

Corporate Governance

This is a report on the status of our corporate governance.



Our concept on Corporate Governance

We recognize that the realization of our corporate vision "To live in harmony with individuals and society and to put smiles on people's faces by continuously creating living spaces of comfort and enrichment" will lead to the sustainable growth of our group and enhance our corporate value over the medium to long term, in line with our corporate purpose "Supporting People and the Earth through "Seating" Technology". We believe it is important to work on improving corporate governance to support this, and we will continuously work on improving corporate governance in accordance with the following basic principles.

Basic Policy

1. We strive to ensure the rights and equality of shareholders and create an environment in which they can exercise their rights appropriately.
2. We strive for appropriate collaboration with stakeholders other than shareholders (customers, employees, business partners, local communities, etc.).
3. We strive to ensure appropriate information disclosure and transparency.
4. We strive for appropriate execution of the roles and responsibilities of the Board of Directors, based on its fiduciary responsibility and accountability to shareholders.
5. We strive to engage in constructive dialogue with shareholders.

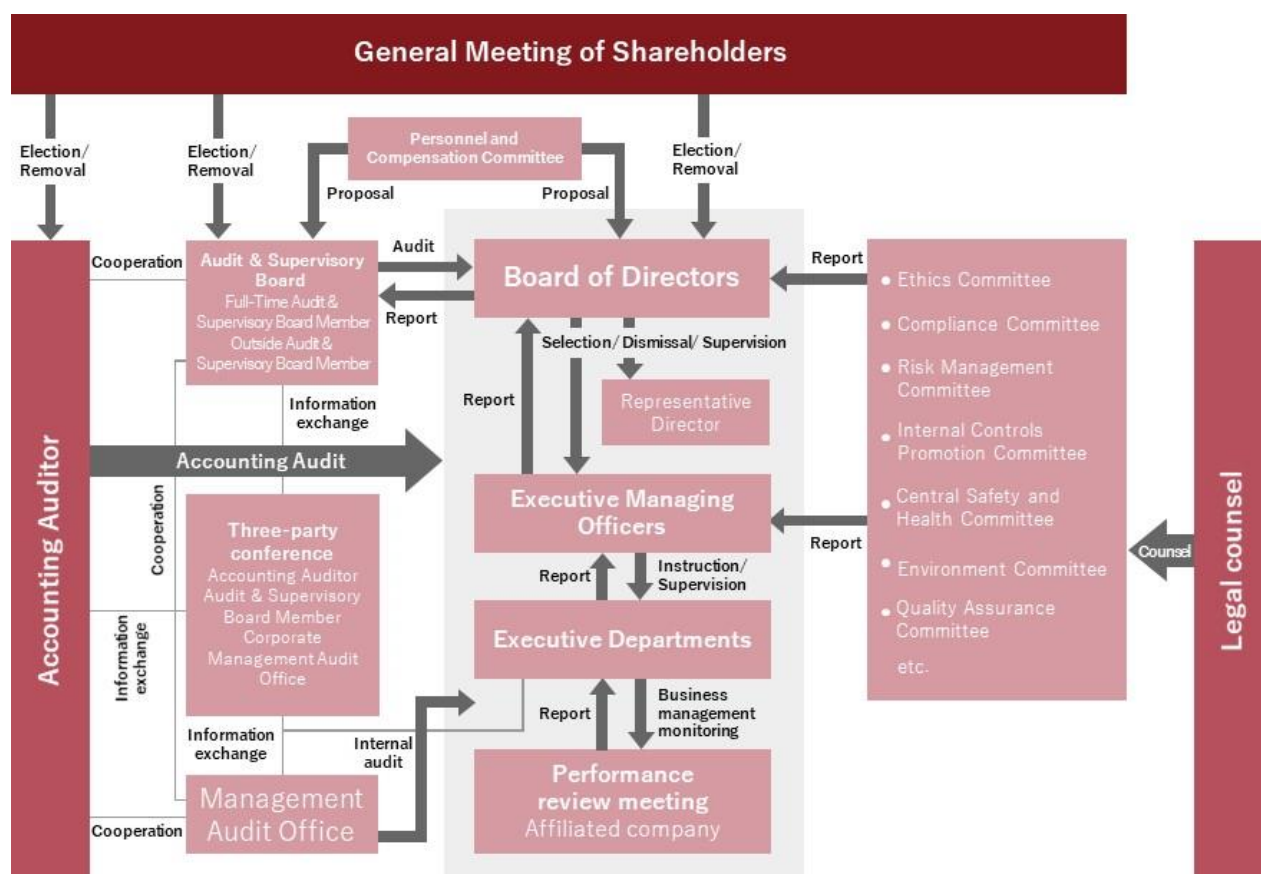
- [Basic Policy of Corporate Governance](#)
- [Corporate Governance Report\(July 2,2024\)](#)

Corporate Governance System

The Board of Directors consists of nine Directors, including four Outside Directors, and the Audit & Supervisory Board consists of four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members. In addition, we have set the term of office for Directors to one year and introduced the Executive Managing Officer system to clarify management responsibility and improve management efficiency. We have established a system to monitor management from an objective and professional perspective, and appointed four Outside Directors (one lawyer, one certified public accountant, and two corporate executives) and two Outside Audit & Supervisory Board Members (one lawyer and one certified public accountant) who are unbiased toward the interests of the Company's management or specific stakeholders.

From June 2023, the Chairman of the Board of Directors will be an independent outside director, and one of the four outside directors is a female director. And we are expanding the transparency and diversity of the Board of Directors.

Corporate Governance System Chart



Board of Directors

The Board of Directors meets once a month in principle, and consists of nine members, including four Outside Directors. The Board makes decisions and reports on important management matters, including statutory matters, and supervises business execution.

An independent outside director has become the chairman of the Board of Directors since June, 2023.

Executive Managing Officers

In order to efficiently promote business execution, we hold the Executive Managing Officers consisting of Executive Managing Officers, including those who also serve as Directors, twice a month in principle.

It decides on important matters other than those to be resolved by the Board of Directors, and reports on important matters to the Board of Directors.

Audit & Supervisory Board

The Audit & Supervisory Board consist of four members, including two Outside Audit & Supervisory Board Members (one lawyer and one certified public accountant), and they meet at least eleven times a year in accordance with the audit plan. Audit & Supervisory Board Members audit the execution of duties by the Directors and the status of business and assets of the Company and its subsidiaries by attending important meetings and conducting various investigations in accordance with the audit policy, division of duties, etc., as determined by the Audit & Supervisory Board. In addition, in order to supplement the Audit & Supervisory Board and to share information among the Audit & Supervisory Board Members, meetings of the Audit & Supervisory Board Members are held in conjunction with the Audit & Supervisory Board.

Personnel and Compensation Committee

The Company has Audit & Supervisory Board, but has established a Personnel and Compensation Committee as a voluntary committee to supplement the functions of the Board of Directors. The Committee deliberates on matters related to employees and compensation of officers and other personnel and is responsible for proposing the results of its deliberations to the Board of Directors. The Company held seven meetings of Personnel and Compensation Committee in FY2023. The committee consists of five or more directors (three are independent outside directors* and two are internal directors), and from June 2023, independent outside directors will serve as chairpersons of the Personnel and Compensation Committee, and one corporate auditor will be an observer. It is a system in which you can attend and express your opinions. By establishing this Committee, we aim to further strengthen corporate governance by ensuring objectivity and transparency in employees and compensation of officers and other personnel.

(Note) An Outside Director or Outside Audit & Supervisory Board Member is a person who meet the "Criteria for Assessing Independence of Outside Directors/Audit & Supervisory Board Members" described below.

Number of meetings of the Board of Directors and number of times attended by each Director and Audit & Supervisory Board Member (Attendance rate)

Attendance rate of Board of Directors Meetings in FY2023 (Period: April 1, 2023, to March 31, 2024)

Position	Name	Times held	Times attended	Attendance rate	Remarks
Representative Director and President Chief Executive Officer Chief Operating Officer	Yuichiro Yamamoto	15	15	100%	
Representative Director and Executive Managing Officer Chief Financial Officer	Atsushi Komatsu	15	15	100%	
Director and Executive Managing Officer	Takao Ito	15	15	100%	
Director and Executive Managing Officer	Akiyoshi Murakami	11	11	100%	
Director and Executive Managing Officer	Tsutomu Okochi	11	11	100%	
Outside Director	Toshio Kinoshita	15	15	100%	
Outside Director	Hidetaka Mihara	15	15	100%	
Outside Director	Yoshiaki Nagao	15	15	100%	
Outside Director	Sachiko Tsutsui	11	11	100%	
Audit & Supervisory Board Member	Naozumi Matsui	15	15	100%	
Audit & Supervisory Board Member	Masato Kimura	15	15	100%	
Outside Audit & Supervisory Board	Shinsuke Matsuo	15	15	100%	
Outside Audit & Supervisory Board	Nobuaki Ozawa	15	15	100%	

(Note)At the Ordinary General Meeting of Shareholders held on June 20, 2023, Mr. Akiyoshi Murakami, Mr. Tsutomu Okochi and Mrs. Sachiko Tsutsui were newly appointed as a Board of Directors.

Position	Name	Times held	Times attended	Attendance rate
Audit & Supervisory Board Member	Naozumi Matsui	11	11	100%
Audit & Supervisory Board Member	Masato Kimura	11	11	100%
Outside Audit & Supervisory Board	Shinsuke Matsuo	11	11	100%
Outside Audit & Supervisory Board	Nobuaki Ozawa	11	11	100%

Directors, Audit & Supervisory Board Members and Executive Managing Officers

We will introduce our company's officers.

■ Director/Audit & Supervisory Board Member

As of June 25, 2024

Position	Name	Outside Director and Outside Audit & Supervisory Board Member	Domain	Reasons for Election
Representative Director and President Chief Executive Officer Chief Operating Officer	Yuichiro Yamamoto		Chief Strategy Officer	He has valuable knowledge in the marketing and overseas fields as well as many years of experience and results as a top executive at overseas subsidiaries in North America and China, and has demonstrated strong leadership as Chief Operating Officer and Chief Executive Officer. Since April 2022, he has been a strong leader of the Group's management as Chief Executive Officer, and we have determined that he is, and will continue to be, essential to the sustainable enhancement of the Group's corporate value.
Representative Director and Executive Managing Officer Chief Financial Officer	Atsushi Komatsu		Chief Corporate Officer	He has superior expertise in finance and management divisions and wide-ranging knowledge cultivated through his experience in overseas business and has been leading the Company's management as the person responsible for the Corporate Management Division. Since June 2022, as Representative Director, Executive Managing Officer, he has been promoting reforms in the Group, and we have determined that he is essential to the sustainable improvement of the Group's corporate value.
Director and Executive Managing Officer	Takao Itou		Chief Manufacturing Officer	He has many years of extensive experience in the manufacturing Division and as the head of our China subsidiary, he has a proven track record of managing operating companies as well as business operations in the China region, and that he is necessary for the further strengthening of the global manufacturing structure of the Group going forward.
Director and Executive Managing Officer	Akiyoshi Murakami		Chief Technology Officer	He not only has a wealth of experience and achievements in the development and technology divisions over many years, but also has outstanding knowledge and skills that are indispensable for the development and design of our products, and we have determined that he is essential to implement the Group's technology strategy soundly and globally in the future.
Director and Executive Managing Officer	Tsutomu Okochi		Chief Business Officer	He has a wealth of experience and achievements in the development and technology divisions over many years, as well as experience in sales and marketing. He has been vigorously promoting expansion and new business development for the Company's overseas business, and we have determined that he is essential to support the further growth and development of the Group.

Position	Name	Outside Director and Outside Audit & Supervisory Board Member	Domain	Reasons for Election
Outside Director	Toshio Kinoshita	○	-	He has superior judgment as a certified public accountant and plentiful experience performing auditing functions at overseas locations over many years, and has a high level of insight into corporate management, including management support for other companies, which he has cultivated at a company where he serves as Representative Director and President. He is also expected to contribute to the appropriate decision-making of the Board of Directors from an objective and global standpoint. He will have served as an Outside Director of the Company for eight years as of the conclusion of the Meeting.
Outside Director	Hidetaka Mihara	○	-	He has specialized knowledge and experience in corporate legal affairs as a lawyer, and also has superior insight into corporate management and the formulation of management strategies, which he cultivated through various corporate projects such as corporate rehabilitation and M&A, although he has no experience of being directly involved in corporate management other than serving as an Outside Director. He is also expected to contribute to strengthening the corporate governance function of the Group. He will have served as an Outside Director of the Company for five years as of the conclusion of the Meeting.
Outside Director	Yoshiaki Nagao	○	-	He has extensive experience and knowledge as a top executive, having been involved in the management of domestic and overseas companies for many years. He is also expected to contribute to the appropriate decision-making of the Board of Directors from a wide range of management perspectives. He will have served as an Outside Director of the Company for three years as of the conclusion of the Meeting.
Outside Director	Sachiko Tsutsui	○	-	She has long been involved in overseas business development, management support for IT service-related companies, and management of group subsidiaries at global companies, and has abundant experience and broad knowledge of corporate management as well as a wealth of expertise cultivated through her experience in M&A and IPO advisory services as well as SDG consulting at financial institutions. She is also expected to contribute to the appropriate decision-making of the Board of Directors from a global and diverse standpoint.
Audit & Supervisory Board Member	Naozumi Matsui		-	Appointed as Audit & Supervisory Board Member to utilize his abundant expertise in financial accounting as a certified public accountant and his wealth of experience at financial institutions and overseas subsidiaries in the auditing of the Company.
Audit & Supervisory Board Member	Tetsuya Kinose		-	Appointed as Audit & Supervisory Board Member to utilize his abundant expertise in financial accounting as a certified public accountant and his wealth of experience at financial institutions and overseas subsidiaries in the auditing of the Company.
Outside Audit & Supervisory Board	Shinsuke Matsuo	○	-	Appointed as an Outside Audit & Supervisory Board Member because he has abundant experience as an attorney and will greatly contribute to strengthening the auditing function of the Company although he does not have direct experience in corporate management other than as an Independent Audit & Supervisory Board Member.
Outside Audit & Supervisory Board	Nobuaki Ozawa	○	-	Appointed as an Outside Audit & Supervisory Board Member to utilize his experience and financial knowledge as a certified public accountant in the auditing of our group although he does not have direct experience in corporate management other than as an Independent Audit & Supervisory Board Member.

■ Skill status

In order to fulfill its roles of making decisions and supervising management, the Board of Directors as a whole has been constituted with attention to achieving a diverse balance of knowledge and experience that includes coverage of the various functions of the company. Specifically, the skills required and currently possessed by the Board of Directors in order to carry out the Transformative Value Evolution (TVE) Medium-term Management Plan that was formulated in 2021, and to sustainably increase corporate value, are as set out below, and we believe that the Members of the Board of Directors form a team with the necessary talents to achieve the above-mentioned objectives.

Name	Position	General management, Business management		Medium- to long-term strategy						
		Corporate management, Management strategy	Legal, Governance	Business strategy			Financial & Capital Strategies	Management foundation		
				Sales, Marketing	R&D, Production	Global	Finance, Accounting	Human resource development	Environment	DX
Yuichiro Yamamoto	Representative Director & President	●	●	●	●	●		●		
Atsushi Komatsu	Representative Director	●	●	●		●	●	●		●
Takao Ito	Director				●	●			●	●
Akiyoshi Murakami	Director				●				●	
Tsutomu Okochi	Director			●	●	●		●		
Toshio Kinoshita	Outside Director	●	●			●	●			
Hidetaka Mihara	Outside Director	●	●	●		●	●			
Yoshiaki Nagao	Outside Director	●			●	●		●	●	
Sachiko Tsutsui	Outside Director	●				●	●		●	●
Naozumi Matsui	Audit & Supervisory Board Member	●	●			●	●			
Tetsuya Kinose	Audit & Supervisory Board Member	●	●				●	●		
Shinsuke Matsuo	Outside Audit & Supervisory Board Member		●				●			
Nobuaki Ozawa	Outside Audit & Supervisory Board Member		●				●		●	

■ Executive Managing Officer

As of July 1, 2024

Position	Name	Domain
Executive Managing Officer	Shigeo Komatsu	President, Regional Headquarters for Latin America President, TACHI-S Engineering Latin America, S.A. de C.V. President, Industria de Asiento Superior, S.A. de C.V.
Executive Managing Officer	Kazumi Tamura	President, Regional Headquarters for China President, TACHI-S China Co., Ltd.
Executive Managing Officer	Gonzalo Esparza	Responsible for NISSAN Business Department
Executive Managing Officer	Hideaki Igawa	Responsible for HONDA Business Department and TOYOTA and HINO Business Department
Executive Managing Officer	Yoshiaki Kubo	Responsible for Product Development Group General Manager-ESG Promotion Office
Executive Managing Officer	Tomoaki Harashima	Chief of Global Business Management Group Director of TF-METAL Co., Ltd.
Executive Managing Officer	Masato Hiruma	President, Regional Headquarters for North America President, TACHI-S Engineering U.S.A., Inc. President, TechnoTrim, Inc. President, TF-METAL Americas Corporation
Executive Managing Officer	Hiroyuki Morimoto	Chief of Purchasing Group
Executive Managing Officer	Naoki Hasegawa	Chief of Production Engineering Group
Executive Managing Officer	Isao Sekita	Responsible for Product Development Group

Criteria for Assessing Independence of Outside Directors/ Audit & Supervisory Board Members

The Company establishes following standards in order to ensure the independence of Outside Directors/Audit & Supervisory Board Members.

1. The person in question is not a current or former Executive¹ of the Company or a related company ("Group Companies").
2. Over the past 5 years a Close Relative² of the person has not been an Executive¹ of any Group Companies.
3. The following items are not currently applicable to the person and have not been applicable to the person in the past 5 years:
 - (1) The person is a large shareholder of the Company (a person who directly or indirectly controls voting rights worth 10% or more of total voting rights in the Company) or an Executive¹ of such a large shareholder.
 - (2) The person directly or indirectly controls voting rights worth 10% or more of total voting rights in Group Companies or is an Executive¹ of such a large shareholder.
 - (3) The person is a Person for whom Group Companies are Important Clients³ or who is an Executive¹ of such an entity.
 - (4) The person is an Executive¹ of an Important Client of Group Companies⁴.
 - (5) The person is an Executive¹ of an Important Lender to Group Companies⁵.
 - (6) The person is affiliated with an auditing firm performing the Company's statutory audits.
 - (7) The person is a consultant, an accounting professional or a legal professional (in the case that a group such as a legal corporation or association is such a recipient, a person affiliated with that group) that has received from Group Companies a large amount⁶ of money or other assets other than remuneration for directors (and other officers).
 - (8) The person is a recipient of a large amount⁶ of donations or grants from Group Companies (in the case that a group such as a legal corporation or association is such a recipient, a person affiliated with that group).
 - (9) The person is an Executive¹ of a company to which Group Companies appoint Directors (regardless of whether such Directors are executive or non-executive).
4. None of the person's Close Relatives are persons, regarding to whom Items (1) to (9) of paragraph 3 above apply (but limited to cases where such a Close Relative is an Important Person⁷).

(Notes)

¹ An Executive is defined as a person who is either a Director (excluding an Outside Director) of a company or organization, an Executive Director, an Executive Officer, an employee who manages operations, a Senior General Manager or other equivalent person or employee who manages operations.

² A Close Relative is defined as a dependent, a relative to the second degree or a cohabitating relative.

³ A Person for whom Group Companies are Important Clients is defined as a person who has received 2% or more of their consolidated annual gross revenues from Group Companies during that person's most recent fiscal year.

⁴ An Important Client of Group Companies is defined as a person who has paid 2% or more of the gross annual consolidated revenues of Group Companies in the Company's most recent fiscal year.

⁵ An Important Lender to Group Companies is defined as a person who has provided finance to Group Companies that represents an amount worth 2% or more of consolidated total assets as of the end of the Company's most recent fiscal year.

⁶ A large amount is defined as an annual average over the past five fiscal years of 10 million yen or more in the case of an individual, or 2% or more of the consolidated net sales or total income of a group in the case where a group such as a legal corporation or association is such a recipient.

⁷ An Important Person is defined as a person who is either a Director, an Audit & Supervisory Board Member, an Executive Officer and a General Manager or above.

Officer Compensation

The Company's policy on compensation, etc., for Directors and Audit & Supervisory Board Members, or the method of calculating such amount, is designed so that compensation functions as an incentive for the sustainable growth of the Group and the enhancement of corporate value over the medium to long term mainly for Directors, and the sharing of the benefits and risks of the Company's corporate value with shareholders are taken into consideration in the system. Specifically, it consists of monthly compensation (fixed), and bonuses and stock-based compensation (variable). The amount of monetary compensation is within the limit for Directors as approved at the 71st Annual General Meeting of Shareholders held on June 20, 2023 (within an annual amount of 280 million yen (of which is within an annual amount of 50 million yen for Outside Directors). However, this does not include employee salaries.) The number of Directors as of the close of this Annual General Meeting of Shareholders is nine, including four Outside Directors. Bonuses are paid upon resolution of the General Meeting of Shareholders following comprehensive consideration of annual corporate performance, dividends, the level of employee bonuses, trends at other companies, medium to long-term performance, and past payment results. The ratio of each type of compensation, etc., is approximately 2:1 "fixed" and "variable (bonus and stock-based compensation)" compensation respectively, with the ratio of variable compensation being higher for higher positions. As for Outside Directors, no bonus will be paid in consideration of their role. In order to ensure Audit & Supervisory Board Member independence, the compensation system for Audit & Supervisory Board Member is based on monthly compensation only, without bonuses that are affected by company performance. The amount of monetary compensation is within the limit for Audit & Supervisory Board Members as approved at the 58th Annual General Meeting of Shareholders held on June 25, 2010 (within an annual amount of 60 million yen). The number of Audit & Supervisory Board Members as of the close of this Annual General Meeting of Shareholders is four, including two Outside Audit & Supervisory Board Members. Compensation for Executive Managing Officers is based on employee salaries and bonuses.

Method of determining policy for determining compensation, etc. of directors and Audit & Supervisory Board Members is to deliberate among a voluntary Personnel and Compensation Committee based on a survey of executive compensation conducted by an external research organization, and to propose the results of deliberations to the Board of Directors for resolution. The Remuneration Committee (convening seven times a year) consists of five Directors: Outside Director Mr. Yoshiaki Nagao as the chairperson, Representative Director & President Yuichiro Yamamoto, Representative Director Atsushi Komatsu, Outside Director Hidetaka Mihara, and Outside Director Sachiko Tsutsui, and a system is in place where Audit & Supervisory Board Member Naozumi Matsui may attend as an observer and express his opinion.

At the 66th Annual General Meeting of Shareholders held on June 22, 2018, the Company resolved that compensation for the Company's Directors (excluding Outside Directors and Non-Executive Directors. Hereinafter the same) be linked to the Company's performance and stock value and, furthermore, a performance-linked stock compensation plan be introduced for the purpose of raising awareness among Directors to contribute to the improvement of medium to long-term business performance and the increase of corporate value by sharing the benefits and risks of stock price fluctuations with shareholders.

With respect to the performance-linked stock compensation plan, this is a system for Directors using the Company's shares. The Company contributes money to a trust established by the Company, which is used to acquire shares and deliver them to each Director. The number of shares to be delivered will be determined in accordance with the Share Delivery Regulations established by the Company, and points will be calculated based on the degree of both individual achievement and performance targets, and shares equivalent to the number of points will be delivered. In principle, Directors receive the shares when they retire from their post. In addition, points may be forfeited in the event of resignation or dismissal for personal reasons.

■ Total amount of compensation, etc., for Directors and Audit & Supervisory Board Members in FY2023

Director classification	Total compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)					Number of officers to be covered (persons)
		Fixed compensation	Bonuses	Performance-linked compensation	Retirement benefits	Of the left figure, non-monetary compensation, etc.	
Directors (excluding Outside Directors)	236	130	60	45	—	45	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	32	32	—	—	—	—	2
Outside Directors/ Audit & Supervisory Board Members	40	40	—	—	—	—	6

(Note) 1.The above number of persons and amount of compensation include three Directors who retired at the conclusion of the 71st Annual General Meeting of Shareholders held on June 20, 2023.

2.The breakdown of non-monetary compensation, etc., for Directors (excluding Outside Directors) is 45 million yen in performance-linked compensation.

Evaluation of the Effectiveness of the Board of Directors

The Company conducts effectiveness analyses and evaluations of the Board of Directors to improve the function of the Board of Directors and ultimately enhance corporate value.

The analysis and evaluation were conducted using the following methods, with evaluation and advice from outside agencies.

1. Overview of the evaluation method for effectiveness

A questionnaire using an external organization was sent to all Director, Member of the Boards and auditors who are members the Board of Directors meeting in March 2023. In order to ensure the anonymity of the subjects, this survey was answered directly to an external organization. The Company analyzed, discussed, and evaluated the survey results at the May 2023 Board of Directors meeting, based on the aggregate results reported by the external organizations.

2. Summary of the results of the effectiveness evaluation

According to the responses to the questionnaire and the results of the interviews, a certain degree of sufficiency was evaluated with regard to the effectiveness the Board of Directors, and no major problems with the functioning the Board of Directors were specifically identified. Therefore, the Company recognize that our Board of Directors is generally functioning effectively.

Of the issues shared in the previous effectiveness evaluation, we confirmed that effective efforts are being made to improve the following.

- Sustainability initiatives and enhancement of discussions :
⇒We are promoting the enhancement of diversity by appointing female director and we are actively discussing how to respond to diversity in line with understanding the issue.
- Feedback to directors regarding the status of dialogue with shareholders :
⇒We share the contents of the financial results briefing, the reactions of shareholders, and the results of interviews with institutional investors in the Board of Directors meeting. In addition, the contents of dialogue with major shareholders are appropriately reported to the Board of Directors meeting.

On the other hand, we also shared as follows:

- Ensuring further diversity including internationality in the Board of Directors meeting.
- Based on rapid changes in the external environment, follow-up of the medium-term management plan by the Board of Directors meeting.
- Necessity for discussions to improve profitability in the Board of Directors meeting.

In the future, based on this effectiveness evaluation, the Company will continue its efforts to enhance the functioning the Board of Directors by promptly responding to issues after thorough consideration of them.

Internal Controls

In accordance with the Companies Act, the Board of Directors adopted a resolution on a “Basic Policy for Internal Control Systems” at a Board meeting in May 2006, and has reviewed it every fiscal year since then to establish and operate internal control systems based on the resolution. Please refer to Matters to be disclosed on the Internet in connection with the Notice of Convocation of the 72nd Ordinary General Meeting of Shareholders.

➤ [Notice of the 72nd Annual General Meeting of Shareholders \(Items to be omitted from delivery documents\)](#)

In addition, in accordance with the Financial Instruments and Exchange Act, in order to ensure the reliability of financial reporting, we evaluate the effectiveness of development and operation of our internal control systems regularly and work to strengthen and improve them. For the internal control reports, please refer to the Annual Securities Report..

➤ [Annual Securities Report \(72nd term\)](#)

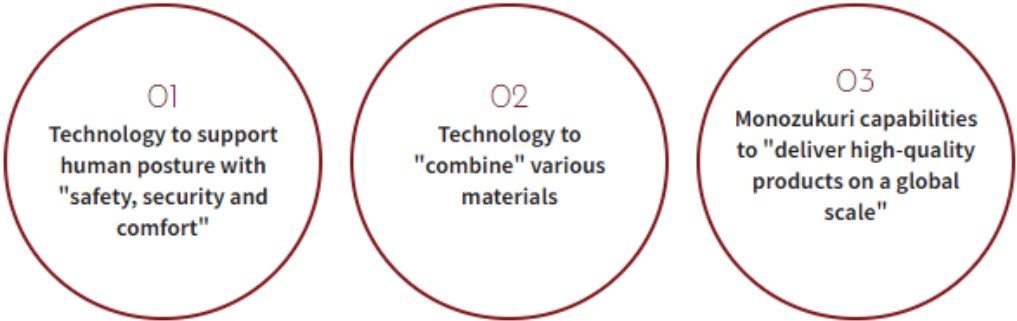
The Purpose of TACHI-S

Our Group has more than 10,000 employees working in 66 locations in 11 countries worldwide. Based on the “Purpose of TACHI-S,” which is the pillar of our employees’ actions, we believe that each employee should think about the meaning of our corporate activities and their own work, and act voluntarily to contribute to the realization of a sustainable society.

In order to achieve this, we promote activities to develop and spread the Purpose of TACHI-S’s existence on a global scale.

➤ [Corporate Philosophy](#)

Bring smiles by continuously creating comfortable living spaces to enrich people’s lives in harmony with people and society



We defined Purpose of TACHI-S (the axis of corporate activities) to provide social and economic value and to realize a sustainable society.



Supporting People and the Earth through "Seating" Technology

Supporting posture of people

We will contribute to people's health and Quality of Life by providing comfort/safety/sense of security for sitting posture that occupies 30% of the day, and for various postures.

Supporting people

We will support all stakeholders and society through our business.

Supporting the Earth

Based on the spirit of "Mutual Respect And Cooperation" taught by our founder, we will maintain harmony with the Earth by addressing SDGs initiatives and contribute to the realization of a sustainable and environmentally friendly world.