Fujitsu Components Group Environmental Report FY2022

The Fujitsu Components Group recognizes environmental management as one of the most important roles and contributes to build a sustainable society and participates in the global environmental conservation by striving to reduce harmful environmental impact generated by products or services offered throughout the business activities.

1. Greeting

The Fujitsu Components Group has been conducting activities to reduce the environmental impact since 1998. Theses activities are based on our principle "*We shall keep the best corporate activities while improving our coexistence with the environment*" .

The 2016 Paris Agreement accelerates the movement toward a carbon-free society. In addition, global momentum for the environment is growing, as the adoption of the Sustainable Development Goals (SDGs) in 2015 illustrates.

The Global Sustainable Development Report (GSDR) that the United Nations Economic and Social Council summarized in 2019 presents a framework which consists of five measures and six entry points to achieve the SDGs. It states that science and technology innovation is one of the measurements and ~~that~~ play an important role.

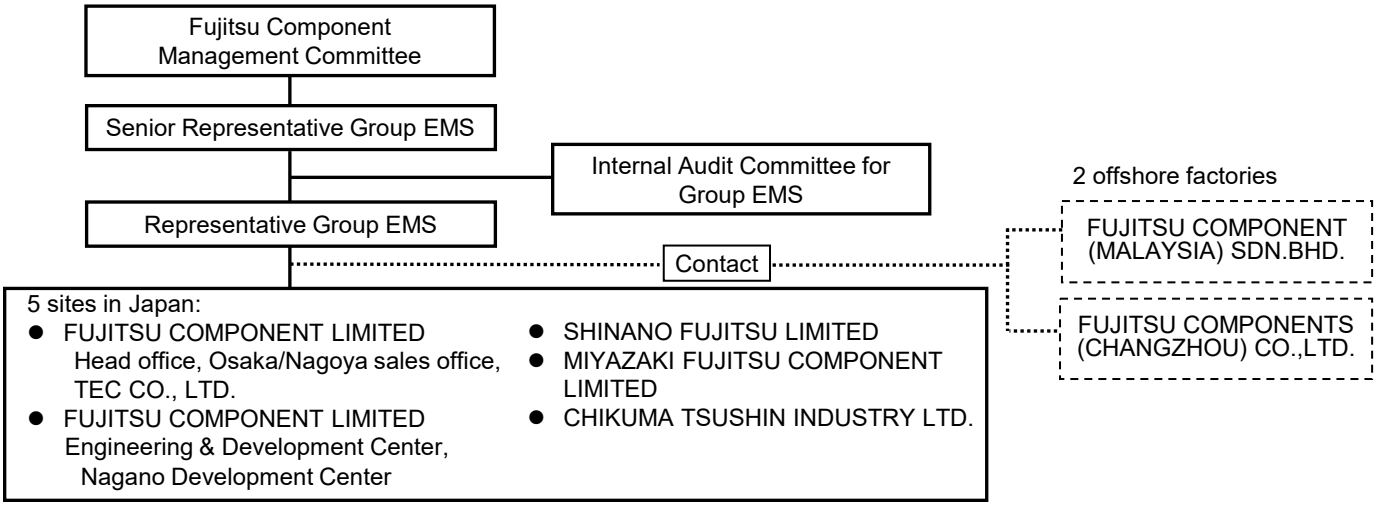
We also focus on developing products for applications that adhere to the SDGs guidelines. For example, EV/PHV and PV relays for 'affordable and clean energy', mesh network products for 'sustainable cities and communities'.

In addition, we constantly incorporate new technologies not only to develop products with excellent energy efficiency and resource efficiency, but also to reduce energy consumption in the manufacturing process, waste and the environmental impact.

The Fujitsu Components Group strives to realize a human and environmental friendly society through our products and other business and social activities both, in a direct and an indirect fashion.

Masahiro Kinoshita
President and Representative Corporate Officer

2. Organization for Environmental Activities



3. Group Profile

Head Office address	FUJITSU COMPONENT LIMITED Shinagawa Seaside Park Tower, 12-4, Higashi-shinagawa 4-chome, Shinagawa-ku, Tokyo 140-0002, Japan
President and Representative Corporate Officer	Masahiro Kinoshita
Founded	October 1, 2001
Main Business	Manufacturing and sales of relays, keyboards, touch panels, pointing devices, thermal printers, wireless modules, KVM solutions, cross technology products (unit products)
Capital	90 million yen
Capital surplus	12,810 million yen (as of March 29, 2021)
Sales	35.5 billion yen (consolidated FY2020)
Financial Year End	March 31
Employees	2,862 (consolidated as of March 31, 2022)
Group Composition	The Group is composed of total 13 companies; 5 Japanese companies including 1 sales company, and 8 overseas companies including 6 sales companies

4. Environmental Policy & Environmental Protection Program

■ Fujitsu Components Group Environmental Policy

Principle

The Fujitsu Components Group, recognizes the value and importance of protecting the global environment as one of the most important issues. Our environmental philosophy is: We shall adhere to the best corporate activities while improving our coexistence with the environment. As an enterprise that develops, designs, manufactures, and sells electrical components, we promote the Environmental Management System (EMS) in accordance with ISO14001 toward the realization of a prosperous society based on Sustainable Development Goals (SDGs).

Action Guidelines

•We recognize the global environment as one of the most important issues, and continuously improve our environmental management system through our activities, products and services.
•We work to realize a sustainable society through environmental activities for the next generation.
•We offer products that both help achieve business growth and protect the environment.
•We comply with the various environmental laws as they apply to our activities, products and services.
•We completely ban hazardous substances in our products and do not discharge any hazardous substances into the environment as specified by Fujitsu Components Group.
•Every employee shall strive to improve the environment including use of sustainable sources, climate control, and biodiversity conservation at work and at home and extend those activities to society.

Priority Items

We take on following priority items which pertaining to environmental aspect of our products and services.
1.Improvement of environmental value throughout product lifecycle
2.Promotion of social contribution activities
3.Improvement of energy consumption per unit
4.Improvement of waste emission per unit

Supplement

1.This policy is shared our employees, group members and all other parties concerned.
2.Our Analytical Engineering Department is responsible for the Environmental Policy.

April 1, 2022
Fujitsu Components Group EMS Management

5. The 8th Stage Group Environmental Protection Program (FY2019 to FY2021)

The 8th Stage of the Fujitsu Components Group Environmental Protection Program has been established. Detailed action plans to FY2022 have been provided and actual activities are under way.

Item	The 8th Stage Group Environmental Protection Program Goals	FY2021 Target	FY2021 Result	
Social contribution activities	Improvement of environmental value throughout product lifecycle at least 10 new eco-friendly products which satisfy (i) or (ii) have to be developed by end of FY2021. (i) Product to lead in energy-efficiency(*1) (ii) Product's resource efficiency(*2) is increased by 1% or more compared to those of FY2016-FY2018(*3)	3 products	3 products (FY2019 to FY2021 total: 11 products)	Done
	Promotion of social contribution activities Each employee shall contribute to the society to affluent and sustainable society. (i) Continuous cooperation with society (ii) Material support and other activities to resolve social/environmental issues such as biodiversity observation	36 activities	37 activities (FY2019 to FY2021 total: 110 activities)	Done
Own business activities	Reduction of greenhouse gas (GHG) emissions We will reduce 3,132t-CO_2(*4) by end of FY2021 by continuous energy saving activities.	779 t-CO_2 (*5)	983 t-CO_2 (FY2019 to FY2021 total: 4,042t-CO_2)	Done
	Improvement of energy efficiency We will improve specific energy consumption unit(*6) in facilities by an average of 1% per year.	See table-1		Done
	Control on waste emission We will reduce specific waste unit(*7) to less than FY2018 results by end of FY2021.	See table-2		Done

Table-1 Specific energy consumption unit FY2021 results

Site name	Calculation formula	FY2021 target (*8)	FY2021 result
FUJITSU COMPONENT	Energy consumption（kl） / Sales amount (million yen)	0.750	0.572
SHINANO FUJITSU	Energy consumption（kl） / Sales amount (10 million yen)	1.400	1.320
MIYAZAKI FUJITSU COMPONENTS	Energy consumption（kl） / Production quantity (Kpcs)	0.0138	0.0138

Table-2 Specific waste unit FY2021 improvement results

Site name	Calculation formula	FY2021 target (FY2018 result)	FY2021 result
FUJITSU COMPONENT	Waste amount（kg） / Sales amount (million yen)	88.7 (*9)	85.5
SHINANNO FUJITSU	Waste amount（kg） / Sales amount (million yen)	22.3	18.1
CHIKUMA TSUSHIN	Waste amount（kg） / Production quantity（million pcs）	55.0 (*10)	54.1

*1 :The products meet the criteria which is ranked at the top level in the market, including leading products (world-first, industry-first, world-best, industry –best) in energy efficiency.
*2: Improvement of product's resources (smaller, lighter, thinner, reducing number of parts) or resource circulation (reducing waste amount, recycle capability).
*3: Conditions were revised based on development plan.
*4: 15% of FY2018 CO_2 emission (20,870t-CO_2) in the 3 years (average 5% per year).
*5: FY2021 target was revised from 912t-CO_2 to 779t-CO_2 based on FY2019 and FY2020 results.
*6: Specific energy consumption unit = energy consumption amount (Kl crude oil equivalent) / production amount (industrial output amount or quantity)
*7: Specific waste unit = waste emission amount (t) / production amount (industrial output amount or quantity)
*8: FY2021 target was revised based on production situation.
*9: FY2020 target was changed from 66.9 to 88.7 since some materials are no longer counted as resources due to changes in world affairs.
*10: Target was changed due to temporary waste increase due to equipment malfunction.

6 . The 9th Stage Group Environmental Protection Program (FY2022 to FY2024)

The 9th Stage of the Fujitsu Components Group Environmental Protection Program has been established. The program includes activities to reduce greenhouse gas CO_2 emissions that is integrated with measures to improve unit energy consumption.

Item	The 9th Stage Group Environmental Protection Program Goals	FY2022 Target
Social contribution activities	Improvement of environmental value throughout production life cycle 10 or more products which satisfy one of below to be developed by end of FY2024. (1) Product to lead in energy-efficiency (*1) (2) Product's resource efficiency (*2) is increased by 1% or more (3) Development of new technology leading to improvement of energy or resource efficiency (4) Product's energy or resources efficiency is increased by improving manufacturing processes	3 products
	Promotion of social contribution activities Promote activities to solve social and environmental issues.	27 activities
Own business activities	Improvement of energy efficiency Based on the Energy Conservation Act, we will improve specific energy consumption unit in facilities by an average of 1% per year from the average of the last 5 years results.(*3)	See table-1
	Control on waste emission We will reduce specific waste unit to less than the average for the last five years. (*4)	See table-2

Table-1 Specific energy consumption unit FY2022 targets

Site name	Calculation formula	FY2022 target (*5)
FUJITSU COMPONENT	Energy consumption (t-CO_2) / Sales amount (million yen)	0.884
SHINANO FUJITSU	Energy consumption (t-CO_2) / Sales amount (10 million yen)	2.611
CHIKUMA TSUSHIN	Energy consumption (t-CO_2) / Production quantity (million pcs)	1.138
MIYAZAKI FUJITSU COMPONENTS	Energy consumption (t-CO_2) / Production quantity (thousand pcs)	0.0187

Table-2 Specific waste unit FY2022 targets

Site name	Calculation formula	FY2022 target (*5)
FUJITSU COMPONENT	Waste amount (kg) / Sales amount (million yen)	82.7
SHINANO FUJITSU	Waste amount (kg) / Sales amount (million yen)	20.0
CHIKUMA TSUSHIN	Waste amount (kg) / Production quantity (million pcs)	48.9
MIYAZAKI FUJITSU COMPONENTS	Waste amount (kg) / Production quantity (million pcs)	365.9

*1 :The products meet the criteria which is ranked at the top level in the market, including leading products (world-first, industry-first, world-best, industry –best) in energy efficiency.
*2: Improvement of product's resources (smaller, lighter, thinner, reducing number of parts) or resource circulation (reducing waste amount, recycle capability).
*3: Specific energy consumption unit = energy consumption amount (Kl crude oil equivalent) / production amount (industrial output amount or quantity)
CO_2 conversion factor shall be the latest one published under the Energy Conservation Act.
*4: Specific waste unit = waste emission amount (t) / production amount (industrial output amount or quantity)
*5: Target was calculated based on the average of the last five years.

7. Environmental Activities

Development of Eco-friendly Products

We strive to develop and offer eco-friendly products which improve the environment and commercial aspects.

Highlights of New Developments

Wireless module

KVM solutions

Improvements	Products	Details of improvement	Improvement ratio (compared to our conventional products)
Energy efficiency	Keyboard	Reduced the manufacturing process by changing to laser printing on keytop. (For specific customers)	74% reduction in power consumption
Resource efficiency	Wireless module	Reduced use of resource by downsizing (FWM8BLZ09)	83% reduction in weight
	KVM Solution	Reduced resource by packing specification of AC adopter's plastic bag.	100% reduction

Status of Social Contribution Activities

Each site engages in social contributions, not only our employees but also their family members participate, for biodiversity conservation and engaging with local communities. Those activities are expanding year by year and are thoroughly acknowledged as wonderful activities among neighbors.

Major Activities

Head office (Shinagawa, Tokyo)
Donation of contact lens case

Engineering & Development Center (Suzaka, Nagano)
Selling vegetables for school children that they have grown

Shinano Fujitsu (Iiyam, Nagano)
Cleaning up around the factory

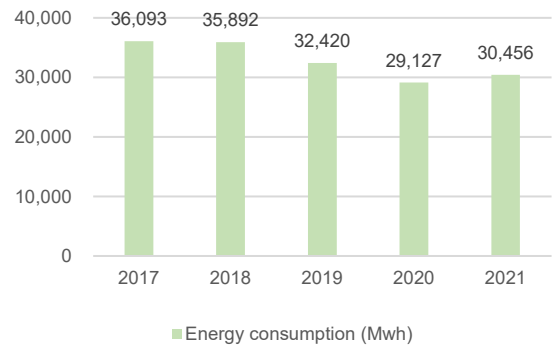
Miyazaki
Fujitsu Components (Nichinan, Miyazaki)
Cleaning up around the factory

Chikuma Tsushin (Saku, Nagano)
Cleaning up around the factory

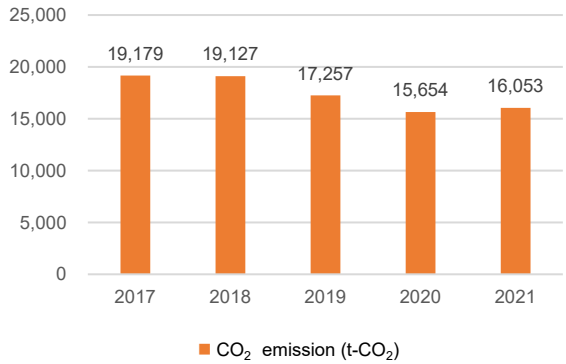
■ Global Warming Prevention Activities (Reduction of Energy Origin CO_2, Improvement of Energy Efficiency)

To reduce CO_2 emissions, we have focused on improving the energy efficiency.
Each site has been working on to reduce electricity consumption, usage of use of a heavy oil), LPG, etc.
We are considering switching to renewable energy.

■ Transition of total energy consumption amount

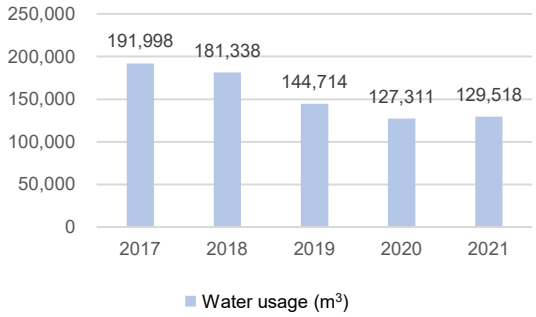


■ Transition of CO_2 Emission (*1)



*1: CO_2 conversion factor was changed

■ Transition of water usage



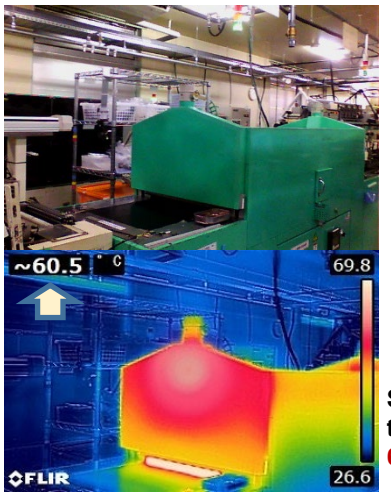
Topic

【Improvement of energy efficiency】

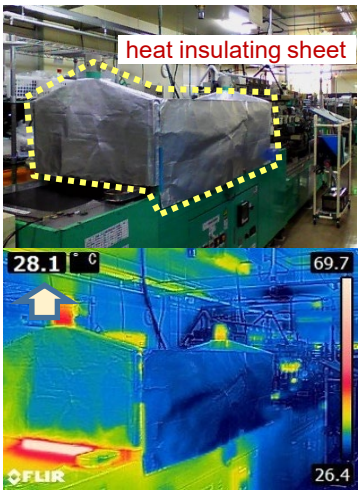
Reduction of CO_2 emissions by insulating the heat-generating part of the drying furnace

We organized an Energy Saving Working Group that consists of members from 4 sites in Japan. The group had been working continuously to improve energy efficiency and reduction of CO_2 emissions.

In FY2021, we applied a heat insulating sheet to the drying furnace in the manufacturing process to improve the drying furnace heater's efficiency. We also improved the indoor cooling efficiency to reduce power consumption. This has resulted in a reduction of 11,745 kWh (6.7t-CO_2) in the year.



Surface temperature 60.5℃

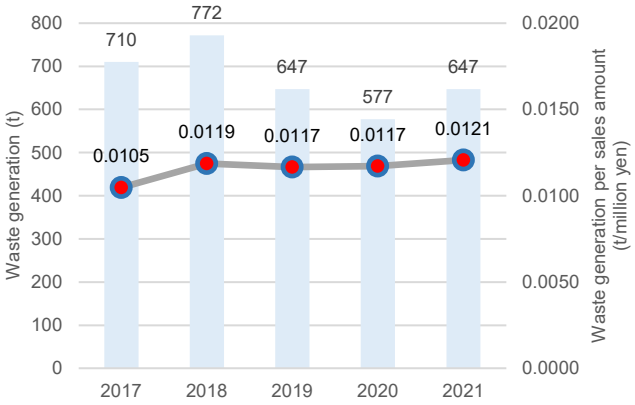


Surface temperature 28.1℃

Industrial Waste Reduction Management

Every worker in the group recognizes the importance of the 3Rs (Reuse, Reduce and Recycle) and engages in waste separation. We have been working on the reduction of environmental loads by minimizing the waste and promoting its recycling or reuse.

■ Transition of industrial waste reduction



8. Chemical Substances Contained in Products

Management of Chemical Substances Contained in Products

All materials are purchased under the Common Environmental Purchasing Specifications, and Fujitsu Components Group specified banned materials are checked by certification of compliance and chemSHERPA (*1) . Phthalic acid ester, which was added under the revised European RoHS directive, is analyzed by Gas Chromatograph Mass Spectrometry and other methods inside our company. In addition, we have established a management system for pollution control in production sites and suppliers and check products' compliance.

*1: A scheme that facilitates sharing information on chemical substances in products conducted by Ministry of Economy, Trade and Industry. (Abbreviation of Chemical Information Sharing and Exchange under Reporting Partnership in supply chain).

Green Procurement

We ask all supply partners to build an environmental management system as well as prevention of global warming and biodiversity program to further the reduction of the environmental impact throughout the supply chain.

9. Actions to High Risk Minerals

The Fujitsu Components Group promotes the investigation of the High Risk Minerals in line with OECD Due Diligence Guidance. We use the 'Responsible Materials Initiative (RMI) for conflict minerals and cobalt' reporting template for these investigations. We will continue the activities to smelting manufacturers and to improve transparency of supply chain to provide reliable information for the customers.

10. Third Party Evaluation

ISO14001: 2015

Fujitsu Components Group has started activities under ISO14001: 2015 in FY2016. We have passed the migration examination in FY2017 and have received the certifications after that.

EcoVadis Sustainability Evaluation

We have been awarded a Silver rating with an overall score of 56 points for sustainability performance in an assessment conducted by EcoVadis (Headquarters: France) in 2021.
It was rated an exceptional 80 points in the Environment category.

Contact

FUJITSU COMPONENT LIMITED Engineering & Development Center
Business Planning Section (Sustainable team), Business Promotion Division
Address: 1174 Suzaka, Suzaka-shi, Nagano-ken, 382-0076 Japan
E-mail: fcl-contact@cs.fcl-components.com

FUJITSU COMPONENT LIMITED

Shinagawa Seaside Park Tower
12-4 Higashi-shinagawa 4 chome,
Shinagawa-ku, Tokyo 140-0002

Published by: Business Planning Section, Business Promotion Division
Edited by: Marketing Section, Thermal Printers/Wireless Module Division
Published on August 29, 2022
Period of report April 1, 2021 to March 31, 2022 (including FY2022 plans)