Environmental Conservation Activities

Strategy

Risks

- Costs increase due to rising temperatures, rising sea levels, heavy rains, and other effects of climate change.
- Operations stoppages, including in supply chains, occur due to the effects of climate change.
- Energy costs increase as the proportion of renewable energy rises with efforts to achieve carbon neutrality.
- Material resource costs increase due to natural resource depletion.

Response to risks

- Build environmental management framework and maintain ISO 14001 certification.
- Promote BCP readiness and build BCM framework.
- Set environmental targets, increase ratio of renewable energy, and reduce greenhouse gas emissions.
- Make efficient use of natural resources by developing products with new materials.

Opportunities

- Pioneer new markets with product development that supports sustainable societies.
- Contribute to a recycling-oriented society by promoting circular economies.
- Contribute to the sustainability of local communities and society.

Indicators and Targets

Prioritized theme: Measures to address climate change

Medium- to long-term target	FY2023 result
■ **Contributing to carbon neutrality**	Adoption of renewable energy FY2023: 7,515 MWh (12.7% of energy use)

Prioritized theme: Contributing to the realization and development of a sustainable society

Medium- to long-term target	FY2023 result
■ **Collaboration with stakeholders**	Conduct environmental surveys of suppliers Gain understanding of status of environmental activities Number of suppliers surveyed: 158

Protecting the Global Environment

Basic Concept

As a member of the Fujitsu Group, the FDK Group recognizes the need for action toward the realization of an independently sustainable and recycling-oriented society with initiatives toward environmental conservation that follow the business activities of the company, which include not only legal compliance in each country and region, greenhouse gas reduction, waste reduction, and thorough management of chemical substances, but also the reduction of our environmental impact through the products that FDK provides. FDK established the FDK Group Occupational Health, Safety, and Environmental Policy to promote even more robust Group-wide environmental management.

Basic Policy based on the FDK Group Occupational Health, Safety, and Environmental Policy

1. Through discussion and full participation of workers, we are building and continuously improving occupational health, safety, and environment management systems, and working to prevent occupational accidents, illnesses, and environmental pollution.
2. We comply with laws and regulations related to occupational health, safety, and environmental factors, and requests from local communities, public organizations, customers, and other groups to which we agree. Furthermore, we also set and comply with our own voluntary standards.
3. We have formulated an action plan based on the major themes described below. The goal is to establish safe and comfortable workplace environments, from where we can contribute to society and the environment with our products and services while making effective use of limited energy resources. In addition, we will periodically review this action plan and continuously improve our occupational health, safety, and environmental performance.
   (1) Established zero-danger workplaces
   (2) Pursue the creation of clean and comfortable workplace environments
   (3) Encourage health management
   (4) Promote material procurement and facility design that consider health and safety
   (5) Pursue business activities aimed at a recycling-oriented society
   (6) Pursue R&D and product design that consider the environment
4. Through training and education activities, we work to elevate health, safety and environmental awareness among all employees, engage in 5S activities, eliminate traffic accidents during work hours and while commuting, and prepare for and respond to emergency situations. We also work to implement behaviors that consider the global environment.
5. We proactively disclose information and engage in dialogue in order to maintain good communication with stakeholders, including local communities, public organizations, and customers.

ISO 14001 Certification Status

FDK CORPORATION
- Head Office, Kosai Plant, Washizu Plant, Takasaki Plant, Tottori Plant
- Sales offices: Tokyo Metropolitan Area, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka, Okinawa Sales Center

Domestic group companies
- FDK ENGINEERING CO., LTD.
- FDK PARTNERS CORPORATION

Overseas group companies
- FUCHI ELECTRONICS CO., LTD. (Taiwan)
- XIAMEN FDK CORPORATION (Xiamen, China)
- BAOTOU FDK CO., LTD. (Baotou, China)

Our Plan for Carbon Neutrality

The Fujitsu Group's environmental vision sets a target of zero CO_2 emissions by 2030. In addition, as part of the RE100 (an international initiative that aims for companies to supply 100% of the electricity used in their business activities from renewable energy sources), the company has set a target of supplying at least 50% of the electricity used in its business activities with renewable energy sources by 2025, and 100% by 2030. The FDK Group will continue to work towards carbon neutrality in line with Fujitsu's company-wide goals. In FY2023, 12.7% of the electricity used by the entire FDK Group was from renewable energy sources.

Green Procurement

The FDK Group considers how to improve global environmental problems and is working to contribute to the sustainable development of society by conducting business activities that consider the environmental burden and supply environmentally friendly products. As part of these efforts, it is essential that the products we procure from our suppliers are also environmentally friendly, and we have summarized this idea in the FDK Group Green Procurement Standards.

In order to coexist with the global environment and manufacture products that work in harmony with it, the FDK Group is conducting Green Procurement, which takes into account environmental aspects in addition to the aspects of quality, cost, delivery, and service that we have traditionally pursued.

* FDK Group Green Procurement Standards, Version 9.0 (https://www.fdk.co.jp/kankyou/green_proc.html)

Environmental Conservation Activities

FDK Group Occupational Health, Safety, and Environmental Policy

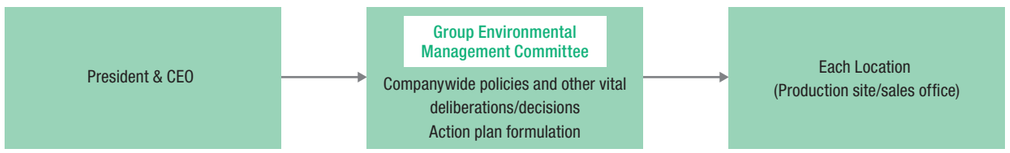
<Basic Philosophy>

We respect and value the life and dignity of every individual. In addition, as a Smart Energy Partner that assembles advanced technologies, we would like our customers to best utilize electric energy in a safe and efficient manner, and we hope to contribute to the materialization and development of a sustainable society.

We protect the health and safety of every person who works at FDK and will pass down a beautiful global environment rich with nature to the next generation.

In the development, design, manufacture, and sales of materials and parts related to batteries and electronics, and the associated products and various manufacturing equipment, we will make safety our first priority and work with the participation and input of all employees to create comfortable workplaces, promote mental and physical health, and protect the environment.

FDK Group Environmental Management Framework



Basic Concept

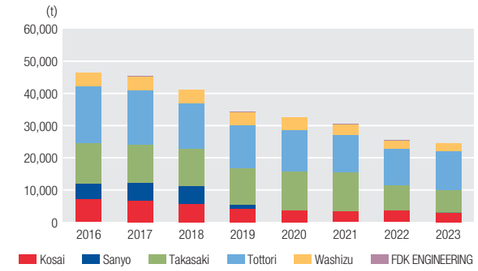
The FDK Group has formulated a plan that conforms to the Fujitsu Group Environmental Action Plan and it has been promoting environmental initiatives. Through these policies and targets, the FDK Group will contribute to reducing the environmental impact of customers and society while striving to reduce the environment impact of the FDK Group by strategically and continuously expanding environmental conservation activities to all FDK business regions. Results for FY2023 are as below.

FDK Group 11th Environmental Action Plan FY2023 Achievements

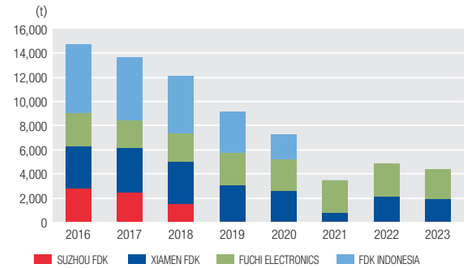
Item	FY2023 Action Plan	Overall Evaluation (✓ or X)
Environmentally conscious design	Develop products that contribute to resource conservation (at least one at each site)	✓
	Develop products that contribute to improved resource efficiency (at least one at each site)	✓
Reduction of greenhouse gases	Limit overall CO_2 emissions from energy consumption at the whole FDK Group in Japan to 30,189 tons or less*1	✓
Energy efficiency	Improve energy consumption by 1% compared to the previous year at each site using the energy consumption intensity as an indicator.	✓
Adoption of renewable energy	Adopt 40% renewable energy across the FDK Group by FY2030 (equivalent to 12% of FY2023 target)	✓
Reduction of chemical substances	Improve emissions of PRTR substances used at each site by 8% by the end of FY2023 compared to FY2015, using emissions intensity as an indicator.	✓
Reduction of waste	Improve the amount of waste generated by 8% compared to fiscal 2015 at each site by the end of fiscal 2023, using the basic unit of waste generation as an indicator.	✓
Conservation of water resources	Assessment of current state of water consumption	✓
Local environmental efforts and social contribution	Conduct at least 24 initiatives a year toward local environmental efforts and social contribution activities throughout the FDK Group	✓

*1 Calculated as the total of Scope 1 and market-based Scope 2, according to the GHG Protocol

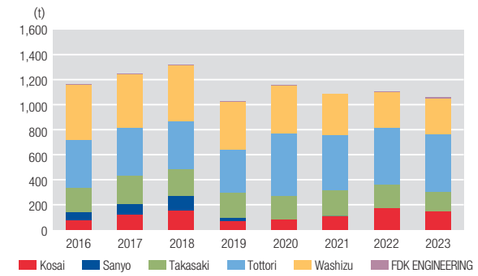
Change in CO_2 Emissions (Domestic plants and manufacturing affiliates) FY2016 to FY2023



Change in CO_2 Emissions (Overseas manufacturing affiliates) FY2016 to FY2023

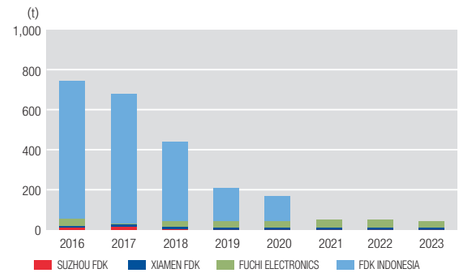


Change in Amount of Waste (Domestic plants and manufacturing affiliates) FY2016 to FY2023



The data for Sanyo is current as of June 2019.

Change in Amount of Waste (Overseas manufacturing affiliates) FY2016 to FY2023



The data for SUZHOU FDK is current as of September 2018.
The data for FDK INDONESIA is current as of September 2020.

Environmental Performance Data by Business Site (Plants and manufacturing affiliates)

Items / Unit	FY	Kosai Plant	Takasaki Plant	Tottori Plant	Washizu Plant	FDK ENGINEERING	XIAMEN FDK CORPORATION	FUCHI ELECTRONICS CO., LTD.
CO_2 emissions ($t\text{-}CO_2$)	2023	2,918	7,022	12,062	2,400	116	1,864	2,510
	Previous fiscal year	3,486	7,919	11,395	2,512	119	2,067	2,765
Water usage (m^3)	2023	38,189	20,993	62,058	27,026	457	13,953	10,324
	Previous fiscal year	50,453	21,212	67,876	35,010	425	15,783	68,672
PRTR chemical emissions (kg)	2023	0	3	0	0	—	—	—
	Previous fiscal year	0	0	0	0	—	—	—
NOx emissions (kg)	2023	0	—	422	—	—	—	—
	Previous fiscal year	61	—	787	—	—	—	—
Soot (measured density) (g/Nm^3)	2023	—	—	—	—	—	—	—
	Previous fiscal year	—	—	<0.001	—	—	—	—
Waste water (m^3)	2023	38,189	20,156	34,581	27,026	457	11,162	10,324
	Previous fiscal year	50,453	20,254	34,016	35,010	425	12,626	68,672
Waste (t)	2023	146	154	465	279	14	11	32
	Previous fiscal year	170	189	456	281	7	10	41

* "—" indicates items that are not subject to aggregation, are not applicable/available, or were not measured during the fiscal year in question because they are only required to be measured every other year.
* CO_2 emissions were calculated as the total of Scope 1 and Scope 2, according to the GHG Protocol. The factors for conversion from purchased electricity have been changed and are now calculated as market-based factors domestically and as 0.57 tons of CO_2 per megawatt-hour overseas. Amounts corresponding to purchased non-fossil fuel energy certificates (solar) have been subtracted from CO_2 emissions.
XIAMEN FDK CORPORATION: 2,650 MWh (FY2021); Takasaki Plant: 5,000 MWh (FY2022), 7,515 MWh (FY2023)
* Sites where operations were stopped or the business was sold have been excluded from the above.