

Conserving Water Resources

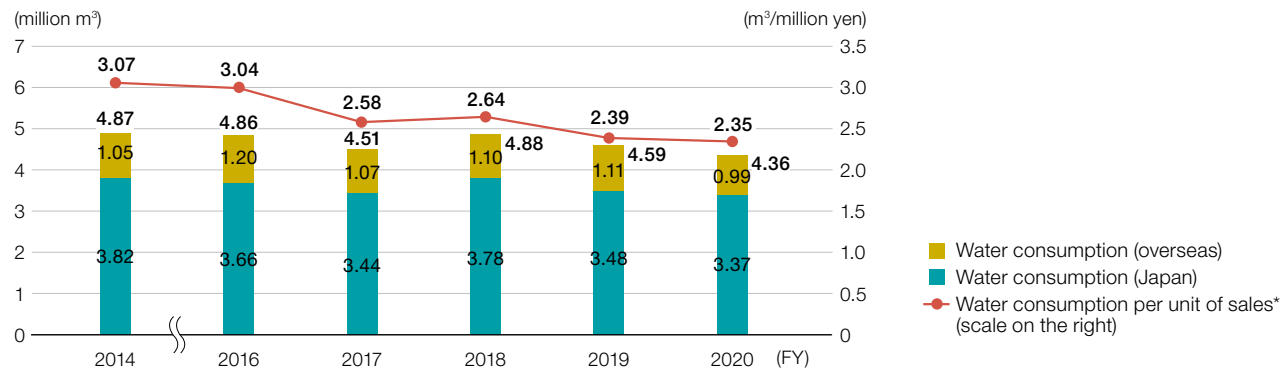
The OECD's 2012 report entitled *Environmental Outlook to 2050* states that during the period between 2000 and 2050, global demand for water will increase by approximately 55% owing to economic development and population increase, while more than 40% of the world's population will be living in river basins that suffer from severe water shortages.

The Kubota Group sees conserving water resources as one of its materiality issues, and has been advancing initiatives to promote the effective utilization of water resources and to address water risks, such as the reduction of water consumption by promoting water saving and wastewater recycling, and the proper management of wastewater treatment and wastewater quality. Production sites promote measures not to cause adverse effects on local ecosystems and the lives of local residents, taking into consideration the status of water stress in the respective regions.

Water Consumption

In FY2020, water consumption was 4.36 million m³, a decrease of 4.9% compared to the previous year. Additionally, water consumption per unit of sales was improved by 1.5% compared to the reporting year. These are mainly due to lower production volume at cast iron production sites and lower office water usage due to the COVID-19 pandemic, as well as the adjustment of cooling water usage to match lower production volumes as well as water conservation activities undertaken by the Group.

Trends in Total Water Consumption and Consumption per Unit of Sales



* Water consumption per unit of consolidated net sales. The Kubota Group adopted International Financial Reporting Standards (IFRS) instead of accounting principles generally accepted in the United States of America from FY2018.

Measures to Reduce Water Consumption

The Kubota Group has established its Medium-Term Environmental Conservation Targets (p.48). We have formulated plans for implementing measures to reduce water use over the medium term at all production sites (100%), and we revise these each year. Our production sites, such as those in China, Thailand, Indonesia and the United States, have introduced wastewater treatment facilities or wastewater recycling systems utilizing technologies of the Kubota Group.

In FY2020, in addition to routine activities such as raising employee awareness of water conservation and conducting patrols to check for water leakage, the Kubota Group continued its program of upgrading to water-saving bathroom facilities and improved watering methods for green areas, etc. We reduced water usage in the production process by more accurately controlling the amount of cooling water used. As a result of the efforts toward achieving the Medium-Term Environmental Conservation Targets 2020 for water consumption reduction, global production sites achieved a reduction of 337,000 m³ in FY2020 compared with the case where countermeasures were not implemented from the base year (FY2014). The economic effects of these measures reached 49 million yen compared to FY2014. Water consumption per unit of production in FY2020 improved by 20.8% compared to FY2014.

We will continue to promote the reduction of water consumption through initiatives to promote the 3Rs of water, such as conducting water-saving activities and promoting water recycling by using the Kubota Group's technologies.

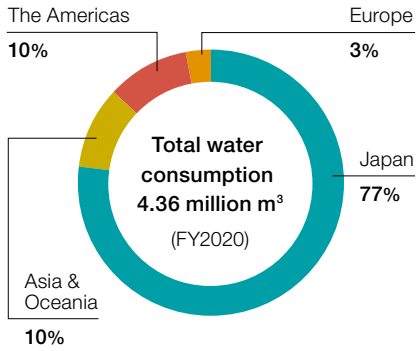


At Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China), we installed recycling treatment equipment for reusing wastewater from processes throughout the entire plant, and this has realized zero emissions of process wastewater. In 2020, we reduced the amount of water usage by 140,000 m³.

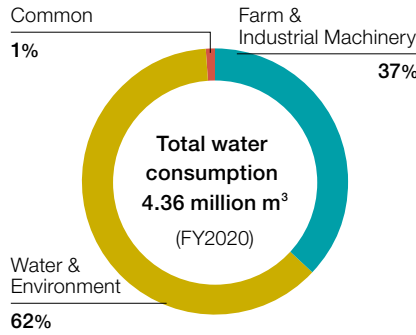


For the calculation method of each item of environmental data, see the Calculation Standards of Environmental Performance Indicators (p.98).

Water Consumption by Region

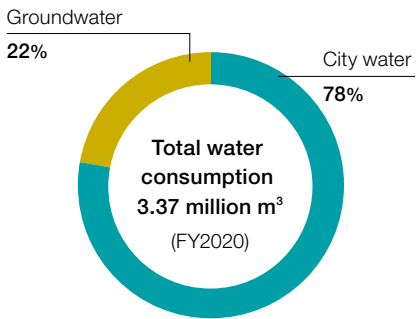


Water Consumption by Business

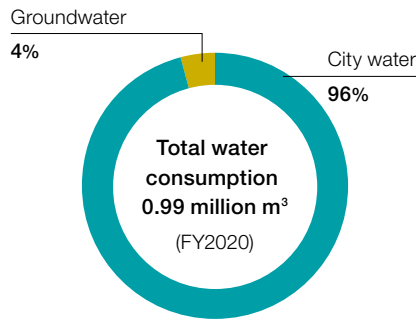


Water Consumption by Type 🔍

● Japan



● Overseas



Controlling Wastewater 🔍

The Kubota Group has set its own control values that are stricter than the emission standards of relevant laws and regulations. To ensure that the standard values are not exceeded, the Kubota Group carries out regular measurement of designated monitoring items. Under the Medium-Term Environmental Conservation Targets 2025, the Group has established a new target of managing wastewater appropriately in line with standards for the areas where wastewater is released by operating wastewater treatment and water recycling facilities.

At our sites, continuing measures to restrict water consumption have resulted in reduced wastewater discharge. In FY2020, the amount of wastewater discharge* was 4.37 million m³ (3.01 million m³ into public water areas, 1.36 million m³ into sewage lines), a decrease of 8.3% compared to the previous reporting year.

We will continue to reduce load on the local water environment through activities to manage water discharge and reduce water consumption.

* The amount of wastewater discharge includes rain and spring water at some business sites.

In FY2020, we changed the method of accounting for water remaining after washing products at certain overseas sites. This water was previously included in the volume of wastewater, but after considering the actual washing process, we now include it in waste material (recycled resources and amount of resource reduction).

Survey on Regional Water Stress

In order to identify the risks related to the use of water resources and find effective responses to such water risks, the Kubota Group conducts surveys concerning water stress* for all of its production sites.

The results of a survey on water stress of a total of 52 sites in 15 countries using Aqueduct (water risk assessment tool developed by the World Resource Institute (WRI)) are as follows:

Results of the Survey on Water Stress of Production Sites (FY2020)

Region, country		Water stress level / Water consumption (thousand m ³) <number of sites>				
		High	High-Middle	Middle	Middle-Low	Low
Asia	Japan	0	0	1,638 <8>	1,448 <11>	19 <2>
	China	0.3 <1>	97 <1>	0	0	12 <2>
	Indonesia	0	0	9 <1>	0	0
	Thailand	203 <3>	25 <1>	7 <1>	0	0
	Saudi Arabia	17 <1>	0	0	0	0
	India	12 <1>	0	0	0	0
Europe	Russia	0	0.4 <1>	0	0	0
	Norway	0	0	0	0	23 <1>
	Denmark	0	0	36 <1>	0	0
	Netherlands	0	0	0	0	11 <1>
	Germany	0	0	8 <1>	0	4 <1>
	France	0	0	4 <1>	0	1 <1>
	Italy	13 <1>	0	0	0	0
North America	Canada	0	0	0	0	210 <1>
	United States	0	0	114 <2>	26 <7>	0
Total		246 <7>	122 <3>	1,816 <15>	1,473 <18>	281 <9>

The survey results showed that “High” or “High-Middle” levels of water stress applied to 10 production sites, located in the Chinese cities of Daqing and Suzhou, central Thailand, Saudi Arabia, India, Russia and Italy, which account for approximately 9% of the Group’s total water consumption. In the next “Middle” level category were 15 production sites situated in Japan’s Kanto region and Aichi Prefecture, Indonesia, coastal regions of Thailand, the southeast United States and a number of locations in Europe, which together account for approximately 46% of total water consumption. Production sites in the “Middle-Low” and “Low” categories accounted for approximately 45% of total water consumption.

Although the majority of the water used in the Kubota Group’s production activities is sourced in areas with stress levels in the “Middle” or lower categories, the survey showed that some of the main sites in Thailand and China are located in areas of high water stress. At these production sites, the Kubota Group is now promoting the horizontal rollout of regional examples of good practice in areas including the reduction of water consumption and appropriate management of wastewater.

The Group will also conduct water stress surveys in each case for the water areas around new sites that are scheduled for construction as part of the Group’s more globally oriented business growth.

* Water stress refers to the state where the annual water availability per capita is less than 1,700 tons and people feel inconvenience in their daily life. Water stress in this survey is the water stress for each river basin, which is calculated based on the ratio of water intake to the amount of available water resources. (World Resources Institute (WRI))

Water Consumption by Water Stress Level

