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Toyobo introduces internal carbon pricing system

Toyobo Co., Ltd. will introduce on April 1, 2022, an internal carbon pricing (ICP) system*, in which the company will use its own standards to set a theoretical price on each ton of carbon dioxide (CO₂) emissions for reference in making capital investment.

Recognizing global warming and climate change as a major risk to its business operations, Toyobo has set the goal of realizing carbon neutrality, or net-zero greenhouse gas emissions, by the end of fiscal 2050. By using the ICP system as a yardstick for evaluating investment decisions, Toyobo will accelerate making investments not only in low or net-zero emission facilities and energy-saving technologies, but also in relevant equipment and facilities for research and development.

*ICP system: Designed to help companies to promote low-carbon investment and measures. Under the system, companies include internal carbon fees (taxes) and CO₂ emissions as costs. This enables the company to create incentives for energy-saving promotion, identify profit-making opportunities and risks, and formulate guiding principles for making investments.

Outline of Toyobo's ICP system

Internal carbon pricing fee (tax)	10,000 yen for each ton of CO ₂
Targets of investment	Capital investment in facilities with fluctuating CO ₂ emissions
How to use it	Based on the internal carbon pricing fee, calculating CO ₂ fluctuation by the proposed facilities (including facilities for research and development) as costs. The calculations will be made in accordance with capital investment plans.

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