Environmental Initiatives

Global Forest Watch (GFW) Analysis

To identify areas critical to ecosystem integrity and ecosystem service provision, we conducted an analysis using the following three tools from Global Forest Watch (GFW). The indicators used to identify each item (① through ③) were as follows.

① Identification of areas of high ecosystem integrity
Global Biodiversity Intactness

② Identification of areas of rapid decline in ecosystem integrity
Forest Landscape Integrity Index

③ Identification of areas of importance for ecosystem service provision, including benefits to Indigenous peoples, local communities, and stakeholders
Indigenous and Community Lands

Results of Analysis Using GFW (Direct Operations, Value Chain Upstream Operations)

The results of the analysis showed that ① applied to one supplier, ② applied to the Fukushima No. 2 Factory and one supplier, and ③ did not apply to any operations.

■ Summary of Analysis Utilizing GFW

As of March 31, 2025

Production site name	Identification of areas of high ecosystem integrity	Identification of areas of rapid decline in ecosystem integrity	Identification of areas of importance for ecosystem service provision, including benefits to Indigenous peoples, local communities, and stakeholders
Fukushima No. 1 Factory	None applicable	None applicable	None applicable
Fukushima No. 2 Factory		Applicable	
Aichi Factory		None applicable	
Tokuyama Factory		None applicable	
8 Suppliers	1 site applicable	1 site applicable	None applicable

Aqueduct Analysis

To identify areas of high water risk, we used the following three analysis tools from Aqueduct provided by the World Resources Institute (WRI). We conducted this analysis in accordance with our water risk baseline (3 = areas at or below medium-high, regarded as not applicable and 4 = areas at or above high, regarded as applicable).

① Water stress

② Riverine flood risk

③ Coastal flood risk

■ Aqueduct Analysis (Water Stress, 4 Production Sites in Japan)

Results of Analysis Using Aqueduct (Direct Operations, Value Chain Upstream Operations)

The results of the analysis showed that ① applied to two suppliers, ② applied to one supplier, and ③ did not apply to any operations.

■ Summary of Analysis Utilizing Aqueduct

As of March 31, 2025

Production site name	Identification of areas of high ecosystem integrity	Identification of areas of rapid decline in ecosystem integrity	Identification of areas of importance for ecosystem service provision, including benefits to Indigenous peoples, local communities, and stakeholders
Fukushima No. 1 Factory	None applicable	None applicable	None applicable
Fukushima No. 2 Factory			
Aichi Factory			
Tokuyama Factory			
8 Suppliers	2 sites applicable	1 site applicable	None applicable

Identification of Priority Areas (Direct Operations, Value Chain Upstream Operations)

Based on the analysis obtained using the aforementioned analytical tools and databases, the following priority areas were identified.

■ Summary of Priority Areas

Production site name	Location	Identification of areas requiring attention			
		Areas of importance for biodiversity	Ecosystem integrity	Areas of high physical water risks	Provision of important ecosystem services
Fukushima No. 1 Factory	Koriyama City, Fukushima Prefecture	There are four production sites in Japan, and several IBAT indicators applied to all four. Accordingly, biodiversity is considered to be of high importance for these areas.	Not an area in which ecosystem integrity is high nor in which it is in rapid decline.	Not a high water risk area.	Not areas of importance for ecosystem service provision, including benefits to Indigenous peoples, local communities, and stakeholders
Fukushima No. 2 Factory	Tamura District, Fukushima Prefecture		Not an area in which ecosystem integrity is high but there is a possibility it is in rapid decline.		
Aichi Factory	Chita District, Aichi Prefecture		Not an area in which ecosystem integrity is high nor in which it is in rapid decline.		
Tokuyama Factory	Shunan City, Yamaguchi Prefecture		Not an area in which ecosystem integrity is high nor in which it is in rapid decline.		
Suppliers (upstream)	8 sites (worldwide)	Multiple IBAT analysis indicators applied to five of the eight suppliers. Accordingly, biodiversity is considered to be of high importance for these areas.	Ecosystem integrity is relatively high in the area of one of the eight suppliers, and another is not an area in which ecosystem integrity is high but there is a possibility it is in rapid decline.	Water stress applies to two of the eight suppliers and riverine flood risk applies to one supplier.	

Evaluate Phase: Identify and Evaluate Dependencies and Impacts on Nature

Identifying Dependencies and Impacts on Nature

To identify our nature-related dependencies and impacts, we conducted a survey using ENCORE*1 and aggregated the individual results using a heat map.

*1: ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure), a tool jointly developed by the Natural Capital Finance Alliance—a network of financial institutions–and the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). The tool provides a list of potential nature dependencies and impacts, flowcharts, and other information.

Evaluating Dependencies and Impacts on Nature

Based on the information (heat map) obtained using ENCORE, we evaluated our nature-related dependencies and impacts in our direct operations and value chain upstream operations (raw materials and fuels).

Regarding the degree of nature-related dependencies, all items were at or below medium for our direct operations and value chain upstream operations (raw materials), while “water purification” was high for value chain upstream operations (fuels).

Regarding the degree of nature-related impacts, “soil and water pollutants” and “disturbances (e.g., noise, light)” were particularly high and “non-GHG air pollutants” were high for our value chain upstream operations (fuel).

■ Dependencies Heatmap

VL Very low　L Low　M Medium　H High　VH Very high

Value chain	Nature-related dependencies													
	Supply services	Regulating and maintenance services												
	Water supply	Soil and sediment retention	Flood mitigation	Storm mitigation	Water flow regulation	Rainfall pattern regulation	Climate regulation	Local climate regulation	Purification	Water purification	Air filtration	Other services	Noise attenuation	Other regulating and maintenance services
Direct operations (production)	M	M	M	M	M	VL	VL	L	L	M	VL	L	VL	VL
Supply chain upstream (raw materials)	M	M	M	M	M	VL	VL	L	L	M	VL	L	VL	VL
Supply chain upstream (fuels)	L	M	M	M	M		VL	L	L	H	VL		VL	VL

■ Impact Heatmap

VL Very low　L Low　M Medium　H High　VH Very high

Value chain	Nature-related impacts						
	Climate change	Land use change	Pollution and removal of pollution				Resource use and replenishment
	GHG emissions	Use of terrestrial ecosystems	Non-GHG air pollutants	Soil and water pollutants	Solid waste	Disturbances (e.g., noise, light)	Volume of water use
Direct operations (production)	M	L	M	VH	M	VH	M
Supply chain upstream (raw materials)	M	L	M	VH	M	VH	M
Supply chain upstream (fuels)	M	L	H	VH	M	VH	L