Membership in the TNFD Forum

In August 2025, the TS TECH Group endorsed the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum, an international organization established to support the TNFD's activities.

We will assess the risks associated with the impact the Group's business activities have on nature and the resulting loss of natural resources. We will incorporate these findings into our management strategy and risk management, strive for appropriate disclosure, and collaborate with stakeholders to advance initiatives related to natural capital and biodiversity.

Natural Capital and Biodiversity Initiatives

The TS TECH Group has established 2030 targets for materiality (key issues) to realize a sustainable society. Regarding natural capital and biodiversity, we are implementing targets and measures focused on "resource circulation and effective utilization" and "coexistence with nature."

In recent years, it has become crucial to analyze and evaluate the dependence on and impact on nature associated with business activities and to take measures to prevent the loss of natural capital. The Group has also conducted a trial analysis and evaluation.

LEAP Approach

Based on the LEAP Approach*1 recommended by the TNFD, we conducted analyses related to "Locate" and "Evaluate."

Scoping: Select the scope of analysis

▼

Locate: Locate the interfaces with nature

▼

Evaluate: Evaluate dependencies and impact

▼

Assess: Assess risks and opportunities

▼

Prepare: Prepare to respond and report

*1 A methodology for companies to evaluate and manage their relationship with the natural environment, systematically organizing the steps to achieve nature-positive management

Scoping: Select the scope of analysis

For this analysis, the Group set its scope as its core businesses—automotive and motorcycle operations—based on the results of the ENCORE*2 assessment tool recommended by the TNFD for evaluating dependencies on and impacts to natural capital, as well as the scale of these operations.

In the value chain, we set the scope as steel and petroleum-derived plastics for key upstream raw materials, referencing the High Impact Commodity List published by the Science Based Targets Network (SBTN).

*2 A tool that visualizes potential dependencies on and impacts to nature

Locate: Locate the interfaces with nature

We identified priority areas*3 based on the location information of TS TECH Group's business sites.

For identification, we used the following assessment tools recommended by the TNFD.

*3 Areas with significant dependencies on or impact to natural capital as defined by the TNFD

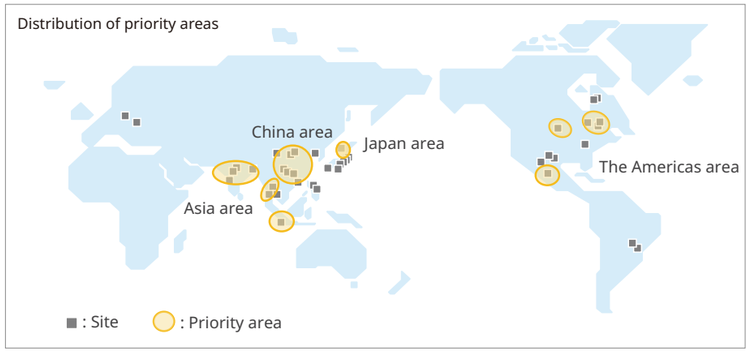
	Criteria for identification of priority areas	Assessment tool
1	Areas critical for biodiversity	■ WWF Biodiversity Risk Filter ■ STAR
2	Areas with high ecosystem intactness	■ Biodiversity Intactness Index
3	Areas experiencing rapid decline in ecosystem intactness	■ Ecoregion Intactness Index
4	Areas with high physical water risk	■ WWF Water Risk Filter
5	Areas where ecosystem service provision is important, including benefits to indigenous peoples, local communities, and stakeholders	■ Critical Natural Asset layers

<Assessment results>
Within the Group, we have identified 20 locations as priority areas.

Multiple areas were confirmed to be important for biodiversity or to have high physical water risks.

Regarding the upstream value chain, we will proceed with assessments to identify risks going forward.

Distribution of priority areas



Evaluate: Evaluate dependencies and impact

We assessed the Group's dependencies on and impact upon natural capital in upstream business activities within the value chain and organized the findings using a heat map. For the assessment, we used the TNFD-recommended tool ENCORE. Please note that our assessment results are based on the initial assessment conducted via ENCORE, with adjustments made to dependencies and impacts considering TS TECH's specific circumstances.

<Assessment results>
The Group analyzed dependencies and impacts separately for the automotive and motorcycle businesses. However, due to the similarity of their business processes, the assessment results were virtually identical.

Although the overall dependency level of the Group was found to be low, we confirmed that it has dependencies on functions such as water purification and flood mitigation.

Regarding impacts, while the negative impact was similarly small, we confirmed that there are impacts to the ecosystem in the category of "emissions of toxic pollutants to water and soil."

We recognized that upstream in the value chain (steel and plastics), both the degree of dependency on nature and the level of impact are generally higher compared to our Group's domain. This is because the most upstream processes for steel and plastics involve activities such as crude oil extraction and mineral resource mining. Regarding dependencies, we recognized that these processes heavily depend on "rainfall pattern regulation" and "water purification." Concerning impacts, we acknowledged that they significantly affect factors such as "emissions of toxic pollutants to water and soil."

Dependency/Impact

ENCORE assessment metrics

VH: Very high
H: High
M: Medium
L: Low
VL: Very low
—: No impact

Group evaluation results (Automotive business/Motorcycle business)

Dependency	Assessment
Water supply	L
Biomass provisioning	—
Global climate regulation services	VL
Rainfall pattern regulation	VL
Local climate regulation	L
Air filtration	VL
Soil and sediment retention	L
Solid waste remediation	L
Water purification	M
Water flow regulation	M
Flood mitigation	M
Storm mitigation	M
Noise attenuation	VL
Other regulating and maintenance services Dilution by atmosphere and ecosystems	L
Other regulating and maintenance services Mediation of sensory impacts	VL

Impact	Assessment
Area of land use	L
Area of freshwater use	—
Area of seabed use	—
Volume of water use	L
Other abiotic resource extraction	—
Emissions of GHG	VL
Emissions of non-GHG air pollutants	L
Emissions of toxic pollutants to water and soil	M
Emissions of nutrient pollutants to water and soil	—
Generation and release of solid waste	VL
Disturbance	M
Introduction of invasive species	—

Value chain upstream assessment results (Steel/Plastics)

Showing very high (VH) results in the ENCORE assessment metrics are excerpted below

	Dependencies	Impacts
Steel	• Rainfall pattern regulation • Water purification	• Emissions of toxic pollutants to water and soil • Generation and release of solid waste • Disturbance
Plastics	—	• Area of freshwater use • Area of seabed use • Emissions of solid, toxic pollutants to water and soil • Disturbance

Future Initiatives

We conducted a pilot analysis and evaluation focusing on the Group's automotive and motorcycle businesses, as well as upstream steel and plastics in the value chain. Through this analysis, 20 priority areas were identified within the Group.

In our assessment of dependencies and impacts, we confirmed that the TS TECH Group's manufacturing processes have low dependencies on ecosystem services and that any negative impacts are minimal. However, we believe it is important to continue striving to reduce environmental impacts. The Group is advancing initiatives such as introducing environmentally friendly equipment and improving production efficiency to achieve its long-term environmental goals for 2050. In addition to forest conservation activities at each site, we have also launched unique programs like the TS TECH Fund, driving progress toward "coexistence with nature." Going forward, we will advance our assessment of risks and opportunities based on the evaluation results obtained through this LEAP Approach and the Group's current initiatives, striving to further promote biodiversity and natural capital responses.

Green Ecosystem Conservation Activities

The TS TECH Group is implementing activities tailored to each region's characteristics to realize "coexistence with nature," a key materiality focus. We continuously implement environmental conservation activities such as tree planting, thinning, and land preparation at all Group sites, including overseas, contributing to the preservation of the global environment.

Tree planting activity at TS TECH (THAILAND) CO., LTD.

Since 2011, we have been continuously advancing tree-planting activities in collaboration with local communities, aiming to restore damaged natural environments and combat climate change. By fiscal 2025, we had planted 23,099 trees to expand green spaces.


Tree planting


Tree planting

Support Activities Aimed at Coexisting with Nature

With the goal of "coexistence with nature," the TS TECH Group operates the TS TECH Fund, a donation program for nature conservation organizations utilizing a matching gift system, We collect donations from officers and employees who support our activities, and the company matches these donations. This allows employees and the company to stand united in supporting nature conservation programs. For fiscal 2025, we made a donation to the Public Interest Incorporated Foundation The Nature Conservation Society of Japan. The donation will be used for activities including protecting endangered species and their habitats in Japan as well as initiatives for regional revitalization utilizing nature.

<Donation results for fiscal 2025>

Recipient	The Nature Conservation Society of Japan Public Interest Incorporated Foundation
Donation amount	3,965,600 yen

日本自然保護協会
The Nature Conservation Society of Japan