

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.

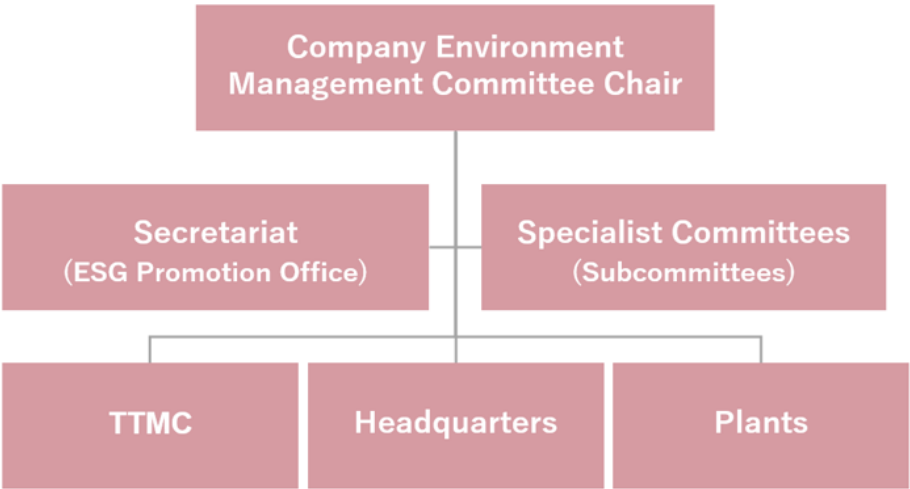
Revised: April 1, 2017

Environmental Management Structure

System for Promotion of Environmental Conservation Activities

In order to promote environmental conservation activities throughout the company, the Company has established a company-wide environmental management committee (secretariat: ESG Promotion Office, held four times a year) with executive officers as chairman and vice-chairmen, and representatives from each business site as committee members, and oversees environmental conservation activities at the head office and factories. In addition, we have established three specialized subcommittees to carry out activities on each theme.

■ Environmental management structure



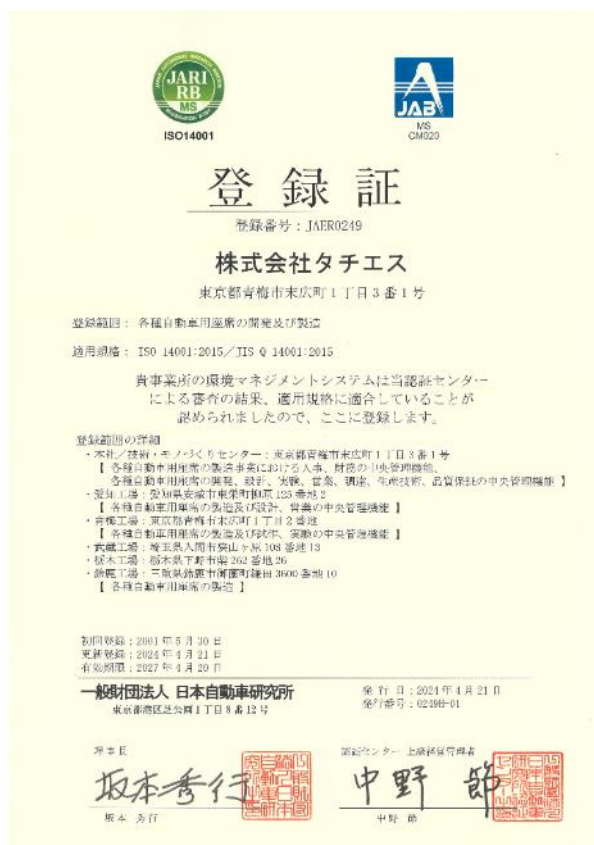
Environmental Management System

TACHI-S introduced the ISO 14001 environmental management system in 2001 to continuously improve its environmental conservation activities. Currently, 6 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>【TACHI-S】</p> <ul style="list-style-type: none">• Headquarters/Technical Monozukuri Center• Aichi Plant• Ome Plant• Musashi Plant• Tochigi Plant• Suzuka Plant	<p>【Affiliated companies】 * consolidated subsidiaries</p> <ul style="list-style-type: none">• TF-METAL U.S.A., LLC• TACHI-S H&P Co., Ltd.• Nui Tec Corporation• SETEX Automotive Mexico, S.A. de C.V.• Wuhan Dongfeng TACHI-S Yanfeng Automotive Seating Co., Ltd.• TACLE Guangzhou Automotive Seat Co., Ltd.• Hunan TACHI-S Automotive Seating Co., Ltd.• TACHI-S Lear DFM Automotive Seating (Xiang yang) Co., Ltd.• Lear Dongshi TACHI-S Automotive Seating (Wuhan) Co., Ltd.• TACHI-S Automotive Seating (Thailand) Co., Ltd.
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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)	In February 2024, we will undergo a third-party certification audit (renewal audit) to confirm whether the certified environmental management system is being properly maintained and operated. Although there was only one minor nonconformity, we will complete the appropriate corrective action and continue certification.
Internal audits	Internal audits were conducted between departments within the business site for approximately two months from October 2023 to November 2023, and there were one corrective action and 36 recommendations, but all corrective actions were completed 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
Climate change issues (Reduction of greenhouse gas emissions, adaptation to climate change)	<ul style="list-style-type: none"> • Increase in costs of responding to reinforcement of Japan's and industry's greenhouse gas emission reduction targets • Delay or suspension of production activities due to extreme weather events, etc. • Workers' health issues (heat stroke, etc.) 	<ul style="list-style-type: none"> • Win business opportunities by responding to product lightweighting requirements to meet higher target standards for automobile fuel efficiency • Enhancement of business continuity capabilities
Chemical management (Reduction of hazardous chemical substances, prevention of environmental pollution)	<ul style="list-style-type: none"> • Suspension of business due to improper responses to relevant laws and regulations • Damage to health of employees and local residents • Compensation expenses generated by environmental pollution 	<ul style="list-style-type: none"> • Gaining trust of customer companies, local governments, and residents
Sustainable use of resources (Improvement of resource utilization efficiency, reduction of waste)	<ul style="list-style-type: none"> • Increase in procurement risks • Decline in cost competitiveness 	<ul style="list-style-type: none"> • Strengthening of cost competitiveness due to improvement of resource utilization efficiency, mitigation of dependency on procured raw materials • Reduction of waste disposal costs

Environmental Targets and Achievements

Targets and achievements related to environmental conservation activities in FY2023 are as follows:

- (1) To reduce greenhouse gas emissions, we worked on energy-saving activities by improving daily work and CO₂ emission reduction by solar power generation. In terms of facilities, we have systematically switched to LED lighting and energy-saving air-conditioning equipment throughout the company, and reduced power waste through facilities that visualize power, achieving a target of 107.1% (per unit) in FY2023.
- (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 FY2023 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	FY2023 Target	FY2023 Result	Achievement Rate
Reduction of greenhouse gas emissions (* Per unit, basic unit)	Intensity by production volume 5.55kg-CO ₂ /unit	Intensity by production volume 5.18kg-CO ₂ /unit	Achievement Rate: 107.1%
Reduction of hazardous chemicals consumption	Intensity by units produced 0.0500kg/unit	Intensity by units produced 0.0493kg/unit	Achievement Rate: 101.4%
Reduction of final waste disposal	Final waste disposal 0%	Final waste disposal 0%	Achievement Rate: 100%

* In calculating the basic unit, the CO₂ 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 CO₂ emissions from driving (Scope 3) with the lightweighting of its seats and the reduction of CO₂ 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 CO₂ 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 CO₂ 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 CO₂ emissions across the lifecycle of our products and strive to reduce CO₂ emissions throughout the entire supply chain.

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

1. We will engage in the reduction of CO₂ 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 CO₂ emissions through changes in product specifications and manufacturing processes.
3. We will promote the introduction of renewable energies.
4. We will strive to reduce CO₂ 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 CO₂ 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 CO₂ 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. In addition, we will install and start generating electricity at the Aichi Plant and Suzuka Plant in FY2022 and at the Musashi Plant in FY2023.



Aichi Plant

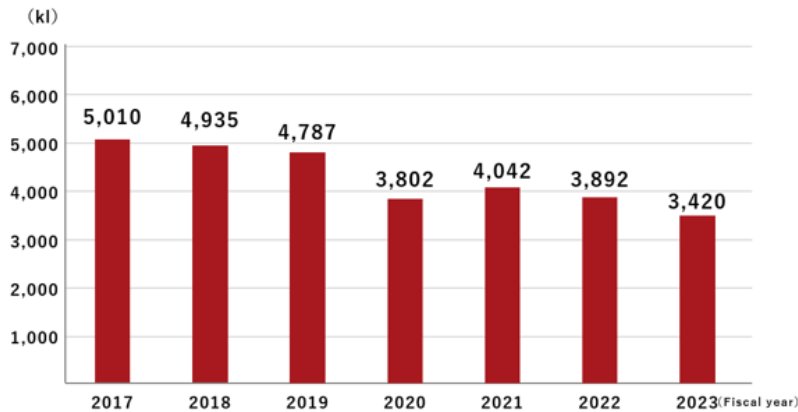


Suzuka Plant

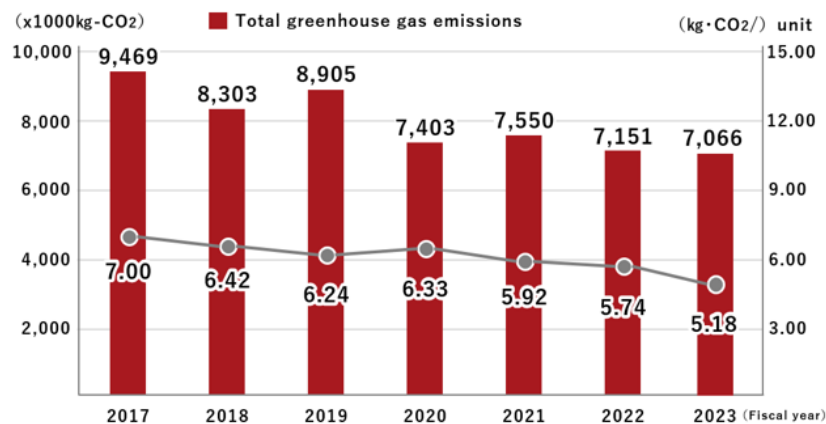


Musashi Plant

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)

		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
CO ₂ emissions	Scope1(t-CO ₂)	1,291	1,177	1,121	859	907	821	884
	Scope2(t-CO ₂)※	8,178	7,126	7,784	6,544	6,643	6,330	6,182

※ Total emissions are calculated based on market criteria.



Conversion to LED lighting



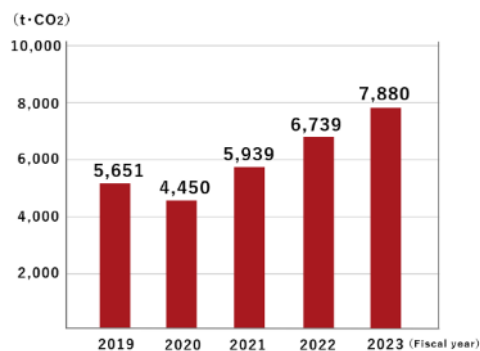
Introduction of energy-saving air-conditioning equipment



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

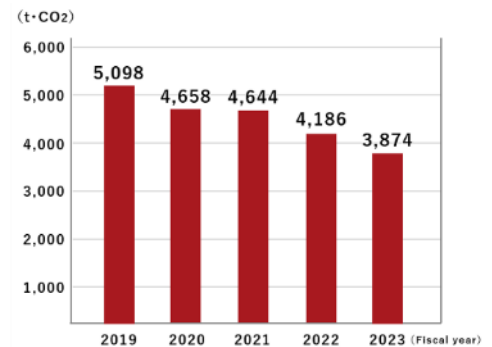
■ Greenhouse gas total emissions of Affiliated companies (Scope1 and 2)

Japan
region
*Except
TACHI-S



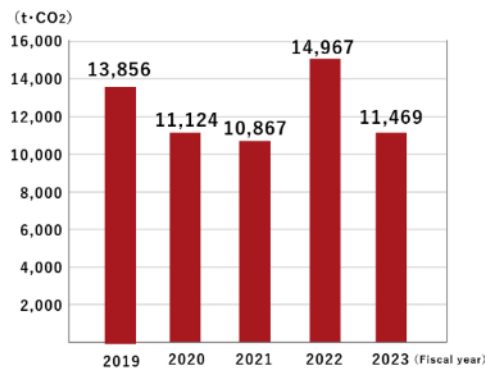
CO ₂ emissions	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1 (t-CO ₂)	1,270	1,275	1,651	1,724	2,130
Scope2 (t-CO ₂)	4,381	3,175	4,288	5,015	5,750

North
America
region



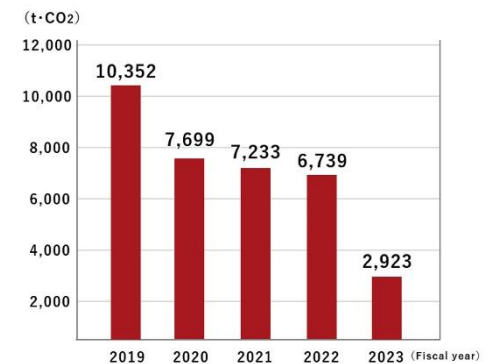
CO ₂ emissions	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1 (t-CO ₂)	782	773	827	783	605
Scope2 (t-CO ₂)	4,316	3,885	3,817	3,403	3,269

Latin
America
regions



CO ₂ emissions	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1 (t-CO ₂)	3,298	2,319	2,938	5,217	3,637
Scope2 (t-CO ₂)	10,558	8,805	7,929	9,750	7,832

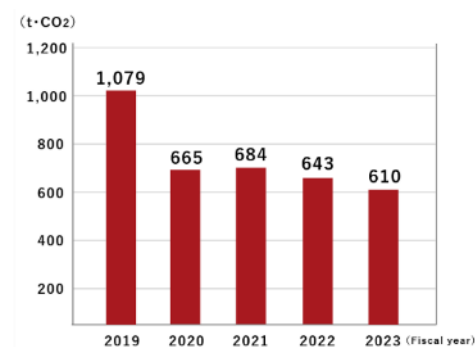
China
region



CO ₂ emissions	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1 (t-CO ₂)	407	693	323	251	353
Scope2 (t-CO ₂)	9,945	7,006	6,910	6,388	2,570※

※ Calculated by applying emission factors by ministry from FY2023

Asia
region



CO ₂ emissions	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1 (t-CO ₂)	112	109	39	43	41
Scope2 (t-CO ₂)	967	556	645	600	569

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

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.

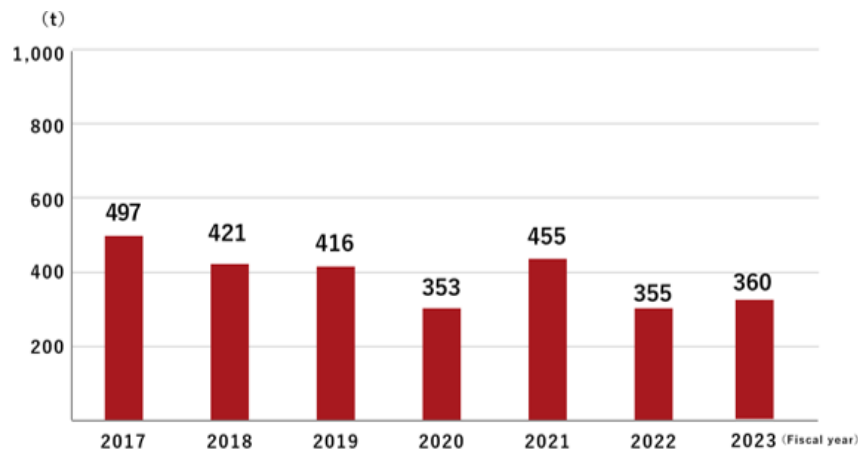
Initiatives for the Conservation of Resources

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).

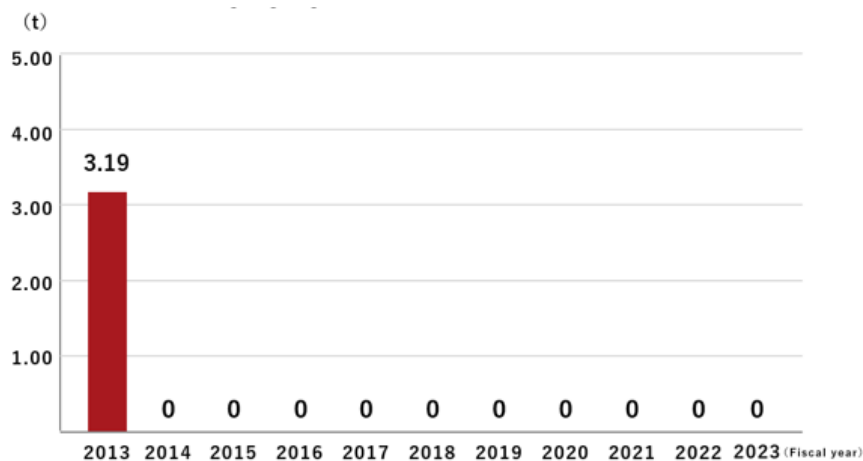
In the production stage, we strive to reduce defects (reduction of defects in the integrated foaming process), and to cut down on packaging materials (switch from one-way cardboard containers to re-usable plastic containers). In the reduction of final disposal waste (landfill waste), we first achieved 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 (TACHI-S business locations in Japan)

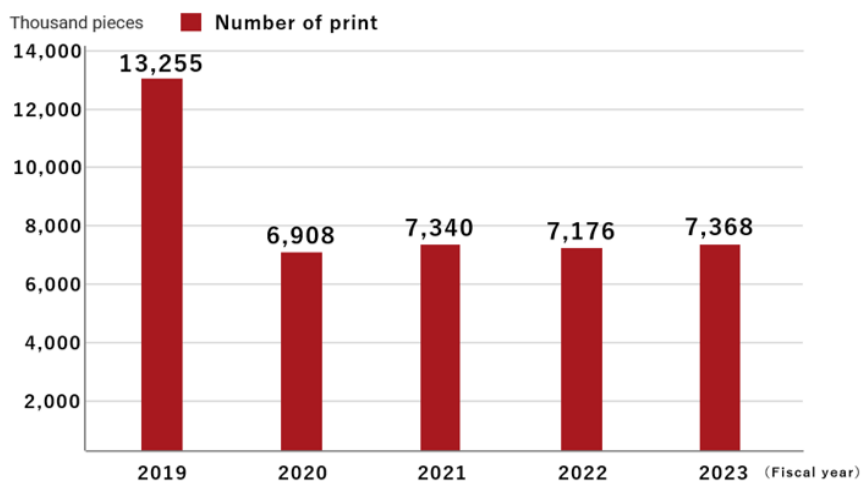


■ Trends in final waste disposal (TACHI-S business locations in Japan)



■ Paperless activities and achievements (TACHI-S business locations in Japan)

We have been working on paperless activities since fiscal 2019. We are working to reduce the number of printed pages by promoting electronic document management in accordance with regulations, electronic expense settlement and invoices, and electronic distribution of documents. We continue to utilize digital technology to improve productivity and establish paperless operations regardless of where we work.



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

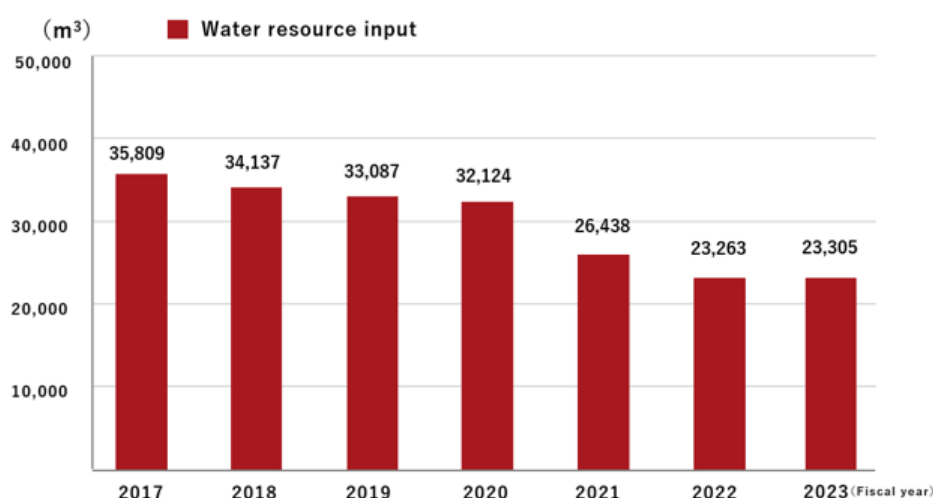
TACHI-S will work to effectively utilize limited water resources with the aim of creating a recycling-oriented society that balances the environment and the economy for sustainable development.

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 m³. 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	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Municipal water supply	35,809m ³	34,137m ³	33,087m ³	32,124m ³	26,438m ³	23,263m ³	23,305m ³
Freshwater/groundwater	0m ³	0m ³	0m ³	0m ³	0m ³	0m ³	0m ³
Freshwater/surface water (lakes, rivers, etc.)	0m ³	0m ³	0m ³	0m ³	0m ³	0m ³	0m ³

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.

Trends in handled (used) quantities of chemicals subject to PRTR legislation (TACHI-S business locations in Japan)

Fiscal year	2021	2022	2023
Quantity handled (kg)	111,045	115,765	223,975※

※Due to the partial revision of the PRTR Law (April 1, 2023), the number of chemical substances contained in urethane raw materials has been increased.

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 (TACHI-S business locations in Japan *)

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	7.4	6.0~8.5	6.6	6.5~8.5	6.6
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

* The target business sites are the 3 sites that own septic tank sewage treatment facilities.

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.