Related Material Issues
Environmental-conscious
management



At Aichi Tokei Denki, we aim to realize a decarbonized society and carbon neutrality in line with our environmental philosophy that states we will "undertake environment friendly business activities and contribute to society through products and business activities that are in harmony with the environment." At all stages of the product life cycle, we work to reduce the burden we place on the environment by not only curbing emissions of greenhouse gases (GHG) and compounds used in manufacturing activities that place a burden on the environment but also promoting product design that takes the 3Rs (reduce, reuse, and recycle) into consideration.

Initiatives to Reduce the Burden We Place on the Environment

Initiatives to become carbon neutral

Touting Carbon Neutral Challenge 2050, we are striving to curb GHG emissions and reduce the burden we place on the environment in collaboration with our whole supply chain in order to contribute to measures to combat global warming and realize a decarbonized society by 2050. One related initiative is introducing CO₂-free electricity* at our head office and manufacturing plants in Aichi Prefecture, which we started to do in April 2022. We will also give careful consideration to moving forward with energy-saving measures and introducing photovoltaic power generation equipment in order to reduce our CO₂ emissions.

* Fee structure for achieving net zero CO₂ emissions from electricity consumption through the use of non-fossil certificates that attest to the renewable energy source.

Curbing emissions in our supply chain

We are also actively working to reduce GHG emissions in our supply chain (Scope 3). In regard to purchasing category 1 materials and products, those that are used the most in the meter manufacturing business, we work to reduce the weight and size of products through product development and thus cut energy and material use.

We also provide products that can help users manage energy and prevent problems, such as equipment failures, using the product's measuring function.

Independent Evaluations

Since FY2018, we have been rated an energy efficient business (S class) for four consecutive years based on the Ministry of Economy, Trade and Industry's business classification evaluation system (SABC evaluation system), appearing in its regular reports stipulated by the Act on Rationalizing Energy Use. Furthermore, Nagoya City operates the Nagoya SDGs Green Partners program, which involves the registration and certification of businesses that independently and actively undertake SDG-related initiatives with a particular focus on the environment in their business activities, and our initiatives on several fronts,



including reducing GHG emissions at our head office and other offices, and corresponding results have won high praise, making it possible for the company to continue to be certified an "outstanding ecological business."



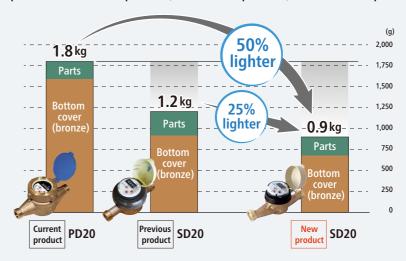
Introduction Aichi Tokei Denki Value Creation Strategy and Performance Sustainability

Environment-Friendly Manufacturing

Reducing the weight and size of water meters

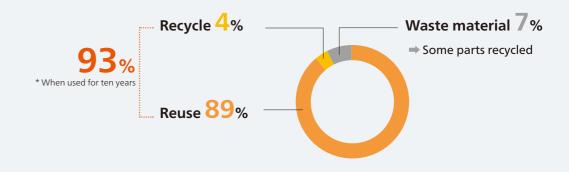
Water meters are certified for eight years according to laws and ordinance, and about 7.50 million water meters in Japan are replaced every year. We are working to reduce the weight and size of water meters, our core product, as one part of our effort to achieve Carbon Neutral Challenge 2050. Our SD series of local meters are 50% lighter than current ones, and our ER series of digital water meters are 45% lighter. These efforts contribute to not only reducing the use of Scope 3, Category 1 materials but also increasing the efficiency of transportation (Category 4 and 9) and use.

Compared to current PD20 products, former SD20 products, and new SD20S products



Reuse and recycling of gas meters

Small city gas meters are certified for 10 years, and when they are replaced, they are not disposed of but reused after exchanging nondurable parts and reinspecting them. By making them more durable through technical innovations related to industrial materials and improved design, we are able to achieve a reuse rate of 89% and recycling rate of 4%, which reduced the disposal rate to 7%. These initiatives target not only Scope 3 Category 1 materials but also contribute to a reduction in category 12 waste.



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