

Building a Recycling-Oriented Society

Basic Philosophy

In order to mitigate resource depletion and water risks, we not only take measures for defects and yield, which are the focus of our manufacturing divisions, but also work on emission control and recycling involving material and production technologies in the sourcing divisions for contributing to the attainment of a

recycling-oriented society. For water, we identify risks in each country and region where we conduct business globally while also striving to reduce risks by reducing water usage, recycling water, and returning cleaner wastewater to the community.

Risks and Opportunities Related to Resource Recycling

We consider risks and opportunities related to resource recycling as important management issues, and we are working on them company-wide as one of our priority issues to be addressed.

Issue	Risks	Opportunities	Response
Resource depletion (shortage)	<ul style="list-style-type: none"> Reduced earnings and production hindered by difficulty in procurement of raw materials and price hikes 	<ul style="list-style-type: none"> Improved earnings through recycling technology and reduced material usage volume Improved corporate value through development of the above-mentioned technologies 	<ul style="list-style-type: none"> Development of more lightweight products Development of recycling technology for raw materials Expanding the use of plant-derived biomaterials and recycled materials
Water risk (quantity and quality)	<ul style="list-style-type: none"> Production hindered by difficulty in securing water necessary for production Drop in product quality due to deterioration in water quality Production hindered by water damage 	<ul style="list-style-type: none"> Improved earnings through reuse of water and reduced water usage Improved corporate value through development of the above-mentioned technologies 	<ul style="list-style-type: none"> Development of water reuse technology Expanding the use of rainwater Review of production system and installation locations of electrical facilities

Waste Reduction

Establishment of 2030 Milestones

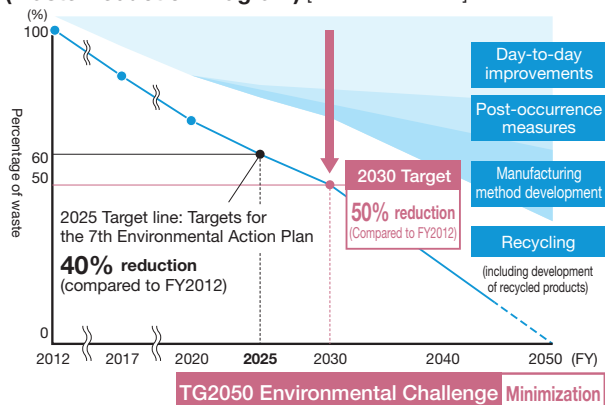
We are working to effectively use resources such as by curbing emissions, source measures, reducing wastes by recycling rubber and plastic chips, and reducing wastes by thoroughly sorting them.

Development of Product Recycling Technology

Materials Design Manufacturing Collection/recycling

We develop and design easily recyclable products and materials by taking into consideration the entire lifecycle of automobiles. We are also developing recycling technology for waste material.

Scenario for Minimizing Amount of Waste (Waste Reduction Diagram) [Non-consolidated]



Technology Development for Recycling ELV* Parts

Key item	Measures implemented
New recycling	<ul style="list-style-type: none"> Composite material separation technology New recycling technology (high-quality material recycling)
Use of recycled materials in vehicles	<ul style="list-style-type: none"> ELV parts recycling technology Development of uses for recycled materials
Design of easily-recyclable products	<ul style="list-style-type: none"> Product design for easy dismantling Materials and composition changes for easy recycling

* ELV: End of Life Vehicle

Reduction of Waste Materials in the Production Stage

Manufacturing Collection/recycling

In 2018, we launched the Waste Reduction Project to implement source measures and recycling initiatives. At each plant, we are conducting inspections for all types of waste to identify items for reducing waste by using the *genchi-genbutsu* system (collecting facts and data at the actual site of the work or problem) to implement waste reductions. We also share examples of waste reduction with both domestic and international Group companies to implement waste reduction throughout the entire Group.

Reducing Water Risks Manufacturing Establishment of 2030 Milestones

We are assessing risks in both water usage and water quality in Japan and international locations, and making improvements at high-risk locations. Even in locations where risks are low, we are trying to reduce water intake amounts for the effective use of resources.

Since FY2021, we have been working to reduce water use by reducing leakage and implementing wider recycling.

Reduction of Packaging Materials in the Distribution Stage Collection/recycling

By washing returnable boxes* more frequently and keeping them clean, we are reducing the amount of packaging materials used to prevent products from being soiled. We are also reducing packaging materials by putting lids on returnable boxes and making other changes while maintaining a balance between ensuring product quality and reducing the amount of packaging materials used.

* Boxes for transporting products

We are also working to systematically upgrade our wastewater treatment facilities to produce even cleaner wastewater.

2030 Milestones for Water Risk Reduction [Global]

	Item	FY2030 Target
High risk area	Water quality	Measures completed at four locations
	Water intake	Measures completed at seven locations
Low risk area	Water intake per sales unit	11% decrease vs. FY2019

Building Environmentally-Friendly Societies

Basic Philosophy

Based on the concept of Nature Positive, we have set coexistence with local communities as one of the materialities (key issues) in our efforts to build nature

Risks and Opportunities Related to Biodiversity

We conduct initiatives by identifying risks and opportunities related to biodiversity.

Issue	Risks	Opportunities	Response
Reduction of natural capital	<ul style="list-style-type: none"> Reduced earnings and production hindered by difficulty in procurement of raw materials and price hikes Drop in product quality due to deterioration in water quality 	<ul style="list-style-type: none"> Business continuity by securing human resources and raw materials through nature conservation initiatives Sustainable production and enhancement of corporate value by securing good quality water resources through woodlands creation and river conservation 	<ul style="list-style-type: none"> Development of more lightweight products Development of recycling technology for raw materials Expanding the use of plant-derived biomaterials and recycled materials



Woodlands creation by employees and their families

coexistence initiatives to conserve biodiversity, and are working on woodlands creation, building of biotopes, and conservation initiatives for tidal flats.

Establishment of Medium- to Long-Term Targets

We have set a “No Net Loss of Greenery” goal of restoring 59 hectares of greenery by 2050, which is equivalent to the area of our plants, and are conducting initiatives to achieve this goal. Specifically, under the slogan “Connecting Activities with Water, the Source of Life,” we are conducting initiatives in the areas of mountains, rivers, and oceans.

Scenario for Attaining Targets

