Risk and opportunity associated with climate change and resource depletion

The risks and opportunities associated with climate change and resource depletion are recognized as an important management issue. From a global perspective based on laws, regulations and trends, we are strengthening our responses to the overall financial and social risks from the effects on economic and production activities of more drastic abnormal weather, changing precipitation patterns, droughts and floods.

	Risk	Opportunity	
Climate change	Please visit our website to see the results of our scenario analysis. https://www.toyoda-gosei.com/csr/environmental/report11/		
Resource recycling	Effects of water shortages and floods on production activities	Cost reductions from re-use and decreased use of water	
	Cost increases from difficulty in procuring materials, soaring material prices	Cost reductions from recycling technology, use of fewer materials	
Management (regulatory compliance)	Loss of trust in the company due to environmental problems, including legal violations, and insufficient efforts to protect the environment	Increase in brand strength from enhanced environmental activities	
Biodiversity	 Rising prices for raw materials due to decline in natural resources Decreased product quality due deteriorating water quality 	 Business continuity by protecting nature to ensure human resources and raw material Securing quality water resources with forest maintenance, river conservation 	

Resource utilization and environmental emissions in business activities

To lessen the amount of energy, material and other resource inputs, and maximum product output, we are utilizing our skills in product development, process development and workplace kaizen in efforts to

INPUT

Total material input39,248tPlastic25,913t	Rubber (rubber sheets) 13,335t Excluding purchased parts, metal and liquid	
Total energy input2,261,000GJ'1Purchased electricity1,470,000GJRenewable energy19,000GJCity gas650,000GJLPG1,000GJ	Heavy oil5,000GJKerosene0GJLNG110,000GJGasoline1,000GJ	Busines activitie
Water resource input1,140,000mIndustrial water641,000m	Clean water 189,000 m ² Underground water 311,000 m ²	
PRTR*2 substances usage 525t		
 *1 Gigajoule (1,000,000,000 joules) *2 Pollutant Release and Transfer Register *3 Sulfur oxide 	*5 Volatile organic compounds *6 Subject operations: 4 plants of Haruhi, Inazawa, Heiwacho and Seto. Kitaiima Technical Center.	-

*4 Nitrogen oxide

Miwa Technical Center and Sun-Court Inoguchi

Environmental impact in the value chain

From the perspective of preserving the earth, we have surveyed and disclosed not only GHG emissions (Scope 1^{*7}, Scope 2^{*8}) in our business activities but also emissions in our entire value chain including excavation of raw materials and product use and disposal (Scope 3^{*9}). Our Carbon Neutrality Project was inaugurated in FY2021 to improve accuracy of Scope 3. Together with this, we have established milestones and created scenarios for carbon neutrality.

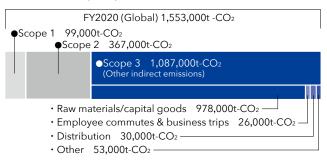
improve through business activities.

The input resources we use include environmentally friendly materials and clean energy.

OUTPUT

	Products			
ess es →	$\begin{array}{l} \mbox{Emitted into the atmosphere} \\ CO_2 & 93,000t\mbox{-}CO_2 \\ 6 \mbox{ gases} & 2,000t\mbox{-}CO_2 \\ SOx^{*3} & 0t \end{array}$	NOx*4 92t Dust 0t Volume of substances subject to PRTR 77t VOC*5 emissions 230t		
	Waste dischargeLandfill waste0tIncinerated waste1t	Industrial waste and general waste 5,927t For-profit disposal by sale 6,032t Volume of substances subject to PRTR 41t		
	Wastewater Total wastewater 870,000m Volume of substances subject to PRTR 0.1t	Nitrogen emissions*68.8tPhosphorus emissions*60.6tCOD emissions*64.3t		

CO₂ emissions by scope level



^{*7} Greenhouse gas emissions emitted directly by the company itself (natural gas and other fossil fuels, etc.)

^{*8} Indirectly emitted greenhouse gases (electricity, etc.)

^{*9} Greenhouse gases emitted in the supply chain that are indirectly emitted by the company (manufacturing, transport, business travel, commuting, etc.)