

Fujitsu Components Group Environmental Report FY2023

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

Environmental philosophies such as the Paris Agreement, which came into effect in 2016, and the Sustainable Development Goals (SDGs) adopted in 2015, have spread widely around the world, and the movement toward environmental conservation has been accelerating.

In Japan, the Ministry of Economy, Trade and Industry has established the concept of Green Transformation (GX). It requires each company to set their own targets for reducing greenhouse gas emissions, disclose the details of their efforts to achieve these targets, actively encourage their supply chain to achieve carbon neutrality, and lead the "greening of the market."

At Fujitsu Components Group, we have been implementing activities to reduce environmental impact based on the philosophy of "caring for the environment and conducting better corporate activities" since 1998. In addition to reducing greenhouse gas emissions, we are also actively working to reduce electricity and water usage, minimize industrial waste, and promote environmental sustainability throughout our supply chain in collaboration with our business partners.

While promoting the introduction of green products to the market, such as relays for electric and plug-in hybrid vehicles to facilitate access to clean energy, and mesh network products for infrastructure development that create a foundation for industrial and technological innovation, we contribute to the "greening of the market" through scientific and technological innovation in collaboration with our customers.

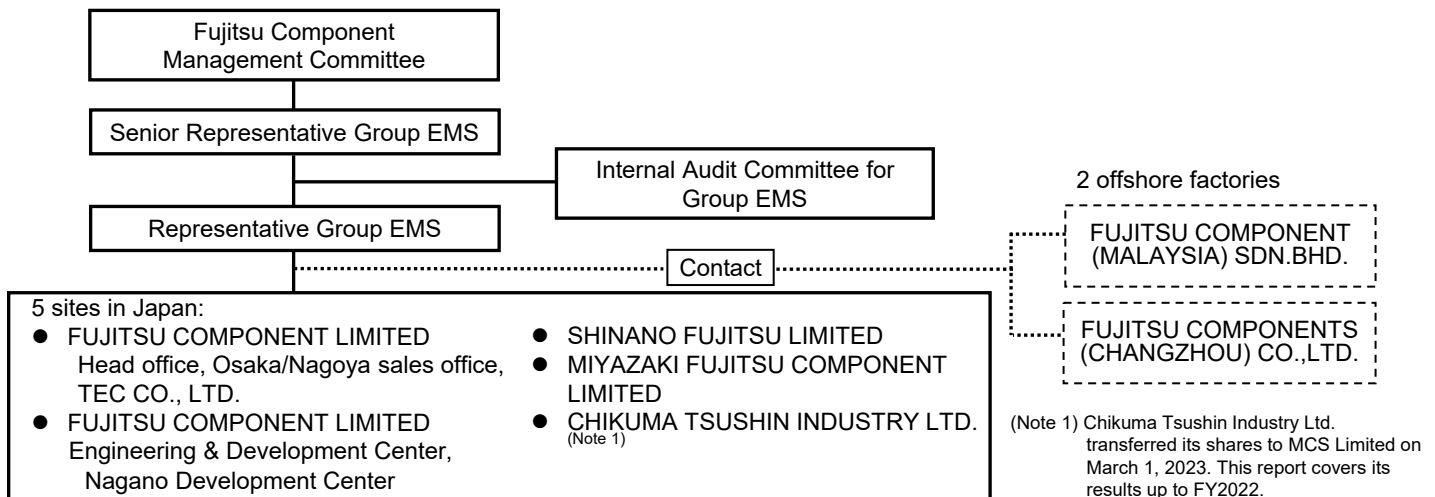
In addition to our business activities, we actively engage in social contribution initiatives, foster coexistence with local communities, and strive for biodiversity conservation. Our goal is to directly or indirectly contribute to the realization of a society that is environmentally friendly and beneficial to both people and the natural world.



Shinji Yamamoto
President and Representative
Corporate Officer



2. Organization for Environmental Activities



(Note 1) Chikuma Tsushin Industry Ltd. transferred its shares to MCS Limited on March 1, 2023. This report covers its results up to FY2022.

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	Shinji Yamamoto
Founded	October 1, 2001
Main Business	Manufacturing and sales of relays, keyboards, touch panels, thermal printers, wireless modules, KVM solutions, cross technology products (unit products)
Capital	90 million yen
Capital surplus	12,810 million yen (as of March 30, 2023)
Financial Year End	March 31
Employees	2,215 (consolidated as of March 31, 2023)
Group Composition	The Group is composed of total 10 companies; 3 Japanese companies including 1 sales company, and 7 overseas companies including 5 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, promotion of carbon neutrality for 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, 2023
Fujitsu Components Group EMS Management

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

The Fujitsu Components Group has established the 9th Stage of its Environmental Protection Program and has commenced activities accordingly. However, in FY2022, Miyazaki Fujitsu Components did not achieve the specific energy consumption energy efficiency target due to changes in the production plan at the beginning of the fiscal year, prompted by shifts in market trends.

Item	The 9 th Stage Group Environmental Protection Program Goals	FY2022		
		Target	Result	
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	3 products	Done
	Promotion of social contribution activities Promote activities to solve social and environmental issues.	27 activities	29 activities	Done
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		Partly done
	Control on waste emission We will reduce specific waste unit to less than the average for the last five years. ^(*4)	See table-2		Done

Table-1 Specific energy consumption unit FY2022 targets and results

Site name	Calculation formula	FY2022 target ^(Note 5)	FY2022 result	
FUJITSU COMPONENT	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Sales amount (million yen)}}$	0.997 ^(Note 6)	0.893	Done
SHINANO FUJITSU	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Sales amount (10 million yen)}}$	2.611	1.836	Done
MIYAZAKI FUJITSU COMPONENTS	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Production quantity (thousand pcs)}}$	0.0187	0.0204	Undone
CHIKUMA TSUSHIN	$\frac{\text{Energy consumption (t-CO}_2\text{)}}{\text{Production quantity (million pcs)}}$	1.138	0.945	Done

Table-2 Specific waste unit FY2022 targets and results

Site name	Calculation formula	FY2022 target ^(Note 5)	FY2022 result	
FUJITSU COMPONENT	$\frac{\text{Waste amount (kg)}}{\text{Sales amount (million yen)}}$	82.7	76.7	Done
SHINANO FUJITSU	$\frac{\text{Waste amount (kg)}}{\text{Sales amount (million yen)}}$	20.0	15.4	Done
MIYAZAKI FUJITSU COMPONENTS	$\frac{\text{Waste amount (kg)}}{\text{Production quantity (million pcs)}}$	365.9	294.1	Done
CHIKUMA TSUSHIN	$\frac{\text{Waste amount (kg)}}{\text{Production quantity (million pcs)}}$	48.9	47.3	Done

*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). CO₂ 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.

*6: Planned values were reviewed during the period.

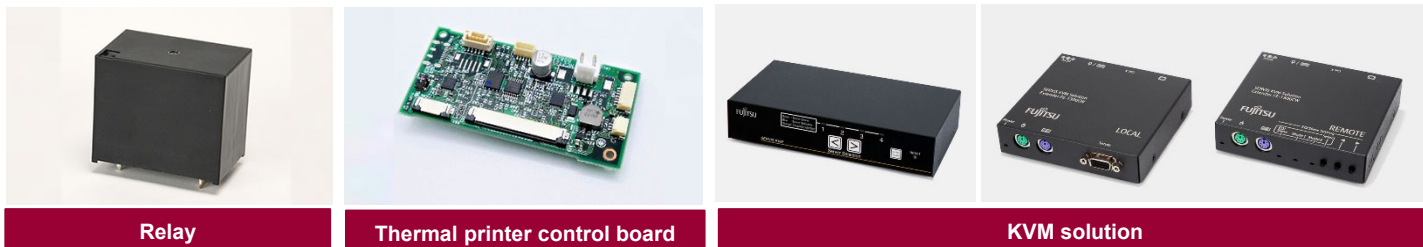
6. Environmental Activities

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



Improvements	Products	Details of improvement	Improvement ratio (compared to our conventional products)
Energy efficiency	Relay	Power saving by increasing the current capacity (FTR-H1-HC relay)	50% reduction in power consumption
Resource efficiency	Thermal printer	Resource reduction by reducing the size of the components (Control board: FTP-62GDSL2XX)	11% reduction in weight
	KVM solution	Resource reduction by packing method of AC adapter (Elimination of plastic bags)	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)
Cleaning up around the factory



Shinano Fujitsu (Iiyam, Nagano)
Extermination of alien plants



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



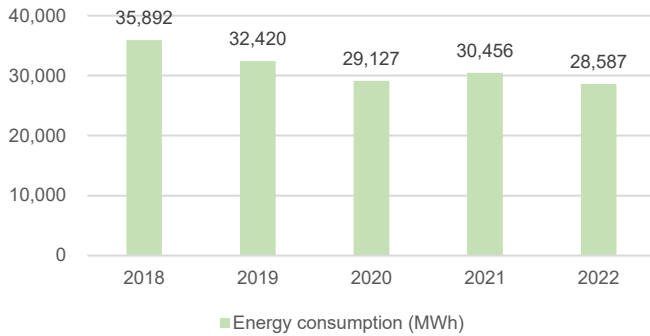
Chikuma Tsushin (Saku, Nagano)
Cleaning up around the factory

■ **Global Warming Prevention Activities (Reduction of Energy Origin CO₂, Improvement of Energy Efficiency)**

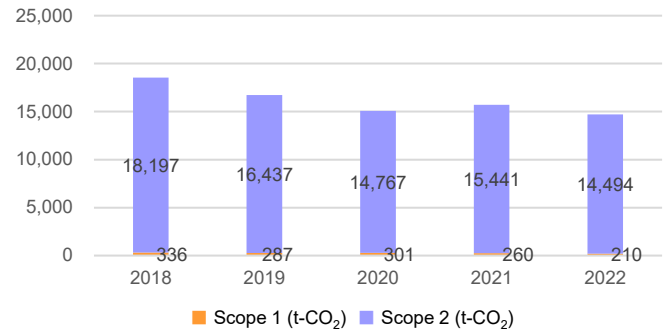
To reduce CO₂ emissions, we have focused on improving the energy efficiency. Each site has been working on to reduce electricity consumption, usage of use of “A heavy oil”), LPG, etc. We are considering switching to renewable energy.



■ **Transition of total energy consumption amount**

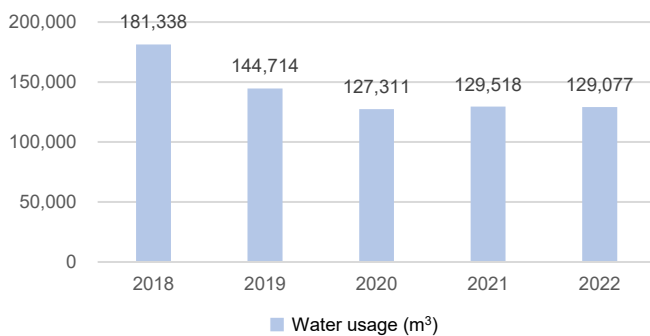


■ **Transition of CO₂ Emission**



Scope 1: Direct emissions by own company emissions
 Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by external companies

■ **Transition of water usage**

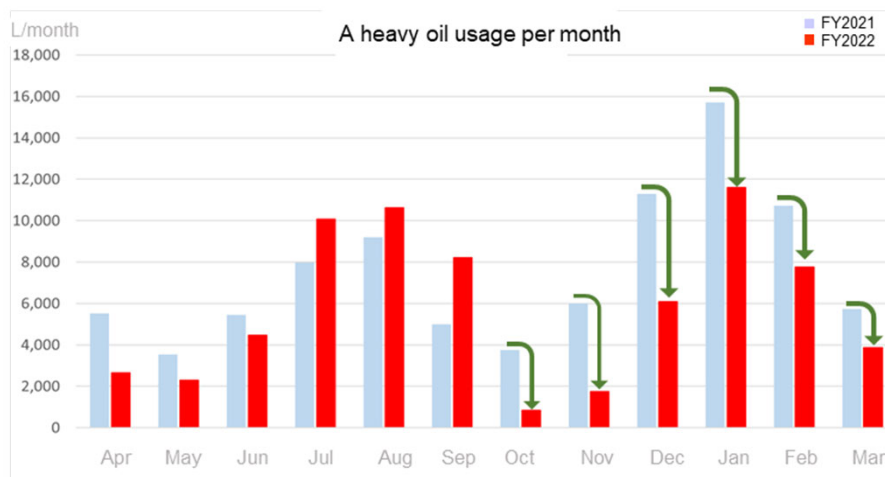


Topic

Enhancing Energy Efficiency: Reducing CO₂ Emissions through Fine-Tuned Air Conditioning Operations Aligned with Factory Processes

We have established an Energy Conservation Promotion Working Group, comprising representatives from three domestic sites, and have been actively engaged in activities to reduce CO₂ emissions by improving energy usage efficiency.

In FY2022, we closely monitored and managed the operation of clean room air conditioning and boilers in line with the manufacturing plants' operations. We focused on reducing the use of “A heavy oil,” particularly during winter. This resulted in a reduction of 21,295 liters (15.7 t-CO₂).

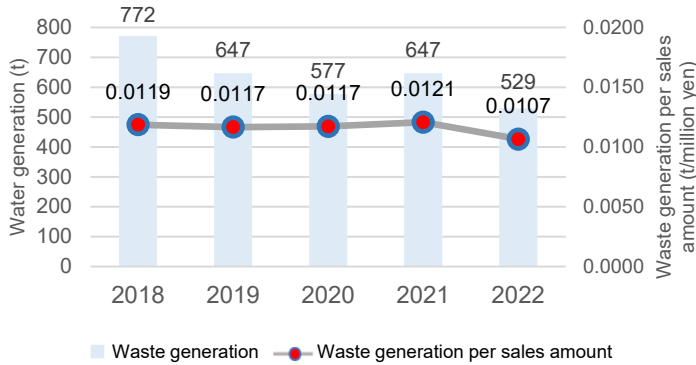


■ Managing Industrial Waste Reduction and Promoting Circular Economy Initiatives

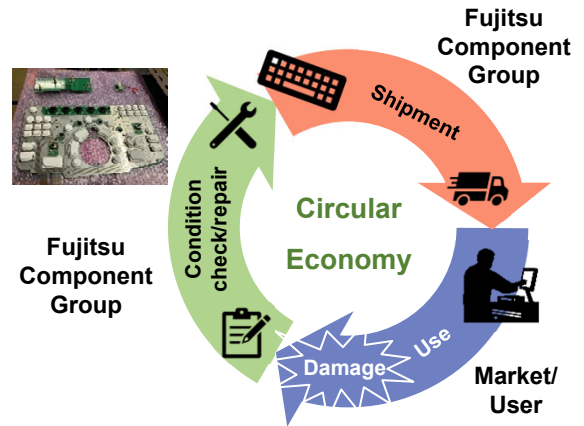


This initiative focuses on the implementation of the 3Rs (Reuse, Reduce, and Recycle) principles, waste separation, and the promotion of recycling and reuse practices among all workers. By minimizing waste and fostering its recycling or reuse, the aim is to reduce environmental impact. Furthermore, repair services for keyboards, thermal printers, and KVM solutions are offered at the Shinano Fujitsu Repair Center, contributing to a circular economy by enabling long-term product use.

■ Transition of industrial waste reduction



■ Long-term use of products through repair service



Circular economy through long-term use of products by repairing products that have failed or deteriorated by aging in the market

7. 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 ^(*). 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).

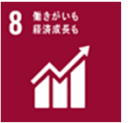


■ Green Procurement

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.

8. Actions to High Risk Minerals

The Fujitsu Components Group promotes the investigation of the High Risk Minerals (Note 1) 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.



(Note 1) Investigate and identify tantalum, tin, gold, tungsten, cobalt and mica.

9. Third Party Evaluation

■ ISO14001: 2015

Fujitsu Components Group has started activities under ISO14001: 2015 in FY2016.



■ EcoVadis Sustainability Evaluation

We have been awarded a Silver rating in an assessment conducted by EcoVadis (Headquarters: France).

It was rated an exceptional 80 points in the Environment category.



■ Contact

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