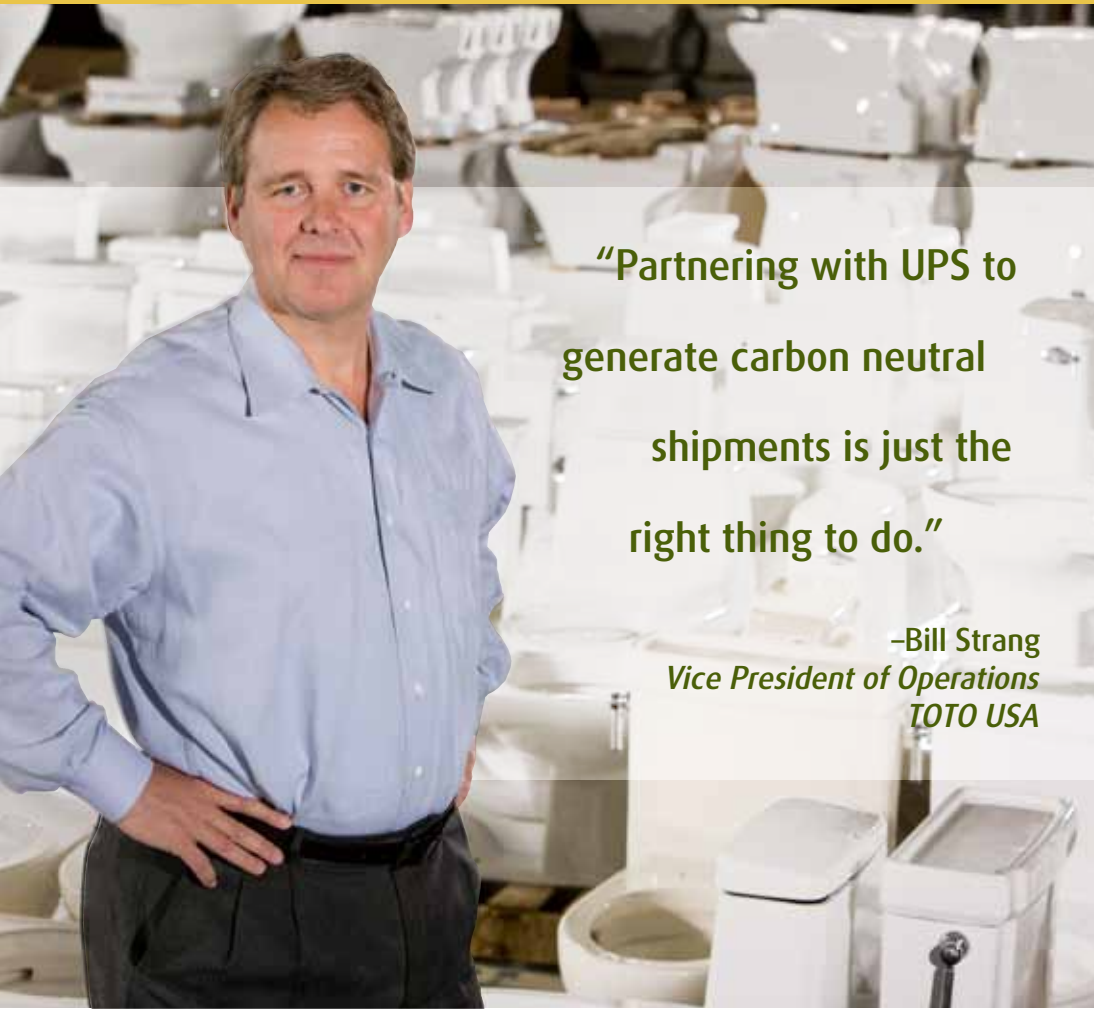


TOTO and UPS plumb new heights in sustainability

UPS carbon neutral program offsets carbon from shipping



“Partnering with UPS to generate carbon neutral shipments is just the right thing to do.”

**—Bill Strang
Vice President of Operations
TOTO USA**

Case Study

CHALLENGE

TOTO USA wanted a supply chain as green as its industry-leading, state-of-the-art sustainable manufacturing processes.

SOLUTION

Shipping partner UPS calculated TOTO's carbon emissions, then purchased carbon offsets on its behalf via UPS carbon neutral.



Plumbing may not seem glamorous, but as anyone who has ever been without it for longer than a day or two can declare, it's a signature of civilized life. Plumbing also happens to offer one of our greatest opportunities for environmental improvement, since it involves the constant use of an increasingly precious resource — water.

TOTO USA works from a philosophy it calls “Totology” — a commitment to manufacturing the most energy- and water-efficient products on the market in the most sustainable and environmentally

responsible ways possible. A recognized leader in innovation, TOTO USA creates technologically advanced, high-performance, sustainable products that put people's needs first and connect them with water in ways that enrich their daily lives.

“We've really tried to make sure that we appeal to our consumers' needs,” says Bill Strang, vice-president of operations for the Atlanta-based company. “Not only for a great look and a stylish solution to their bathroom applications, but also to make sure that customers

have an opportunity for water conservation every chance they can get.”

TOTO USA has had a strong ethic for environmental sustainability and environmental awareness since its founding back in Japan in 1917. The company's sustainability efforts go far beyond just its products, extending to manufacturing and procurement processes, and — importantly — partner companies.

Decision GreenSM

TOTO's Green Supply Chain Partner: UPS

TOTO wanted to refine its supply chain, to make it as green as efforts in its other operations, where a tremendous amount of creativity and energy has created a company of notable environmental efficiency and leadership. Manufacturing processes at the state-of-the-art facility in Morrow, Georgia, set the industry standard for sustainable practices.

For example, all the excess clay used in the production of TOTO's ceramic toilets and basins is recycled. Operators compress it, squeeze out the water, then ship the clay to another installation in Tennessee to be turned into ceramic tile.

All waste water flows back into operations. TOTO uses 4 million gallons of water a month in its manufacturing ... and every single drop is repurposed and used in production. And TOTO recycles all bottles, cardboard and cans; employees can even bring their recyclables from home to add to company's collection. TOTO goes green all the way down to nuts and bolts: Soy oil is used to operate forklifts.

Clearly, there's an intense focus on sustainable practices in TOTO's manufacturing. But the company was equally focused on making sure its supply chain — and even its business partners — operated with the same green commitment.

One of those partners, UPS, was recently in the right place at the right time to help TOTO with an important next step in its already remarkable sustainability efforts.

A Carbon Neutral Solution

Carbon neutral? *What's that?*

As a package moves through any transportation system, the vehicles, ships, trains and aircraft in which it travels create and emit greenhouse gases. Carbon dioxide is among the most common of these gases. The collection of carbon dioxide in the atmosphere is one of the main reasons for climate change and associated environmental issues.

Responsible businesses want to reduce the amount of carbon dioxide they produce — the 'carbon footprint' you so often hear about. One of the ways to accomplish this has been through carbon offsets, financial instruments that allow a company to purchase carbon 'credits.' The money from the purchase is then invested in conservation projects that can offset the emissions produced by shipments.

UPS Customer Solutions Director Sunny Nastase explains the UPS carbon neutral program.

"UPS developed a carbon neutral offering in response to our customers' interests. They wanted to know how to be greener and to use our methods of calculating carbon to be accurate and credible about their offsets.

"Our carbon neutral program allows a company to participate in carbon offsetting that supports environmentally responsible projects, including reforestation, wastewater treatment, methane destruction (methane is another environmentally damaging gas) and landfill gas destruction."

TOTO liked the solution and was the first company globally to join UPS's carbon neutral program. Now TOTO's green supply chain includes its shipping too.

"UPS carbon neutral is part of an overall strategy for reducing waste, operating more efficiently, and offering green products and services to our customers," says Nastase. "TOTO has a long history of environmental responsibility. Clearly, UPS and TOTO share these values."

Good news for a greener world. Plus, moving forward, TOTO and its partner in sustainability, UPS, continue to aggressively fine-tune every phase of their businesses to find more efficient ways of working.

