

# Relationship with Global Environment

To protect our precious global environment, the entire TACHI-S Group strives to lessen the impacts of our business on the environment.

## Environmental Policy



## Message from the Director in Charge of the Environment

As a specialized seat manufacturer whose mainstay product is automotive seats, TACHI-S works across the globe to provide safe, comfortable mobility spaces. As such, we are highly conscious of the growing expectations and demands on the automotive industry around the globe to be considerate of the environment. In particular, reducing greenhouse gas emissions by reducing the fuel consumption of automobiles by reducing the weight of products and reducing the energy use of the manufacturing process of products, and contributing to a recycling-oriented society by saving resources and a low-carbon society by saving energy. We believe that this is not only an important area of contribution that we can work on to solve global environmental problems, but also a strategic theme that is directly linked to improving the competitiveness of our products in response to customer requests.

For the realization of a sustainable mobility society, TACHI-S, together with its stakeholders, will strive to continuously reduce the environmental impact of its products and business activities. The entire TACHI-S Group will promote environmental conservation activities to ensure a global environment where future generations can live happily.



Yoshiaki Kubo,  
Director and Executive Managing Officer  
in Charge of the Environment

## Environmental Policy

In the belief of the importance of passing on our precious global environment to future generations and of promoting Group-wide activities for environmental conservation to realize a society in which people and nature can coexist, TACHI-S established its Environmental Policy in 2000. This policy clearly states the key areas of TACHI-S's environmental activities, including compliance with environmental laws and regulations, the reduction of greenhouse gas emissions, and the development of environmentally-friendly products.



# TACHI-S Environmental Policy

## 1. Basic Philosophy

### **A company that is kind to people and nature**

Setting “kindness,” or consideration of people, society, and nature, as the foundation of its manufacturing, TACHI-S will raise all employees’ correct awareness of the environment and commit proactively to the protection of the global environment, to contribute to the realization of a rich society in which people and nature can co-exist.

## 2. Environmental Policy

In all business activities related to development, design engineering, purchasing, and production of automotive seats and related components, TACHI-S will promote periodic reviews of its activities to achieve the environmental goals and targets and environmental management system established by the Company, and reduce our environmental impact.

- 1) We will comply with environment-related laws and regulations, ordinances, agreements, and industry standards and regulations in Japan and overseas to prevent environmental pollution.
- 2) We will promote the reduction of greenhouse gas emissions by improving efficiency through the continuous improvement of business operations.
- 3) We will strive to develop environmentally friendly products and methods and reduce our use of hazardous chemicals by transitioning to alternative substances.
- 4) We will promote the conservation of resources and energy, strive for a proactive co-existence with local communities, and aim toward full employee participation in environmental protection activities by raising the environmental awareness of each employee.

Revised: April 1, 2017

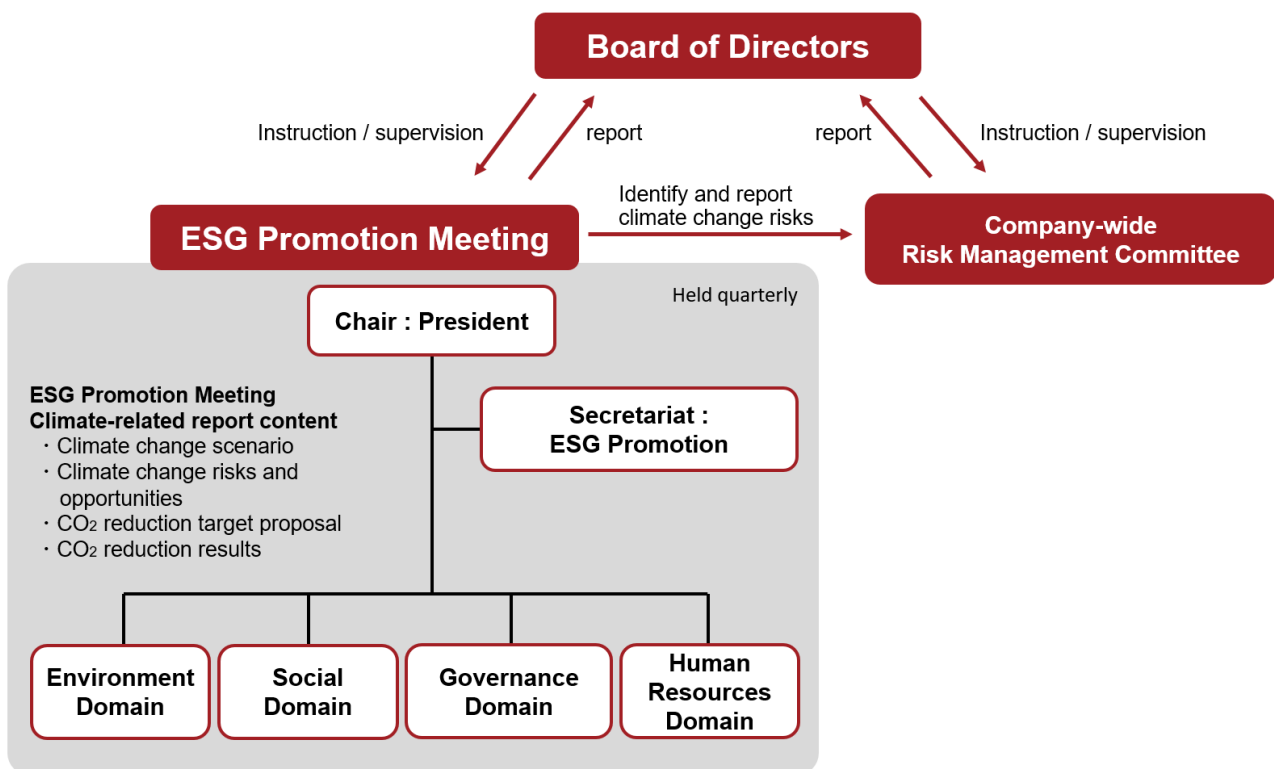
# TCFD Information Disclosure



Based on the purpose of “Supporting People and the Earth through Seating Technology” we will continue to provide both social and economic value. In addition, we have set “A company that is kind to people and nature” as the basic philosophy of our environmental policy, and in May 2022, we agreed with the TCFD (Task Force on Climate-related Financial Information Disclosure) recommendations. Analyze risks and opportunities that our business poses from climate change scenarios, provide feedback to strategy and risk management, and lead to an increase in corporate value.

## Governance

We are continuously implementing CO2 reduction activities to address climate change issues, with the core of our corporate activities being “Supporting People and the Earth through Seating Technology”. Regarding these initiatives, the ESG Promotion Meeting, chaired by the president, approves the activity policy and follows up on the progress of each quarter. The contents of the ESG Promotion Meeting are regularly reported to the Board of Directors and reflected in activities Under the direction and supervision of the Board of Directors.



# Strategy

We examine scenarios in which the average temperature at the end of this century will rise by 4°C compared to pre-industrial levels, and scenarios in which the temperature will be limited to a 1.5 °C increase, and we extract climate-related risks and opportunities for our businesses. The following is a list of climate-related risks with high-risk ratings based on the evaluation by the company-wide Risk Management Committee.

	Risks Classification	Factors	Impact on our company	Impact Time	Impact level	Correspondence
Transition risk 1.5°C Scenarios	Policy / Legal Regulations	Strict laws and regulations such as carbon tax will be implemented to keep the average temperature rise to around 1.5 ° C.	<ul style="list-style-type: none"> <li>• Increase in energy costs at business locations</li> <li>• Increase in material procurement costs</li> <li>• Increase in logistics costs</li> </ul>	Mid-term	Medium	<ul style="list-style-type: none"> <li>• Continuation and expansion of energy saving activities</li> <li>• Expansion of use of renewable energy</li> <li>• Expand the adaptation of recycled materials and product design that contributes to resource saving</li> <li>• Improve transportation efficiency by improving logistics</li> </ul>
	Market/ Technology	Awareness of greenhouse gas reduction permeates consumers	<ul style="list-style-type: none"> <li>• Decrease in demand for products with high CO<sub>2</sub> emissions</li> </ul>	Mid-term	Large	<ul style="list-style-type: none"> <li>• Deepening of conventional technology that leads to low carbon new technology development</li> </ul>
Physical risk 4 °C Scenarios	Acute	Global CO <sub>2</sub> reduction remains at current levels, with average temperatures rising by 4 °C and frequent torrential rains and unusually high temperatures	<ul style="list-style-type: none"> <li>• Factory flooding</li> <li>• Supply chain disruption</li> </ul>	Short Term	Medium	<ul style="list-style-type: none"> <li>• Implement early recovery by formulating BCP</li> </ul>
opportunity 1.5°C Scenarios	Products/ Services	Awareness of greenhouse gas reduction permeates consumers	<ul style="list-style-type: none"> <li>• Demand increase products with low CO<sub>2</sub> emissions in the life cycle</li> </ul>	Mid-term	Large	<ul style="list-style-type: none"> <li>• Development of smaller and lighter products</li> <li>• Application of plant-derived materials</li> </ul>

## Referenced scenarios

4°C : IPCC RCP8.5 IEA STEPS Public Policy Scenario, CPS Current Policy Scenario

1.5°C : IPCC RCP2.6 IEA SDS Sustainable Scenario, NZE 2050 Substantive Zero Scenario

Impact period : Short term → within 3 years, medium term → around 2030, long term → around 2050

Impact level : Calculated from the likelihood of occurrence (5 levels) x financial impact (5 levels)

Based on the results of scenario analysis, we will reflect the newly necessary measures in our management strategy, work to strengthen the resilience of our business, and effort to disclose information.

# Risk Management

Climate change risks are identified at the ESG Promotion Meeting, and the company-wide Risk Management Committee reviews them regularly once a year, including climate change risks. Evaluate the importance of risk by "damage scale" and "frequency of occurrence" when risk occurs, and the contents are reported from the Risk Management Committee to the Board of Directors.

In reaction to the risk assessment, the relevant subcommittees set measures to be taken and target values. We are promoting risk management activities.

※ [Link to risk management](#)

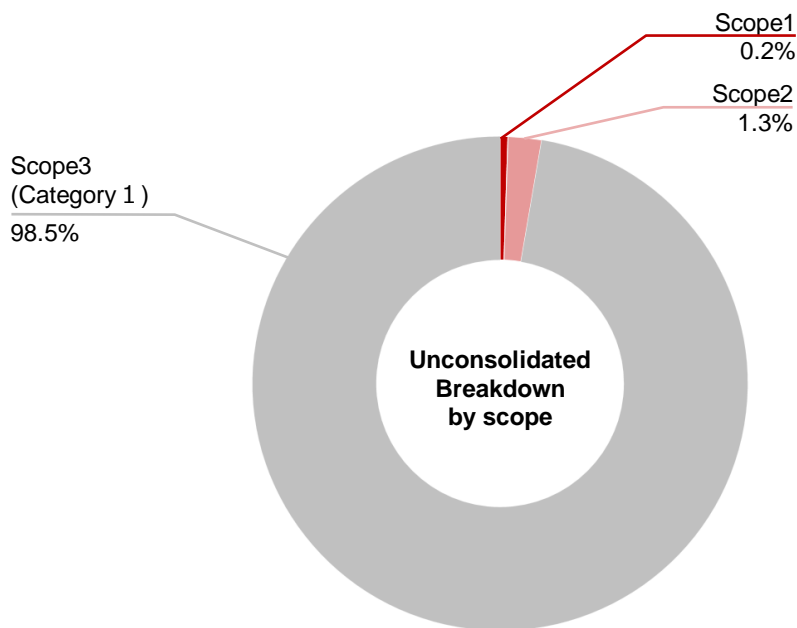
# Metrics & Targets

Aiming for carbon neutrality in 2050, we have set the following as indicators and intermediate goals.

## Index

## Results

Index	Group Consolidated/Unconsolidated	2022 results
Scope 1 ・ 2	Consolidated	38,591 t-CO <sub>2</sub> ※1
Scope 1 ・ 2	Unconsolidated	7,151 t-CO <sub>2</sub> (28% reduction compared to FY2013)
Scope 3 (Category 1)	Unconsolidated	487,373 t-CO <sub>2</sub> ※2



## 2030 target

- Scope 1 and 2 CO<sub>2</sub> total emission reduction (domestic) : ▲ 46% compared to FY2013
- Scope 1 and 2 CO<sub>2</sub> total emission reduction (overseas) : ▲ 43% compared to FY2019

- ※1 Scope 2 emission factors Japan, Central and South America, and parts of China: Market standards other regions: Location standards
- ※2 Calculated from Scope 3 "Emissions intensity database ver3.2 for calculating greenhouse gas emissions of organizations through the supply chain", category 1 to 8 are calculated and category 1 accounts for 95% or more, so only category 1 is listed.
- ※3 Compliant with the Japanese government's GHG reduction target
- ※4 Compliant with IPCC Recommendations (April 2022)

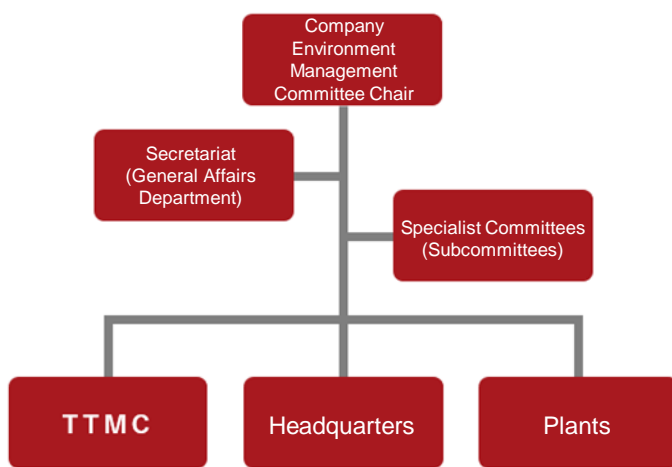
# Environmental Management Structure

## System for Promotion of Environmental Conservation Activities

To promote company-wide environmental conservation activities, TACHI-S established the Company Environment Management Committee (Secretariat: General Affairs Department), with the Executive Managing Officer serving as chair, the individual Division Managers as deputy chairs, and representatives of the individual locations as members. This committee, which meets quarterly, manages environmental protection activities at Headquarters and individual plants.

Three specialist subcommittees also engage in activities on different topics.

### Environmental management structure



## Environmental Management System

TACHI-S introduced the ISO 14001 environmental management system in 2001 to continuously improve its environmental conservation activities. Currently, eight locations, including headquarters, have obtained external certification. Affiliated companies have acquired ISO 14001 external certification for environmental management systems at their main bases in Japan, North America, China, and Thailand.

### ISO 14001-certified locations

<p><b>【TACHI-S】</b></p> <ul style="list-style-type: none"> <li>• Headquarters</li> <li>• Technical Monozukuri Center</li> <li>• Aichi Plant</li> <li>• Ome Plant</li> <li>• Musashi Plant</li> <li>• Tochigi Plant</li> <li>• Hiratsuka Plant</li> <li>• Suzuka Plant</li> </ul>	<p><b>【Affiliated companies】</b> * consolidated subsidiaries</p> <ul style="list-style-type: none"> <li>• TF-METAL U.S.A., LLC</li> <li>• TACHI-S H&amp;P Co., Ltd.</li> <li>• Nui Tec Corporation</li> <li>• SETEX Automotive Mexico, S.A. de C.V.</li> <li>• Wuhan Dongfeng TACHI-S Yanfeng Automotive Seating Co., Ltd.</li> <li>• TACLE Guangzhou Automotive Seat Co., Ltd.</li> <li>• Hunan TACHI-S Automotive Seating Co., Ltd.</li> <li>• TACHI-S Lear DFM Automotive Seating (Xiang yang) Co., Ltd.</li> <li>• Lear Dongshi TACHI-S Automotive Seating (Wuhan) Co., Ltd.</li> <li>• TACHI-S Automotive Seating (Thailand) Co., Ltd.</li> </ul>
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## ■ ISO 14001 Certificate of Registration



## Environmental Education

Guided by the Environmental Policy, TACHI-S has established procedures for the education and training of employees who are involved in environmental conservation activities and conducts systematic education and training programs for the effective promotion of such activities. We also educate new employees on basic knowledge regarding environmental conservation.

We encourage employees to participate in nature conservation activities in collaboration with NPOs and local governments (Tokyo Greenship Action) to raise their awareness of the environment. These activities involve forest thinning and felling, maintenance of service roads, and tree planting. Employees gain hands-on experience of activities for the maintenance of a good, rich forest environment. Going forward, we will continue to enhance our environmental education programs to raise employees' environmental awareness.

## ■ Scene from environmental education program for new employees



## Environmental Risk Management

Envisaging the environmental impacts of an emergency at one of its locations, TACHI-S has established procedures for the prevention and mitigation of such impacts and conducts maintenance and management accordingly. Further, envisaging an emergency situation caused by an actual accident, we also conduct emergency response drills systematically.

### Emergency response drill for a chemical leak at the Technical Monozukuri Center



## Environmental Audit

For ISO14001, TACHI-S undergoes systematic internal audits and certification assessments by external specialized institutions, to ensure that its environmental management system is being properly maintained and implemented. We also conduct systematic training of internal auditors.

### Status of implementation of environmental audits

Type	Implementation Status
Certification assessments (External review)	An independent certification assessment (continuation assessment), conducted in February 2023 to determine whether the certified environmental management system is being properly maintained and implemented, found no cases of non-conformance, and the certification was continued.
Internal audits	Inter-departmental internal audits conducted over a period of about two months from October to November 2022 recommended 43 matters for improvement. All of these matters have since been rectified and the certification has been maintained and continued.

## Environmental Issues and Targets

### Relationship between TACHI-S's Business Activities and Environmental Impact

In the manufacture of automotive seats, TACHI-S uses metals for the base of the seat frame and non-metallic materials such as urethane, fabrics, leathers, and plastics.

We also use electricity and other energy in our manufacturing processes. To minimize greenhouse gas emissions from our production activities, we strive to reduce emissions, with a particular focus on processes with high energy consumption such as frame welding. In terms of the use of water resources, we have adopted manufacturing processes that use very little water, except for the cooling water used in certain equipment.



# Material Environmental Issues

## Identification of Material Environmental Issues

We consider “response to climate change issues,” “chemical management,” and “sustainable use of resources” to be material management issues that are closely related to our business activities and engage in initiatives to solve these issues.

### Material environmental issues

1. Response to climate change issues (reduction of greenhouse gas emissions, adaptation to climate change)
2. Chemical management (reduction of hazardous chemicals, prevention of environmental pollution)
3. Sustainable use of resources (improvement of resource utilization efficiency, reduction of waste materials)

## Environmental Risks and Opportunities

We recognize the following risks and opportunities of our business activities caused by material environmental issues. We believe that reducing these risks and responding appropriately to business opportunities will help to solve environmental issues and enhance our corporate value.

### TACHI-S’s environmental risks and opportunities

Material Environmental Issues	Risks	Opportunities
<p><b>Climate change issues</b> (Reduction of greenhouse gas emissions, adaptation to climate change)</p>	<ul style="list-style-type: none"> <li>• Increase in costs of responding to reinforcement of Japan’s and industry’s greenhouse gas emission reduction targets</li> <li>• Delay or suspension of production activities due to extreme weather events, etc.</li> <li>• Workers’ health issues (heat stroke, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Win business opportunities by responding to product lightweighting requirements to meet higher target standards for automobile fuel efficiency</li> <li>• Enhancement of business continuity capabilities</li> </ul>
<p><b>Chemical management</b> (Reduction of hazardous chemical substances, prevention of environmental pollution)</p>	<ul style="list-style-type: none"> <li>• Suspension of business due to improper responses to relevant laws and regulations</li> <li>• Damage to health of employees and local residents</li> <li>• Compensation expenses generated by environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>• Gaining trust of customer companies, local governments, and residents</li> </ul>
<p><b>Sustainable use of resources</b> (Improvement of resource utilization efficiency, reduction of waste)</p>	<ul style="list-style-type: none"> <li>• Increase in procurement risks</li> <li>• Decline in cost competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of cost competitiveness due to improvement of resource utilization efficiency, mitigation of dependency on procured raw materials</li> <li>• Reduction of waste disposal costs</li> </ul>

# Environmental Targets and Achievements

Targets and achievements related to environmental conservation activities in FY2022 are as follows:

- (1) For the reduction of greenhouse gas emissions, we mainly worked to reduce CO<sub>2</sub> emissions through improvements to day-to-day operations. In terms of equipment, we undertook a systematic conversion to LED lighting and energy-saving air-conditioning equipment across the entire company. We also introduced equipment to make energy consumption visible as a way of cutting down on wasteful power consumption. The achievement rate was 98.8% against the basic unit ( per unit ) target for FY2022.
- (2) For the reduction of harmful chemicals, we put initiatives in place that focused on the reduction of defects in the integrated foaming process (process of producing urethane foam to form headrests, etc.), thus achieving our FY2022 targets.
- (3) For the reduction of final disposal waste (landfill waste), we implemented thorough waste separation and worked with outsourced operators, resulting in a continued achievement of zero landfill waste since FY2014.

## ■ Annual environmental targets and results ( Domestic bases of TACHI-S )

Items	FY2022 Target	FY2022 Result	Achievement Rate
Reduction of greenhouse gas emissions (* Per unit, basic unit)	Intensity by production volume 5.67kg-CO <sub>2</sub> /unit	Intensity by production volume 5.74kg-CO <sub>2</sub> /unit	Achievement Rate: 98.8%
Reduction of hazardous chemicals consumption	Intensity by units produced 0.0312kg/unit	Intensity by units produced 0.0292kg/unit	Achievement Rate: 106.9%
Reduction of final waste disposal	Zero emissions of final waste disposal	Zero emissions of final waste disposal	Achievement Rate: 100%

\* In calculating the basic unit, the CO<sub>2</sub> conversion coefficient is fixed so that voluntary improvement can be evaluated.

\* Non-recyclable waste is treated by thermal recycling, the result of which is the achievement of zero final disposal waste, which equals zero emissions.

## Climate Change Issues

### Basic Concept and Approach

Global warming and the accompanying climate change are causing melting glaciers and rising sea levels, floods and droughts, as well as impacts on human lifestyles and natural ecosystems, including land and marine ecosystems, food production, and health. Amid calls for the reduction of greenhouse gases to prevent climate change, TACHI-S is working to reduce CO<sub>2</sub> emissions from driving (Scope 3) with the lightweighting of its seats and the reduction of CO<sub>2</sub> emissions from its manufacturing processes (Scope 1 & 2).

### Basic Policy on Climate Change Response

As its contribution to the various governments' carbon neutrality goals, "Carbon Neutral in 2050\*," TACHI-S has set a new target for CO<sub>2</sub> emissions reductions of 46% (domestic) compared to FY2013 in 2030 and 43% (overseas) compared to FY2019 in FY2030. In our plants and offices, we will engage in the reduction of CO<sub>2</sub> emissions by cutting down on energy consumption through the promotion of energy conservation and shift to low-carbon energy, including the introduction of renewable energies. We will also adopt and develop carbon-free raw materials to reduce CO<sub>2</sub> emissions across the lifecycle of our products and strive to reduce CO<sub>2</sub> emissions throughout the entire supply chain.

\* Production volume intensity target for Scope 1 & 2 in Japan

1. We will engage in the reduction of CO<sub>2</sub> emissions through energy conservation at our business locations, day-to-day improvements in production processes, and the transition to power-saving production equipment.
2. We will engage in the reduction of CO<sub>2</sub> emissions through changes in product specifications and manufacturing processes.
3. We will promote the introduction of renewable energies.
4. We will strive to reduce CO<sub>2</sub> emissions throughout the entire supply chain.
5. We will disclose information appropriately to Stakeholders.

# Efforts to Prevent Climate Change

TACHI-S has set company-wide CO<sub>2</sub> emissions reductions targets and continues to promote initiatives to reduce emissions. In addition to emissions reduction activities through day-to-day improvement activities, we also work to reduce CO<sub>2</sub> emissions intensity by production volume. Initiatives toward this goal include conversion to LED lighting, the introduction of energy-saving air-conditioning equipment, and the introduction of electric vehicles and hydrogen-fueled vehicles for company fleets. In addition, in terms of renewable energy, solar power generation equipment was installed at the Aichi Plant and Suzuka Plant in FY2022, and power generation was started.

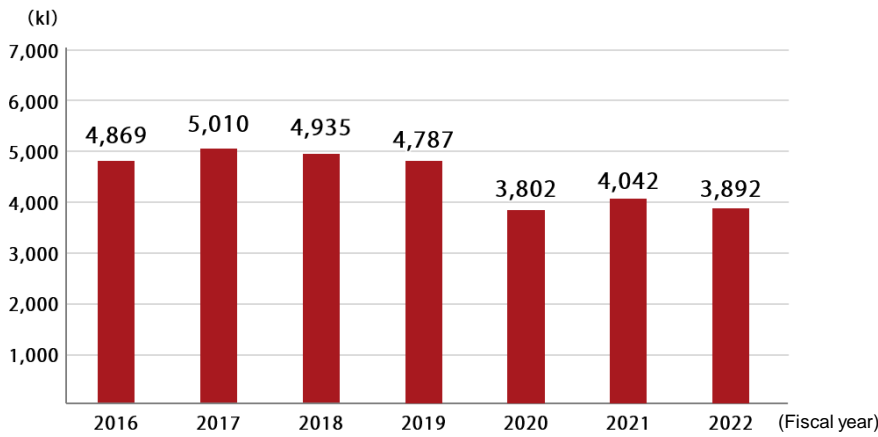


Aichi Plant

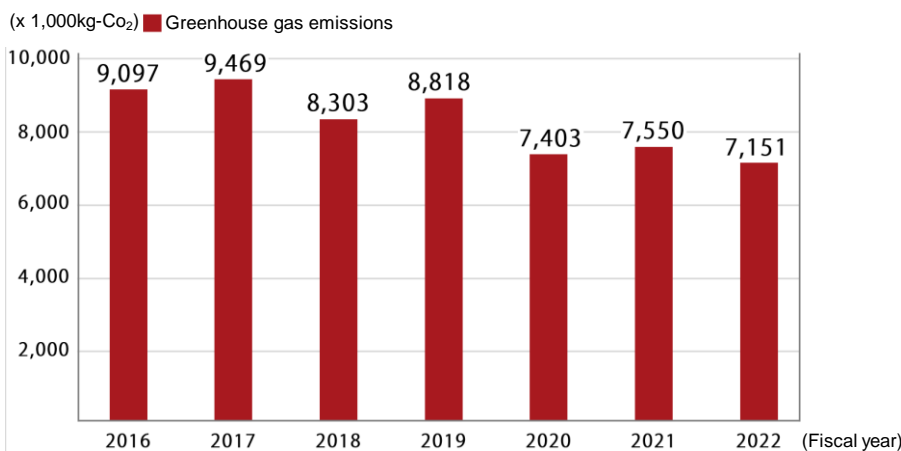


Suzuka Plant

## Trends in total energy consumption (Scope1 and 2)



## Trends in greenhouse gas emissions and greenhouse gas emission intensity (Scope1 and 2)



## Trends in greenhouse gas emissions (By scope)

		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions	Scope1 (t-CO <sub>2</sub> )	1316	1291	1177	1034	859	907	821
	Scope2 (t-CO <sub>2</sub> )	7781	8178	7126	7784	6544	6643	6630



Conversion to LED lighting



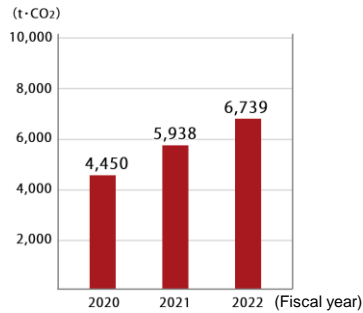
Introduction of energy-saving air-conditioning equipment



Minimization of CO2 emissions through daily production activities (Cutting down on wasteful power consumption through visualization of energy consumption)

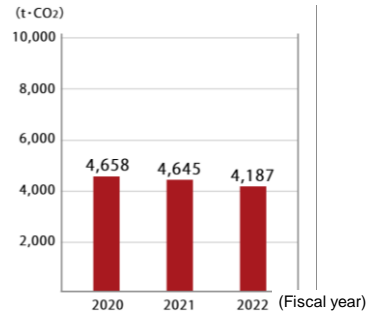
## Greenhouse gas total emissions of Affiliated companies

### Japan region \*Except TACHI-S



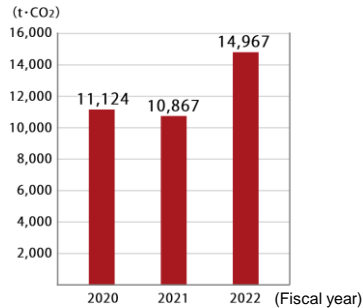
		FY2020	FY2021	FY2022
CO2 emissions	Scope1 (t-CO2)	1,275	1,651	1,724
	Scope2 (t-CO2)	3,175	4,288	5,015

### North America region



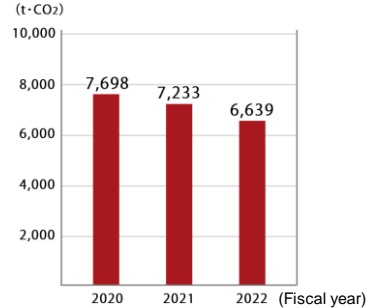
		FY2020	FY2021	FY2022
CO2 emissions	Scope1 (t-CO2)	773	827	783
	Scope2 (t-CO2)	3,885	3,817	3,403

### Latin America regions



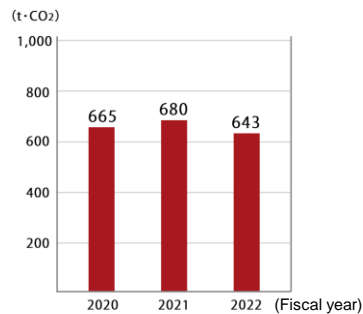
		FY2020	FY2021	FY2022
CO2 emissions	Scope1 (t-CO2)	2,319	2,938	5,217
	Scope2 (t-CO2)	8,805	7,929	9,750

### China region



		FY2020	FY2021	FY2022
CO2 emissions	Scope1 (t-CO2)	693	323	251
	Scope2 (t-CO2)	7,006	6,910	6,388

### Asia region



		FY2020	FY2021	FY2022
CO2 emissions	Scope1 (t-CO2)	109	35	43
	Scope2 (t-CO2)	556	645	600

## Efforts to Adapt to Climate Change

With the aim of adapting to climate change, as a measure to prepare for responses to natural disasters, which are increasing in line with climate change, pocket disaster-prevention manuals have been distributed to employees. We are also pursuing initiatives to minimize risks in the event of a disaster. They include basic actions to be taken in the event of natural disasters, the establishment of a disaster readiness response headquarters, and a safety confirmation system.

## Efforts to Achieve a Circular Resources Economy

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### Basic Concept and Approach

Demand for natural resources such as fossil fuels and rare earths is expected to continue growing with future global population increases and economic development. As a country that relies heavily on imports for its resources, for Japan to continue to develop sustainably, it will need to create a circular economy for resources by further reducing their consumption and improving the efficiency of their use.

TACHI-S uses raw materials such as iron, plastic, fabric, leather, urethane, and rubber in the development and manufacture of automotive seats. We also purchase and use resources and energy such as packaging materials, electricity, fuel, and water. We want to contribute to the realization of a circular resources economy by promoting initiatives for the conservation of resources and energy.

### Basic Policy on Conservation of Resources

With the aim of creating a circular economy that balances the environment and economy for the sake of sustainable development, TACHI-S will work to use limited resources efficiently in the individual stages of development, production, and disposal.

1. We will work to reduce the size and weight of parts.
2. We will strive to reduce waste by increasing yield and reducing defects in the manufacturing process.
3. We will promote the use of renewable energies and recyclable resources.
4. We will disclose information appropriately to Stakeholders.

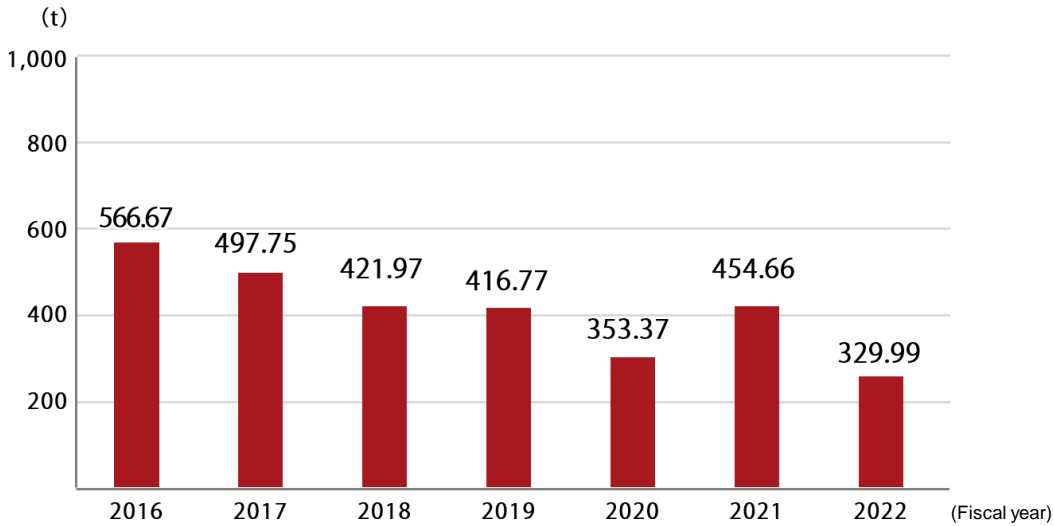
### Initiatives for the Conservation of Resources

TACHI-S undertakes initiatives for the conservation of resources in the development and production stages. Specifically, development-stage initiatives include the lightweighting of seats (reducing weight through changes in frame materials), cutting down on the number of component parts, and efforts to improve yield (minimizing offcuts when cutting fabrics and leather).

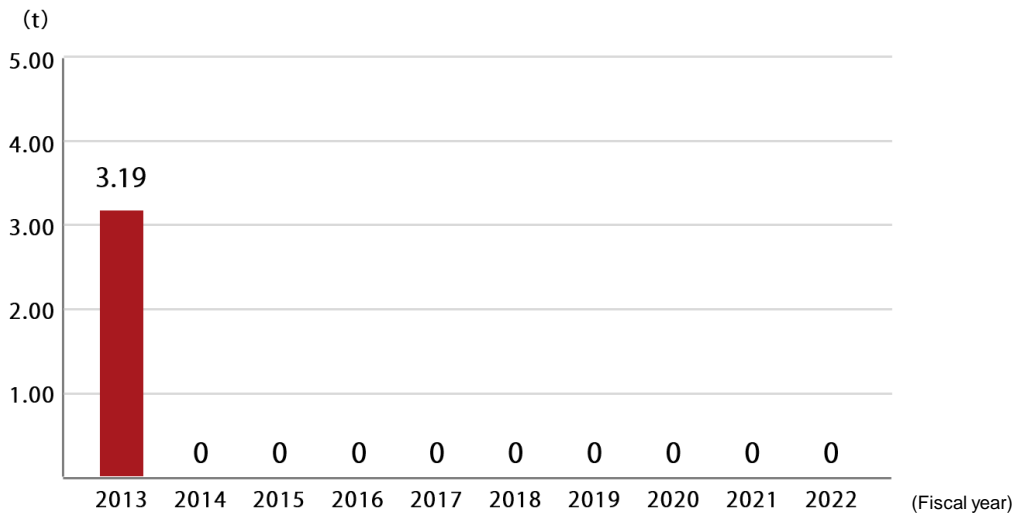
In the production stage, we strive to reduce defects (reduction of defects in the integrated foaming process), and to cut down on packaging materials (switch from one-way cardboard containers to re-usable plastic containers). In the reduction of final disposal waste (landfill waste), we first achieved zero emissions\* in fiscal 2014 and have maintained that record every year since.

\* Non-recyclable waste is treated by thermal recycling, the result of which is the achievement of zero final disposal waste, which equals zero emissions.

## ■ Trends in total waste volumes



## ■ Trends in final waste disposal



# Water Resources Management

## ■ Basic Concept and Approach

With climate change due to global warming and the rapid population growth of recent years, the risk of shortages in water resources is increasing in some regions. To use limited water resources wisely, we strive to reduce water usage in our production processes, as well as saving water in our facilities in general.

## ■ Basic water resources policy

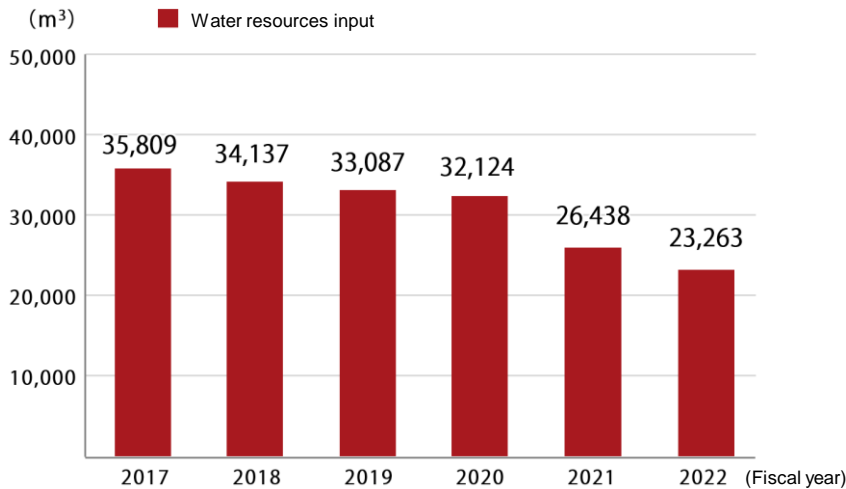
TACHI-S will work to effectively utilize limited water resources with the aim of creating a recycling-oriented society that balances the environment and the economy for sustainable development.

1. We will work on recycling water resources such as recycling cooling water and wastewater in the production process.
2. We will strive to reduce the amount of water used in the facility.
3. We will monitor wastewater regularly and conduct appropriate wastewater treatment.
4. We will disclose information appropriately to stakeholders.

# Initiatives and Achievements in Water Resources Management

As a result of water saving efforts in our facilities, we achieved a 12% reduction year-on-year in water resource input to 23,263 m<sup>3</sup>. The volume of wastewater output was the same as water resources input.

## Trends in water resources input (TACHI-S business locations in Japan)



## Trends in water resources input (TACHI-S business locations in Japan)

Water Resource Type	FY2020	FY2021	FY2022
Municipal water supply	32,124m <sup>3</sup>	26,438m <sup>3</sup>	23,263m <sup>3</sup>
Freshwater/groundwater	0m <sup>3</sup>	0m <sup>3</sup>	0m <sup>3</sup>
Freshwater/surface water (lakes, rivers, etc.)	0m <sup>3</sup>	0m <sup>3</sup>	0m <sup>3</sup>

## Chemical Management and Pollution Prevention

### Chemical Management

#### Basic Concept and Approach

Chemical substances discharged into the environment are potential causes of air pollution and water pollution. If they accumulate in the soil over long periods of time, they may also adversely affect ecosystems and human health. TACHI-S uses chemicals in the integrated foaming process and other processes. We promote initiatives for the proper management of chemicals and the reduction of hazardous chemicals.

### Basic Chemical Management Policy

Throughout the product lifecycle of development, production, purchasing, distribution, use, and disposal, TACHI-S will properly manage and reduce the use of chemicals that are regulated under laws and regulations, ordinances, agreements, and industry standards that apply in countries and regions where it conducts its business, for the safety and peace of mind of customers, suppliers, and employees.

1. In product development, we will identify the chemicals and their quantities in use, manage them properly, and develop technologies for their reduction.
2. We will identify the quantities of chemicals used in product manufacturing processes, manage them properly, and reduce their use.
3. We will identify the impact of chemicals in the sales and distribution processes and manage them properly.
4. We will educate employees about the risks involved in the handling of chemicals and strive to make them aware of the need for chemical management.
5. We will disclose information appropriately to Stakeholders.

# Initiatives and Achievements in Chemical Management

TACHI-S has designated the following chemicals contained in its products as managed chemical substances and strives to manage them properly.

We are also working to reduce the quantities of chemicals used in production processes and switching to alternatives with lower environmental impact.

## Managed chemicals

1. ε-Caprolactam
2. Toluene
3. n-Propyl bromide
4. n-Hexane (VOC)
5. Polyoxyethylene alkyl ether
6. Manganese and its compounds
7. Methylenebis (4,1-phenylene) diisocyanate

## Trends in handled (used) quantities of chemicals subject to PRTR legislation

Fiscal year	2020	2021	2022
Quantity handled (kg)	161,677	101,035	115,765

# Pollution Prevention

## Efforts to Prevent Pollution

Due to the risk of chemicals polluting rivers, underground water, and soil, TACHI-S conducts tests and inspections to prevent environmental pollution at individual locations, also performs emergency drills in a systematic manner.

Under the Water Pollution Prevention Act, we also regularly test wastewater discharged from individual locations into public waters to confirm that we are satisfying environmental standards. TACHI-S has no facilities that lead to air pollution and no incidences of soil pollution.

## Environmental standards achievements for plant effluent

Item	Unit	Tochigi Plant		Aichi Plant		Suzuka Plant	
		Regulation value	Achievement (Minimum - Maximum)	Regulation value	Achievement (Minimum - Maximum)	Regulation value	Achievement (Minimum - Maximum)
Hydrogen ion concentration	PH	5.8~8.6	6.9	6.0~8.5	7	6.5~8.5	6.5
Biochemical Oxygen Demand (BOD)	mg/l	~25	1.0	~10	1.5	~20	4.6
Suspended Solids (SS)	mg/l	~50	1	~10	1	~50	15



# Preservation of Biodiversity

## Basic Concept and Approach

Today, due mainly to the impact of human activity, species extinction on the Earth is occurring at a pace that is 100 to 1,000 times that of natural occurrence. Many living creatures are in danger of extinction and biodiversity is being lost. This is resulting in the degradation of biological services that support our abundant lifestyles and economic activity, creating a demand for initiatives for the preservation of biodiversity on a worldwide scale.

## Basic Policy on Biodiversity

Setting “kindness,” or consideration of nature, as the foundation of its manufacturing, TACHI-S will strive to preserve biodiversity by reducing its impact on the global environment, with the aim of achieving a sustainable society.

1. We will identify the impacts of TACHI-S’s businesses on biodiversity.
2. We will strive to reduce our impact on the global environment.
3. We will pursue activities for the conservation of the natural environment.
4. We will disclose information appropriately to Stakeholders.

## Biodiversity Preservation Activities

To protect our precious natural environment, including forests in mountainous areas, traditional rural landscapes in the hills, and brushwood in urban areas, we work with NPOs and local governments to engage in environmental conservation activities.

In 2019, 40 TACHI-S employees participated in conservation activities in the Ome Kaminariki Forest Environment Conservation Area in Tokyo.

### Scenes of participation in Tokyo Greenship Action

