction of the environment and the misuse of resources are a growing problem worldwide. In such an era, it is becoming more and more important for companies to keep future generations in mind while engaging in environmentally sound management.

Our mission as a company in the business of food products is to contribute to the health of people and safety in food. To help create an environment in which people can live safely and healthfully, we not only abide by applicable laws and regulations but also aim to fulfill our corporate social responsibilities through a company-wide maximum effort on the basis of the action guidelines below.

Action Guidelines

1. Making effective use of vegetation resources

As a food industry company that makes use of vegetation resources such as wheat, soybeans and corn, we will promote more effective use of those materials and contribute to the health of society and safe food.

2. Combating environmental pollution

We will eliminate air pollutants and prevent water pollution.

3. Promoting energy conservation

We will promote energy conservation in our production plants and strive for efficient shipping in our distribution processes.

4. Reducing the volume of industrial waste

In line with our long-term vision, we will take steps to minimize industrial-waste products.

5. Promoting resource recycling

We will effectively recycle various types of resources.

6. Development of environmentally friendly products

We will develop products that can easily be disposed of properly after use, particularly products used in the home.

7. Environmental practices for administrative divisions

We will control the output of waste products from our non-manufacturing divisions, promote reuse of waste products by using recycled products, and sort waste products.

Independent Environmental Action Plan

As economies develop rapidly, environmental destruction and misuse of resources are expanding on a global scale. Given this situation, companies are obliged to take a proactive stance and make effective use of resources, conserve energy and improve management of chemicals. To contribute to making people healthy and foods safe, we are promoting operations in

which the management is one with its environmental policy to fulfil our obligations to society. We will carry out our operations with a company-wide concern that springs from our basic environmental principles.

Below is our independent environmental action plan, which will help to ensure a rich global environment and the continued existence of a healthy society.

1. We will establish an environmental management system and obtain joint ISO 14001 certification for our chief sites.
2. We will promote energy conservation and cleaner burning fuel to prevent global warming.
 - In the fiscal year through March 2002, we will introduce a co-generation system at our Kobe Plant following the introduction of one at our Kashima Plant.
 - In all our divisions, we will abide by the Energy-Use Rationalization Law (Energy Conservation Law) and continually strive to make reductions.
3. We will promote reductions in air pollutants.
 - To prevent the generation of dioxins that are readily produced by small-scale incinerators, we will scrap our incinerators and reduce dioxins by making use of such facilities as semi-public recycling centers.
4. We aim to reduce the generation of landfill waste to zero by promoting the three Rs: reducing, reusing and recycling waste.
5. We will conduct a strict management of chemical substances by employing Material Safety Data Sheets (MSDSs) and the Pollutant Release and Transfer Register (PRTR) system.
6. In designing products, we will conduct life-cycle assessments (LCAs) and create products that are highly recyclable.
7. We will explain our environmental policy to all our employees and take steps to educate and enlighten them on environmental issues. By doing so, we will engage in production with a high degree of awareness of environmental loads.
8. In operating our business sites, we will be mindful of the unique characteristics of each local environment and work to continually improve those environments.
9. Each of the sites granted joint certification will undergo an internal audit (first-party audit) and a parent audit (second-party audit) more than once a year. We will continually strive toward improvement at these sites.
10. We will issue the Showa Sangyo Environmental Report and work toward greater transparency in our dealings with the public.