

Environmental Preservation and Building Environmentally-Friendly Societies

We comply with laws and regulations related to chemical substance control and the environment, and are conducting activities to protect biodiversity.

Basic Philosophy

In addition to strengthening the selection and management of chemical substances to create products and processes that are kind to people and the earth, we are improving environmental management in things such as compliance with laws, regulations and

customer standards in every country where we do business, based on ISO 14001.

We are also maintaining a company woodland, creating biotopes, and working to preserve tidal flats and other areas for biodiversity.

Control of Substances of Concern

To strengthen the management of chemical substances in our products, we control substances that are legally regulated in each country, substances that are self-regulated by automakers, and substances covered by our own company regulations. We monitor the trends in European REACH^{*1} regulations and the EU RoHS Directive^{*2} and have a system in place to respond rapidly when these regulations are revised.

To respond to requests from automakers in each

country for information on chemical substances in products, we have devised mechanisms and conducted systems for global collective management of chemical substances that we are currently using in Japan, China, Thailand and Vietnam. We will be steadily expanding this system to places where it is not yet in use.

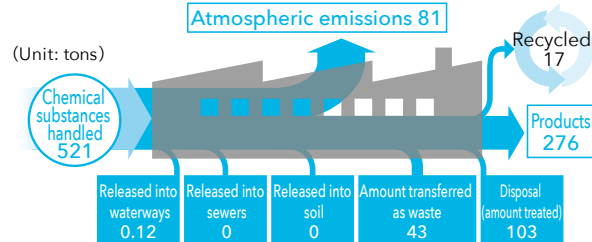
*1 Registration, Evaluation, Authorization and Restriction of Chemicals

*2 Restrictions on the use of specific hazardous substances contained in electrical and electronic equipment

Reduced Use of Substances of Concern

In production processes, we are switching to water-based paint and release agents, making painting lines more compact, improving coating efficiency, and making other efforts to reduce Pollutant Release and Transfer Register (PRTR) substances.

Volumes and Flow of Emitted PRTR Substances [Toyoda Gosei Co., Ltd.]



Building Societies in Balance with Nature to Preserve Biodiversity

In an initiative to conduct our business in balance with nature for the preservation of biodiversity, we have set coexistence with local communities as a material issue and are seeking to promote it.

Risks and Opportunities Associated with Biodiversity

We are working to identify risks and opportunities associated with biodiversity.

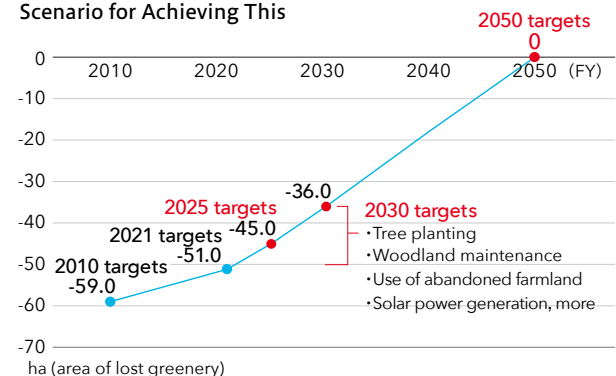
Risks and Opportunities

Impact items	Risk	Opportunity	Response
Declining natural capital	<ul style="list-style-type: none"> Decreased revenue, production disruptions from difficulty purchasing raw materials and soaring prices Poorer product quality from water quality deterioration 	<ul style="list-style-type: none"> Business continuation by ensuring personnel and raw materials through nature conservation activities Sustainable production and higher corporate value by ensuring high quality water resources through woodland maintenance and river conservation 	<ul style="list-style-type: none"> Product development for lighter weight Development of raw material recycling technology Greater use of plant-derived biomaterials and recycled materials

Establishment of Medium- and Long-Term Targets

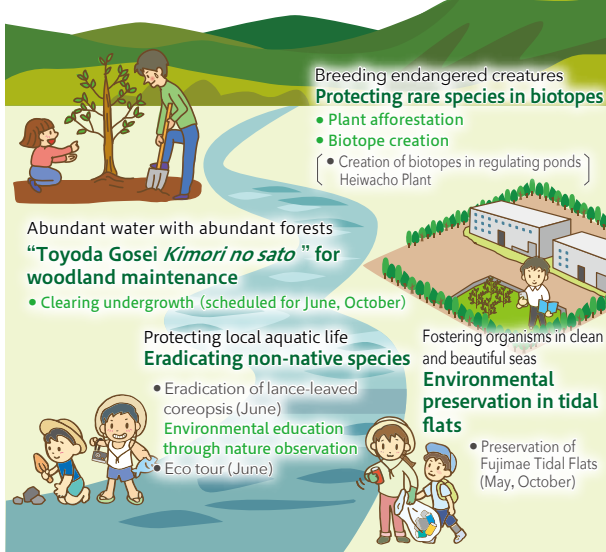
To contribute to environmentally-friendly societies as envisioned in the TG 2050 Environmental Challenge, we have set the goal of no net loss of greenery (restoring 59 hectares, equivalent to the area of our plants, to greenery by 2050) and are working to achieve this goal.

Scenario for Achieving This



Working to Save Our Water, the Source of Life on Earth

Initiatives to protect the water used at our plants from its source (mountains) to its destination (sea)



Main Activities Related to Biodiversity

Woodland Maintenance

In FY2019 we cleared undergrowth and thinned trees in a forest in Minokamo, Gifu Prefecture, located on the upper reaches of the Kiso River to promote healthy woodlands.



Kimori no sato preservation work Woodland maintenance participants in Gifu Prefecture

Biotope Creation on Company Grounds

We conducted a biological survey of the biotope completed in FY2018 at the Heiwacho Plant. Five themes and five species that are Aichi Prefecture Ecosystem Monitoring Indicator Species were confirmed, and living organisms have begun to gradually become established.



Biological survey at Heiwacho Plant Biological survey participants

Activities to Eliminate Compliance and Environmental Violations and Complaints

Regular checks are conducted by expert departments and maintenance and management are carried out to ensure legal compliance and no environmental problems or complaints. Preventive activities such as environmental preservation project team activities are also conducted to combat risks. In addition, we

analyze problems that occur at other companies, inspect similar facilities including those at domestic and international Group companies, and take preventive measures. There were no occurrences of environmental abnormalities in FY2021.

Proper Disposal and Storage of PCB-Containing Equipment

The law stipulates that hazardous and persistent PCB (polychlorinated biphenyl) waste must be disposed of by the end of March 2027. We started outsourcing this disposal in FY2006 for the proper treatment of equipment that contains PCBs. By FY2021, 896 units had been treated. We will continue to process untreated low-concentration PCB waste at an early stage. Until that is completed, appropriate management based on the PCB Special Measures Law is done to prevent runoff and soil contamination.

Category	Type	No. of units treated	Treated weight
High concentration PCB waste material (PCB levels: >5,000 mg/kg)	Ballast, power capacitors, etc.	802 units	6.9 tons
Low concentration PCB waste material (PCB levels: 0.5-5,000 mg/kg)	Transformers, power capacitors, etc.	94 units	80.3 tons

Protecting Soil and Groundwater

We carefully monitor and treat soil and groundwater contamination from toxic substances such as trichloroethylene, which was formerly used in cleaning agents. We have established observation wells at each plant, and regularly confirm that there is no soil or groundwater pollution from toxic substances and oils.

Location	Target	Status of corrective measures
Haruhi Plant	Groundwater	Purification in progress (proactive treatment, as contamination from off-site sources is possible)
Inazawa Plant	Groundwater	Because substances we have no history of using have been detected, regular reports to the government contain results of measurements only *Results below reference values since 2010 (government reports concluded in FY2012)