

Environmental

Our Commitment to the Environment

[Our Basic Policy]

In April 2021, the Tadano Group declared a target of achieving Net Zero Carbon Emissions by 2050 in order to contribute to a better global environment as a part of society through our products, services, and business activities and through the behavior of our individual employees. By carrying out Tadano Green Solutions, we will contribute to the improvement of the global environment and the achievement of a carbon-neutral society. We also expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2021.

What are Tadano Green Solutions?

As part of the greater society, the Tadano Group gathers all of its sustainable solutions under the name Tadano Green Solutions which are integral to our efforts to protect the global environment and achieve the goal of making a net zero carbon world a reality.



Setting Long-Term Environmental Targets

We set long-term environmental targets for 2030 compared to the 2019 baseline of a 25% reduction in CO₂ emissions from business activities, a 35% reduction in CO₂ emissions from product use, and a 50% reduction in the volume of industrial waste from business activities.

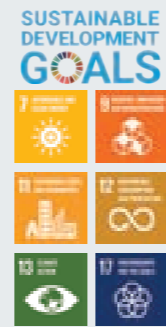
Tadano Group's Long-Term Environmental Targets 2030

<Reduce CO₂ Emissions> Compared to 2019 Baseline

- ① CO₂ emissions from business activities **25% reduction**
- ② CO₂ emissions from product use **35% reduction**

<Reduce Industrial Waste> Compared to 2019 Baseline

- Industrial waste from business activities **50% reduction**



Reduction of CO₂ from Business Activities

The problem of climate change is a critical issue which cannot be resolved unless the entire world works together. The Tadano Group is also carrying out programs aimed at contributing to preserving the global environment and creating a sustainable society. Our efforts include installation of solar panels with a maximum output of 260kW at our Shido Plant in 2008 and reorganization for greater efficiency in production and energy usage. In addition, at the Kozai Plant, constructed under the concept of "Next Generation Smart Plant: Harmonizing the Balance of People and Machinery, Connecting to the Next Generation of Smart Manufacturing," we adopted an energy management system, which can monitor energy consumption in real-time.

We also installed solar panels with a maximum output of 1,182kW in 2021. At both plants, we are transporting products using barge vessels that feature high energy efficiency and low CO₂ emissions, and are also actively implementing a modal shift. We are working to reduce environmental impacts at our other business sites in and outside Japan as well, including by installing solar panels, conserving air conditioning and lighting power, and changing company-owned vehicles to EV and HV models. As a member of society, we will continue to accelerate the pace of our programs aimed at harmonization with the global environment and environmental improvements.



Solar panels installed at Kozai Plant

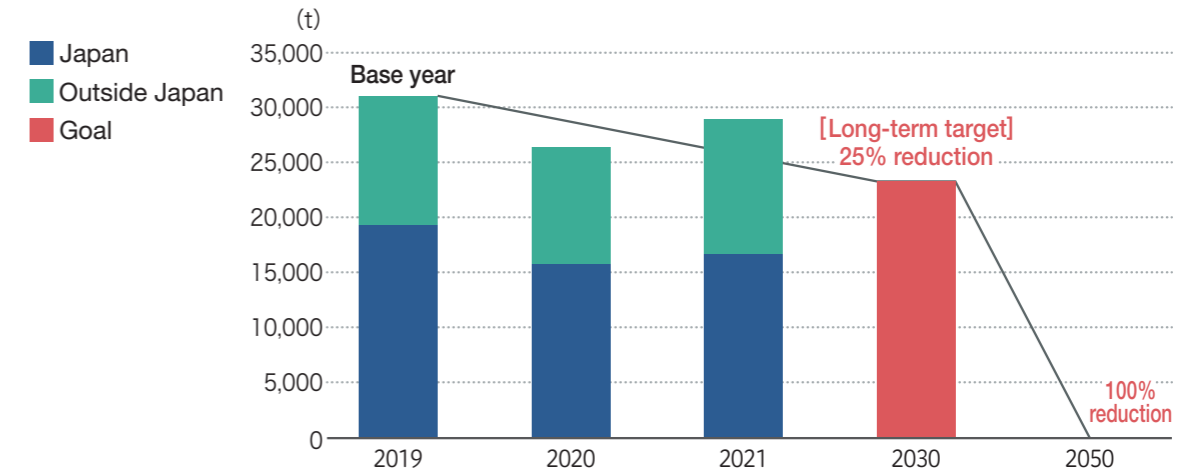


Solar panels installed at Advanced Technology Research Center



Transportation of products by barge vessels

Changes in CO₂ emissions



Item	FY 2019	FY 2020	FY 2021	FY 2030 Target
Total CO ₂ emissions (t)	30,887	26,197	28,911	23,165
[Breakdown] Japan*1	19,343	15,666	16,722	—
Outside Japan*2	11,544	10,531	12,189	—
[Reference value] Intensity per sales amount*3	13.55	14.08	14.06	—

*1: Applicable to all business locations in Japan (including group companies and plants, etc.)

*2: Applicable to five production locations outside Japan. The scope of calculation will be expanded to other group companies outside Japan in the future.

*3: Intensity with the Tadano Group sales amount as the denominator is indicated (CO₂: ton/sales: 100 million yen).

Reduction of CO₂ from Product Use

Emissions generated during product operations account for a large portion of the CO₂ emissions in the life cycle of construction machinery. Against such background, reducing CO₂ emissions from our products has become a major issue for protecting the future of our planet. The CREVO G5 Series of rough terrain crane include a new-generation engine designed to protect the environment, "automatic acceleration" that reduces wasteful engine speed, and "automatic pump stop" that stops the power-take-off pump when the crane is not being operated. In addition, the electric power unit "E-Pack," which allows the crane to be operated without starting the engine has been released in Japan as well as Europe. In this way, our cranes support efficient and environmentally friendly operations through reduction of CO₂ emissions, improvement of fuel consumption, and low-noise operation. We are also actively working for the use of bio-diesel fuels such as hydrotreated vegetable oil, that have a

smaller impact than conventional diesel fuels.

In April 2022, we announced our plans to commercialize the world's first electric rough terrain crane. This electric rough terrain crane is able to travel and perform crane work using electrical power, and can reduce CO₂ emissions from our products to zero. With support from a variety of industries and partners, we are aiming for product release in 2023. In addition, Tadano Group's products are expected to play a big role in the construction of renewable energy power plants such as wind power stations, which are anticipated to increase due to Green Transformation in the future. To help our society, we will continue to develop products that contribute to environmental conservation. We are currently collecting and examining various types of data on CO₂ emissions from products with the aim of disclosing them by the end of FY 2022.



E-Pack (special specifications for CREVO250 G5)

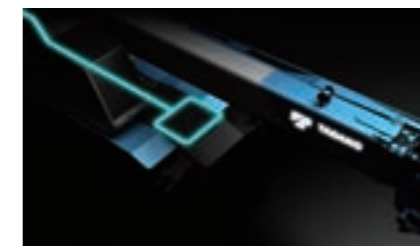


Image of the world's first electric rough terrain crane



Assembling wind power generation equipment

Exhibit at WIND EXPO (Spring) 2022

In order to create points of contact with a wide range of stakeholders related to wind power generation, improve the company's presence in the wind energy industry, and acquire sales negotiations with new customers, we exhibited at the "10th WIND EXPO (Spring) 2022 International Wind Energy Expo" held from March 16 to 18, 2022 at Tokyo Big Sight, with more than 40,000 visitors. We introduced products and services related to wind energy through videos and panel displays. We also provided detailed explanations of our products to visitors, and were able to build relationships with members of the wind energy industry.



Reduction of Industrial Waste from Business Activities

Working towards the creation of a recycling-oriented society, we are placing greater focus than ever before on reducing, reusing, and recycling waste. Since acquiring ISO 14001 environmental management system certification in 2008, the Tadano Group has been working to reduce industrial waste emissions from its business activities. Approximately 90% of industrial waste in the Tadano Group is

generated at production sites. We are working to reduce industrial waste by means including complete sorting of waste, recycling waste to create valuable materials, reducing the use of plastic in part packaging, and making effective use of surplus parts. In 2021, we began recycling waste oil to create a valuable material, allowing the waste oil that was previously incinerated to be reused as a resource.



Acquisition of ISO 14001 certification

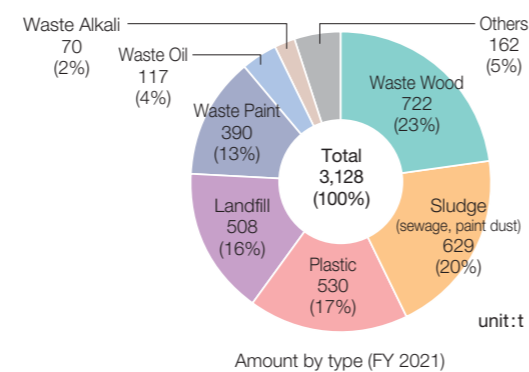
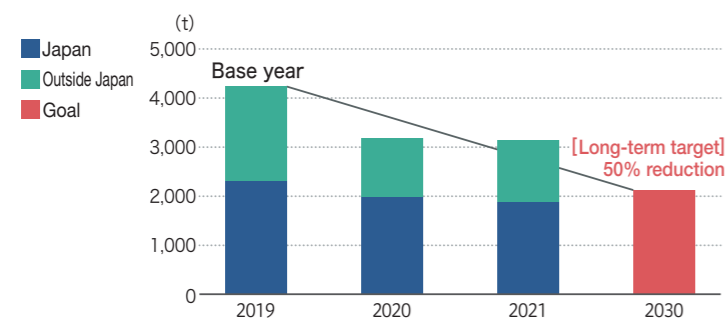


Waste storage area where all waste is thoroughly sorted



Sale of surplus parts (outlet parts auction)

Changes in industrial waste emissions



Item	FY 2019	FY 2020	FY 2021	FY 2030 Target
Total industrial waste emissions (t)	4,216	3,183	3,128	2,108
[Breakdown] Japan*1	2,292	1,993	1,889	—
Outside Japan*2	1,924	1,190	1,239	—
[Reference value] Intensity per sales amount*3	1.85	1.71	1.52	—

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Response to TCFD Recommendations

Governance

In 2005, Tadano established the CSR Committee, which is composed of all company officers and chaired by the company president, as well as the Risk Committee that carries out and supervises business risk management for the Tadano Group, and the Environmental Committee that promotes environmental initiatives. In 2021, we established the CO₂/Energy Reduction Subcommittee as an organization within the Environmental Committee. This subcommittee is studying specific action to take, sharing information among different divisions, and working for continued improvements aimed at achieving long-term targets.

Strategy

The CO₂/Energy Reduction Subcommittee has studied the transition risks and opportunities resulting from the so-called 2°C scenario, as well as the physical risks and opportunities resulting from the 4°C scenario, and has produced the following analysis regarding risks and opportunities in the Tadano Group. (As of March 31, 2022)

Changes and effects produced by electrification and other product changes to address climate change (transition risks and opportunities)	<ul style="list-style-type: none"> Falling behind or taking the lead within the lifting equipment industry in terms of the development, production, and sales of electrified products. Tangible and intangible measures are necessary for both electrified product manufacturing and supply chains.
Changes in social and economic structures and its effects resulting from climate change (transition risks and opportunities)	<ul style="list-style-type: none"> There will be large changes in social and economic structures in the markets and customers which use our products (Shrinkage of the fossil fuel market, reinforcement of CO₂ emission regulations in all countries, and GX investment in wind power generation and other areas). Falling behind (reputation risk) or taking the lead within the lifting equipment industry in terms of action to address climate change.
Effects on workplaces resulting from rising temperatures and increasing natural disasters (physical risks and opportunities)	<ul style="list-style-type: none"> Worsening working environments at construction and manufacturing sites, increased risk of disasters affecting our plants and supply chains. (There is also the potential for increased product demand resulting from the use of AI and robots for automation and work support, and from increased frequency of disasters.)

Risk Management

Twice each year, the Risk Committee identifies and evaluates business risks, identifies the departments responsible for addressing each risk and carrying out response measures, and reviews the results. Starting from FY 2022, the same process will be used to also regularly identify, evaluate, and manage climate change risks, as well as provide reports to the Board of Directors.

Metrics and Targets

Long-term environmental targets for the Tadano Group are a 25% reduction in CO₂ emissions from business activities and a 35% reduction in CO₂ emissions from product use by 2030 (all compared with FY 2019 baseline). Changes in CO₂ emissions from Tadano Group business activities (Scope 1 / Scope 2) are as shown below.

Item	FY 2019	FY 2020	FY 2021	FY 2030 Target
Total CO ₂ emissions (t)	30,887	26,197	28,911	23,165
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Future Actions

The Environmental Committee will play a central role in discussing measures aimed at addressing climate change, and we will continue to undertake our group-wide efforts. Specifically, the following measures will be considered in FY 2022 and beyond, and we will disclose the related information as each is carried out.

- Calculation and disclosure of Scope 3 CO₂ emissions, including CO₂ emissions from product use (together with the basis for the calculations)
- Supply chain initiatives to address climate change
- Quantified disclosure of scenario analysis and establishment/disclosure of materiality