

Press Release

March 25, 2021

DMG MORI Achieved its CO₂-Neutral Target for 2021

DMG MORI Co., Ltd. (hereinafter “DMG MORI”) is working towards a carbon-free and zero-waste society in attempt to realize a sustainable future. In 2021 DMG MORI has achieved carbon neutrality throughout the whole production process around the world from “parts procurement” to “product shipment*1”.

In 2022, we company will achieve 100% carbon neutrality in the entire supply chain.

Since 2001 when we were certified for ISO14001 (Environmental Management System), we have worked on environmental conservation projects at our factories to reduce CO₂ emissions by using photovoltaic power systems, advanced heating, ventilation and cooling systems; and replacing existing lighting with low-power consumption and long-life LED lighting. As our environmental initiatives in Japan, we began purchasing CO₂ -free electricity at Tokyo Global Headquarters in April 2020. Our largest production base, Iga Campus, as well as Nagoya Office, will also do the same from April 2021 on. Furthermore, we plan on installing a zero-emission wood gas combined heat and power system in Iga Campus around fall 2021.

The machine tool industry is clean and low-emission by its nature. The CO₂ emissions from parts procurement operations account for over 70% of the industry’s total carbon footprint (from parts procurement to product shipment), with direct emissions from DMG MORI being approximately 7% in 2020. As for the CO₂ emissions that are difficult to reduce in the course of business operations, we will invest in internationally-certified and sustainable climate conservation projects to offset the amount, while at the same time accelerating the carbon-neutral initiatives.

DMG MORI AG, based in Europe, achieved carbon neutral operations in 2020. The initiatives were rolled out to the entire DMG MORI group in 2021. We invested in some projects including hydroelectric power generation in Brazil and photovoltaic power generation in India to offset the estimated carbon footprint for 2021*2, and achieved 100% carbon neutrality in the entire DMG MORI group. The estimation of the total carbon footprint and offset process were audited and approved by PricewaterhouseCoopers GmbH, an independent auditor of a third party. Since January 2021, all our machines have been shipped to the world with the “GREENMACHINE” mark indicating the products are carbon neutral.

Currently over 300,000 machine tools are in operation in the world, and energy saving of the machines has a significant impact on the global environment. DMG MORI has long been working on enhancing energy efficiency of machine tools, improving cutting conditions, and minimizing machining time to develop and promote environmentally friendly products. We provide support for customers so that they can achieve highest energy efficiency at their shop floors.

We own advanced technologies and extensive experience of creating components for green technology products such as renewable energy (wind power/hydropower) generation systems, fuel cells and e-mobility. Accelerating these business activities eventually leads us to achieve our CSR and ESG commitments.

We aim to achieve a 30% reduction in CO₂ emissions per machine from the 2019 result by 2030. We will also contribute to cutting down on carbon emissions from customers' business activities through our environmentally friendly products and company-wide carbon-free activities. The DMG MORI group will accelerate its carbon-neutral initiatives as one team to further contribute to the society.

*1 Upstream processes of Scope 1, Scope 2 and Scope 3 (Category 1, 3, 4, 5, 6 and 7)

The calculation of the total carbon footprint and the report are based on the GHG Protocol Policy of the World Resources Institute and the World Business Council for Sustainable Development. The Scope 3 Category 2 "Capital Goods" is excluded because it only accounts for a small portion of the total. Category 8 "Leased Assets" (upstream) is included in Scope 1 and Scope 2.

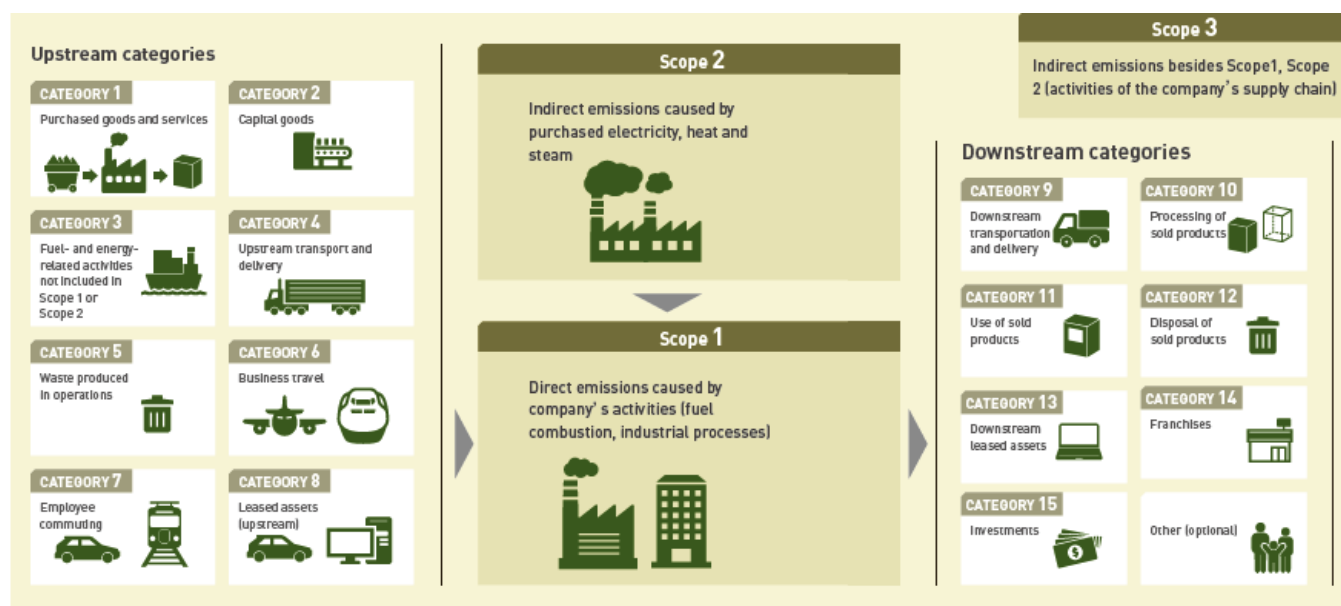
*2 Calculated considering the total carbon footprint for 2020, the estimated emissions, market trend and order intake conditions. When the total carbon footprint exceeds the estimated amount at the end of 2021, we will offset the excess to remain 100% carbon neutral.

◆ Please check our website for more details about our initiatives for sustainability.

<https://www.dmgmori.co.jp/corporate/sustainability/index.html>



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Scopes categorized by emission factors (GHG Protocol)