



Responses to Climate Change

(Disclosure based on TCFD Recommendations)



Fujikura Kasei identifies climate change as one of its priority issues and has expressed its agreement with the Task Force on Climate-Related Financial Disclosures (TCFD) in May 2023. Going forward, we will analyze and assess the impacts of climate change on our business activities in line with TCFD recommendations and formulate measures based on multiple scenarios. Furthermore, we will endeavor to strengthen the resilience of our businesses and disclose our initiatives to all stakeholders.

Governance

We will establish a framework to ensure that important resolutions concerning climate change are discussed and decided on as management issues by the Sustainability Committee, which is chaired by the president, and by the Board of Managing Directors. Also under this framework, all resolutions will be properly supervised and monitored by the Board of Directors. Specific responses and initiatives will be discussed by the Sustainability Committee, and the content of these discussions will be reported to the Board of Directors at least once a year. The sustainability committee composed of full-time directors, shall convene twice a year or more, as necessary.

Strategy

We have analyzed scenarios based on TCFD recommendations and conducted a business impact assessment (Fujikura Kasei non-consolidated) of risks and opportunities that have been identified, in light of the world outlook if temperatures were to increase by 1.5°C and 4°C.

Overview and responses to the risks and opportunities of climate change on Fujikura Kasei

Category	Subcategory	Business impact	Assessment
Transition risks	Policies & regulations	<ul style="list-style-type: none"> Increase in expenses in proportion to the amount of greenhouse gases emitted from our offices, due to the government's carbon pricing system and promotion of the introduction of the emissions trading system Increase in expenses for switching to higher efficiency facilities and devices and making capital investments, when energy conservation and renewable energy regulations are strengthened 	Large
	Technologies & markets	<ul style="list-style-type: none"> Weakening of brand strength as a result of a delay in responding to decarbonization Increase in expenses caused by an increase in the prices of petrochemical raw materials, etc. Possible decrease of customer transactions and switches to competitor company products in the event that environmental consideration is insufficient 	Large
	Reputation	<ul style="list-style-type: none"> Increase in the cost of capital procurement in the event that environmental consideration and environmental information disclosure are insufficient 	Medium
Physical risks	Acute	<ul style="list-style-type: none"> Direct damage and corresponding costs from a disruption of the supply chain or destruction of the company's production sites in the face of increasing natural disasters, and spreading of their impact on sales opportunity losses 	Large
	Chronic	<ul style="list-style-type: none"> Increased costs due to an increase in the usage of air-conditioning facilities in plants and offices Increased risks of accidents in handling dangerous articles due to a rise in temperature Increased health risks among workers 	Large
Opportunities	Resource efficiency	<ul style="list-style-type: none"> Increase in demand for recyclable products Development of products using recycled raw materials 	Large
	Energy sources	<ul style="list-style-type: none"> Decrease in the cost of procuring renewable energy Effective utilization of waste heat 	Large
	Products/services	<ul style="list-style-type: none"> Expanded sales by achieving differentiation and enhanced brand strength with products that are process-saving, energy-saving, and low energy consuming Increase in demand for our company's products owing to the dissemination of decarbonization technologies and products in sectors such as the mobility, residential, infrastructure, and IT sectors 	Large
	Markets	<ul style="list-style-type: none"> Enhanced corporate value as a result of pursuing eco friendliness and environmental information disclosure Decrease in capital procurement cost 	Medium
	Resilience	<ul style="list-style-type: none"> Stable supply of products owing to a diversification of raw materials Differentiation by strengthening business continuation measures 	Medium

Risk management

Risks that may hinder our business activities and necessary measures against such risks will be discussed and examined by the Sustainability Committee. Risks and opportunities associated with climate change will be identified by the committee and addressed by the entire company.

Metrics and targets

Greenhouse gas emissions by Fujikura Kasei (non-consolidated) in fiscal 2022 came to Scope 1: 1,228t/year, Scope 2: 2,955t/year, and Scope 3: 56,105t/year. Our target toward reducing environmental burden associated with our business activities is to reduce Scope 1 and Scope 2 CO₂ emissions by 41% (compared to FY2013) by fiscal 2030.