

Contributing to a Decarbonized Society

Addressing Climate Change as a Corporate Social Responsibility



At Fujikura Kasei, we recognize our responsibility to address climate change as a management issue and engage in assessing greenhouse gas emissions from throughout our supply chain. We also strive to ensure proper disclosure in line with the international reporting framework of the Task Force on Climate-related Financial Disclosures (TCFD) while making an active contribution to reducing greenhouse gases.

The climate change issue and our responsibility

Responding to global-scale climate change is one of the goals of the Sustainable Development Goals (SDGs) which is being addressed throughout the world since the Paris Agreement entered into force in November 2016. In October 2020, Japan pledged to achieve carbon neutrality by 2050, and responding to climate change has thereafter taken on increasing importance. For our part, we are taking initiatives to reduce greenhouse gas emissions based on the awareness that we have an

important social responsibility as a company to address climate change. As we have reported in our CSR Reports, we have heretofore kept on top of CO₂ emissions from our business activities pursuant to the Act on Promotion of Global Warming Countermeasures. We have also made ongoing efforts to promote the efficient utilization and reduction of fuels and electricity based on the Eco Vision medium to long-term environmental targets we have established independently.

Calculating and assessing greenhouse gases within the entire supply chain (FY2022 Scopes 1, 2, and 3 calculation results)

The GHG Protocol provides international standards for calculating and reporting emissions of CO₂ and other greenhouse gases. It emphasizes emissions (indirect emissions) in the entire supply chain, from upstream to downstream, and sets forth standards by which they should

be calculated and reported (see Table 1). At Fujikura Kasei, we have conventionally been calculating direct emissions of greenhouse gases from our company, but we are now also calculating emissions from our entire supply chain, to stay on top of the situation.

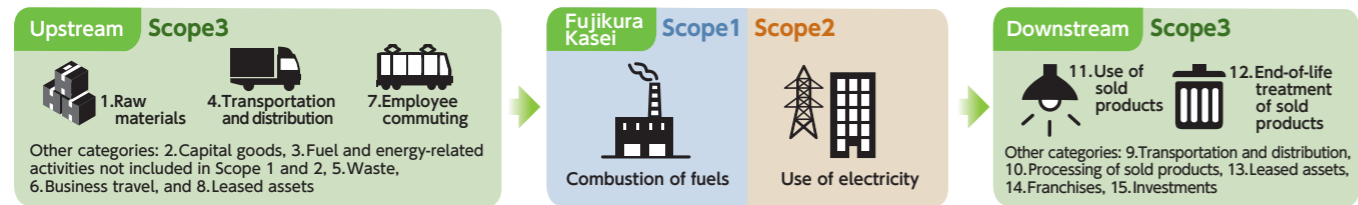
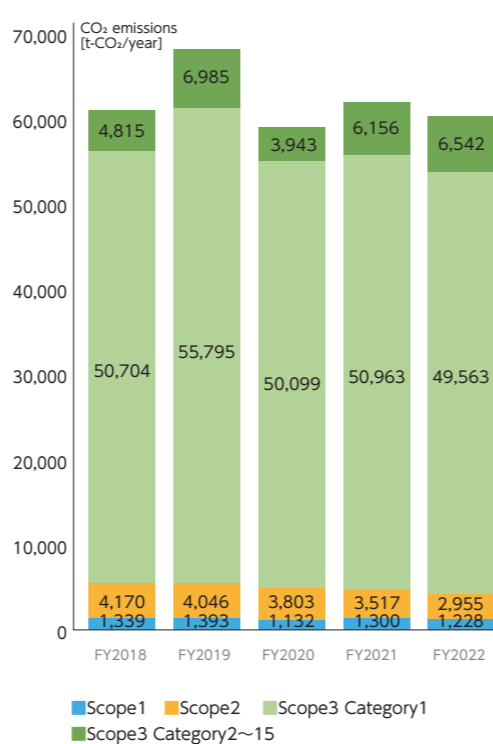


Table 1. Greenhouse gas calculation method for the entire supply chain

Category and calculation method	
Scope 1	
Direct emissions	Amount of fuel purchased × emission intensity
Scope 2	
Energy-derived indirect emissions	Amount of electricity purchased × emission intensity
Scope 3 Category	
1. Purchased goods and services	Amount of raw material purchased × emission intensity from IDEA ver.3.2
2. Capital goods	Amount of capital investment × MoE's database for chemical products
3. Fuel and energy-related activities not included in Scope 1 and 2	Amount of fuel purchased × emission intensity from MoE database Amount of electricity purchased × emission intensity from MoE database
4. Upstream transportation and distribution	MoE database transportation ton/km method, procurement, conveyance, goods distribution arranged by us as shipper
5. Waste generated in operations	Amount and type of waste × emission intensity from MoE database
6. Business travel	Number of employees × emission intensity from MoE database
7. Employee commuting	Number of employees × emission intensity from MoE database for the city classification for each office
8. Upstream leased assets	None
9. Downstream transportation and distribution	MoE database transportation ton/km method, goods distribution arranged by customer as shipper
10. Processing of sold products 11. Use of sold products 12. End-of-life treatment of sold products	Not included in calculation this time
13. Downstream leased assets 14. Franchises 15. Investments	None

CO₂ emissions throughout our supply chain



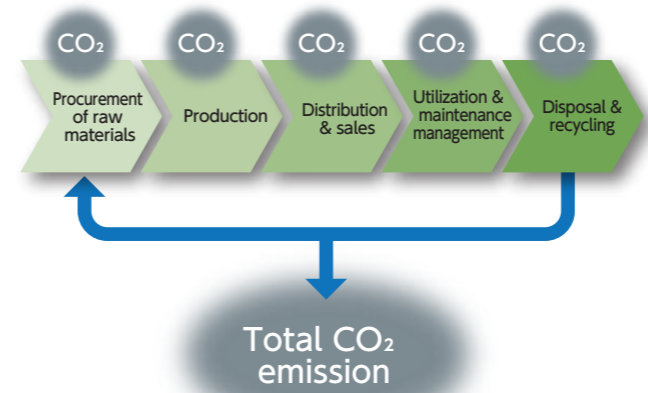
IDEA is a Life Cycle Inventory database developed to simulate environmental impacts of all Japanese businesses based on national statistics.

Calculating carbon footprint

Definition of carbon footprint

Carbon footprint is defined as "the amount of greenhouse gas emissions associated with a particular product or system calculated according to a Life Cycle Assessment of impacts on climate change, minus amounts that have been removed or absorbed, and converted to CO₂ equivalent emissions."

It is an indicator of the total amount of greenhouse gases emitted from each stage of a product's life cycle, from the procurement of raw materials to production, distribution & sales, utilization & maintenance management, and disposal & recycling of the product, minus amounts that have been removed or absorbed. (Cited from Ministry of Economy, Trade and Industry, "Carbon Footprint Report")



Method of calculating carbon footprint (policy adopted by Fujikura Kasei)

At Fujikura Kasei, carbon footprint is calculated according to the following policy.

Scope 1, Scope 2

- Manufacturing: By categorizing into more than ten product categories based on the manufacturing process similarity
- R&D Center & headquarters offices: By dividing total CO₂ emission by the number of personnel in each department

Scope 3 Category 1

- By multiplying the formulation ratio of raw materials in a product by the primary data from the raw material manufacturer or a database value (IDEA ver.3.2)

Scope 3 Categories 3 to 5

- By allocating CO₂ emissions to each department according to their production volume, etc.

Scope of calculating carbon footprint (policy adopted by Fujikura Kasei)

As a manufacturer of intermediate materials, Fujikura Kasei adopts the "Cradle to Gate" concept with regard to the scope of carbon footprint calculation.

The scope of calculation is based on the Pathfinder Framework issued by the World Business Council for Sustainable Development (WBCSD).

Carbon footprint reporting forms

Amid an acceleration of initiatives to reduce greenhouse gases, customer demand for reports concerning product CO₂ emissions is increasing.

At Fujikura Kasei, we have established reporting forms so we may respond precisely and promptly to diverse requests from our customers. They include the "Report on calculation of Scope 1, Scope 2 CO₂ emissions in product manufacturing" and "Carbon footprint calculation report."



Creating new value from climate change measures

At Fujikura Kasei, we recognize our responsibility to address climate change as a management issue. In May 2023, we expressed our agreement with the Task Force on Climate-related Financial Disclosures (TCFD) and conducted a stand-alone scenario analysis based on TCFD recommendations. (See p. 37 for details)

In addition to pursuing the reduction of greenhouse gases

associated with our products, we also seek to contribute to reducing greenhouse gases by working together with our customers so our products may be applied to new technologies and new fields. By taking climate change measures as an opportunity to create innovative value, we will promote proactive R&D and innovation efforts and aim to realize a sustainable society.