



We will further accelerate environmental activities by collaborating with our supply chain and local communities.



Through our daily lives and business activities, we use various resources, chemicals, and energy, and emit greenhouse gases and waste. Such human activities place a burden on the global environment. The magnitude of this effect has been demonstrated in detail through research by experts. It has become clear that the impact is greater than imagined and requires urgent response.

We as companies have a big role to play in solving this major problem, and we need to responsibly take the initiative. However, environmental initiatives are not a competition. It is meaningless if we are the only ones who achieve it, and it is not something that we can achieve alone.

Tokai Rika has formulated the “Carbon-neutral Strategy 2030” in response to climate change, and is expanding its efforts to include emissions in our supply chain. In order to achieve our goals, we will actively collaborate and interact with our customers and suppliers, as well as with our industry, other industries, and local communities. We would like to promote our activities with this kind of cooperation. This attitude is the same for our biodiversity conservation and circular economy initiatives.

Conservation of the global environment is the foundation for realizing a sustainable society and is of the utmost importance. We will further accelerate our activities so that it is not too late.

Environmental Policy

The Tokai Rika Group has established an environmental policy and is promoting environmental initiatives under the environmental slogan “We are reducing the environmental burden of our corporate activities while achieving harmony between people and their vehicles.”

- Main initiative details**
We promote environmental initiatives based on our business philosophy and Employee Code of Conduct.
Global warming prevention, resource saving, recycling, waste reduction, chemicals management, active use and development of new ecofriendly technology, promotion of LCA, biodiversity conservation, etc.
- We comply with laws, act responsively toward customers and local communities, and set voluntary targets to prevent pollution.
- We are continuing to increase environmental initiatives by forming the Environment Committee.

Mid- and long-term term plan

We have set a target to reduce CO₂ emissions to virtually zero by 2050, and have formulated the “Carbon-neutral Strategy 2030” as a milestone. We are promoting activities throughout the entire lifecycle centered on four strategies: products, production, procurement, and logistics.

| | Action items | Main goals (KPIs) |
|----------------------|--|---|
| Product strategy | <ul style="list-style-type: none"> Establishment and implementation of LCA system Low CO₂ design Promotion of alternatives to fossil resource plastics | Product CO ₂ '40: -30% '30: -10% |
| Production strategy | <ul style="list-style-type: none"> Substitution of greenhouse gases Energy saving Renewable energy/new energy | Plant CO ₂ '30: -60% Renewable energy rate '30: 25% |
| Procurement strategy | <ul style="list-style-type: none"> CO₂ reduction of suppliers -CO₂ reduction by horizontal expansion of improvements -Supplier cooperation in each strategy | Kyouryoku-kai CO ₂ '30: -20% |
| Logistics strategy | <ul style="list-style-type: none"> Improvement of logistics Change of packing materials Change of truck fuel | Environmentally friendly vehicles ratio '30: 50% |

TOPICS

Received the “Environmental Promotion Excellence Award” from Toyota Motor Corporation

At Tokai Rika, our entire group has worked together to advance initiatives in each field toward carbon neutrality. Therefore, we were evaluated as being able to carry out activities across all aspects. Additionally, we heard from our suppliers that it would be difficult to introduce renewable energy on their own, so we worked with them to jointly procure offsite solar power. This was highly praised as an unprecedented initiative that takes into account the opinions of suppliers. For these efforts, we received the Environmental Promotion Excellence Award from Toyota Motor Corporation.



7th Environmental Action Plan (2021 to 2025)

In order to contribute to the realization of a sustainable society, we promote environmental initiatives supported by three pillars: “establishment of a carbon-neutral society,” “establishment of a recycling-based society,” and “establishment of a society in harmony with nature.”

The goals for each year are set by working backward from the goals for 2025, the final year of the 7th Plan. We are proceeding with our activities in a planned manner to achieve our ultimate goal.

In FY 2022, we were able to achieve all goals through collaborative activities with each plant and overseas bases, including expanding the introduction of renewable energy on a global scale.



[Results for the 7th Environmental Action Plan (FY 2022)]

| | | FY 2022 activities results | FY 2022 target value | FY 2022 results | Assessment |
|---|---|--|---|---|------------|
| Establishment of a Carbon-neutral Society | Promotion of more compact and lightweight designs for products | <ul style="list-style-type: none"> Promotion of more compact and lightweight designs LCA (Life Cycle Assessment) evaluation of major products | — | — | ○ |
| | Reduction of CO ₂ emissions | <ul style="list-style-type: none"> Improvement of production equipment through an Energy Saving Subcommittee Horizontal development for energy-saving improvement Awareness activities (Exhibitions, Outstanding Example Award) Implementation of energy-saving education utilizing e-learning Introduction of renewable energy | Tokai Rika Group 112,806 t-CO ₂ | Tokai Rika Group 107,442 t-CO ₂ | ○ |
| | Reduction in greenhouse gases | <ul style="list-style-type: none"> Promotion of changeover from usage of shielding gas (SF₆) to another shielding gas in magnesium casting process | — | — | ○ |
| | Pursuit of efficient transportation in logistics activities and reduction of CO ₂ emissions | <ul style="list-style-type: none"> Improvement of transportation efficiency by reviewing the routes Improvement of transportation efficiency by improving the packaging | Tokai Rika 2,927 t-CO ₂ | Tokai Rika 2,835 t-CO ₂ | ○ |
| | Reduction of environmentally hazardous substances in production activities | <ul style="list-style-type: none"> Reduction in consumption of PRTR Law substances Reduction in emission of VOCs | — | — | ○ |
| Establishment of a Society in Harmony with Nature | Enhancement of the management of chemical substances in products | <ul style="list-style-type: none"> Understanding of the trends in regulations on chemicals in each country Switch to products that do not contain regulated substances | — | — | ○ |
| | Promotion of environmental preservation/conservation of biodiversity | <ul style="list-style-type: none"> Conservation activities of Satoyama and wetlands through links with local communities Participation in All Toyota cooperative activities | — | — | ○ |
| | Promotion of social contribution activities that will assist the establishing of a society in harmony with nature | <ul style="list-style-type: none"> Social contribution and volunteering through links with local communities | — | — | ○ |
| | Promotion of product designs and technological developments to make recycling easy | <ul style="list-style-type: none"> Improvement of ease of disassembly by reviewing design Promotion of the use of recycled materials | — | — | ○ |
| Establishment of a Recycling-based Society | Reduction of waste in production activities and efficient use of natural resources | <ul style="list-style-type: none"> Improvement of production yields Promotion of 3R (reduce, reuse, recycle) activities | Tokai Rika 0.37 t/million pieces | Tokai Rika 0.31 t/million pieces | ○ |
| | Reduction of the use of water in production activities | <ul style="list-style-type: none"> Use of recycled water (semiconductors, plating processes) Risk assessment of water | — | — | ○ |
| | Effective use of resources and reduction of packaging material in logistics | <ul style="list-style-type: none"> Reduction of packing materials by reviewing packing methods Making packing materials reusable | Tokai Rika 0.555 t / 100 million yen | Tokai Rika 0.527 t / 100 million yen | ○ |
| | Enhancement and promotion of consolidated environmental management | <ul style="list-style-type: none"> Enhancement and promotion of consolidated environmental management Acquisition of EMS external certification at production bases | — | — | ○ |
| Environmental Management | Promotion of environmental activities in cooperation with business partners | <ul style="list-style-type: none"> Deployment of environmental information to partner companies Actual-location study activities with partner companies | — | — | ○ |
| | Enhancement of global employee education/awareness activities | <ul style="list-style-type: none"> Development of key persons related to the environment through education Development of awareness activities during environment month | — | — | ○ |
| | Improvement of the urban air environment in each country and region | <ul style="list-style-type: none"> Expansion of the introduction of low-emission vehicles | Tokai Rika 74.0% | Tokai Rika 75.0% | ○ |
| | Proactive disclosure of environment information and enhancement of communication activities | <ul style="list-style-type: none"> Issuance of the Tokai Rika Report and Eco Data File Hosting of local social gatherings | — | — | ○ |