

FDK Group Green Procurement Standards



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Version 9.0

FDK Corporation Ltd.

General Affairs and Personnel Resources Department (Environment)

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1. Introduction

Under the slogan *FDK Group Loves Nature for the Future of the Earth*, FDK Group ensures environmental conservation is one of its organization's top advocacy priorities with the intent of preserving the beauty of nature worldwide for future generations. This unwavering commitment to planet Earth is reflected in the heart of our business transactions and ingenuity of our products.

FDK Group's Eleventh Environmental Action Plan for 2023 and 2024 incorporates environmentally sustainable goals throughout our organization. With this plan, we systematically and continuously develop activities across all business areas that strive to reduce our own environmental impact as well as the environmental impact of our customers and society.

FDK Group's approach to green procurement in its procurement activities is summarized in FDK Group Green Procurement Standards, and we ask our valued business partners to comply with these standards. Our promise is to promote procurement activities based on these standards and continue to fulfill our social responsibility for preserving nature's precious environment everywhere in the world.

FDK Group's environmental activities and green procurement

Even before obtaining ISO 14001 certification, FDK Group had been thinking about industrial pollution prevention and the improvement of global environmental issues. Since obtaining ISO 14001 certification, our business activities further consider reducing negative environmental impacts by formulating an environmental action plan and developing an environmental management program that aim to fulfill our corporate social responsibilities and contribute to the sustainable development of an environmentally-friendly society.

Because of our strong belief to procure environmentally-friendly products manufactured from likeminded environmentally-conscious business partners, we expect our valued business partners to comply with FDK Group Green Procurement Standards. FDK Group asks our suppliers to build an environmental management system that serves as the foundation for environmentally-friendly activities, to manage designated chemical substances responsibly, and to build a management system that ensures these environmentally-conscious values are upheld.

FDK Group will promote procurement activities based on these climate-friendly standards and will continue to promote environmental activities that contribute to the sustainable development of society.

We appreciate the mutual understanding and continued cooperation of our dedicated business partners.

2. FDK Group Environmental Charter

As a member of Fujitsu Group, FDK Group not only complies with national and local laws and regulations, reduces greenhouse gas emissions, reduces waste, and thoroughly manages chemical substances, but we also provide environmental protection initiatives associated with corporate business activities. FDK Group recognizes that we must proactively act to realize a sustainable recycling society from a global perspective by reducing the environmental impact of our products.

In order to promote more reliable environmentally-friendly management company-wide, we have established the following charter that includes the mission of FDK Group:

FDK Group Environmental Policy

FDK Group has established a slogan based on the following environmental philosophy and will promote sustainable environmental management.

Philosophy

FDK Group, as a Smart Energy Partner, assemble advanced technologies, would like our customers to best utilize electric energy in a safe and efficient manner, and contribute to materialization and development of sustainable society.

In addition, in order to ensure the preservation of nature's rich and beautiful environment worldwide for generations to come, FDK Group will protect the environment through fair corporate activities that comply with environmental laws and norms. We will continue to promote initiatives with this vision as a basis for future innovations.

FDK Group Slogan

"FDK Group Cares about Nature and Safeguards our Planet"

Revised: May 2020

3. Purpose of creating green procurement standards

FDK Group recognizes its coexistence with the global environment and creates products that are in harmony with the environment in addition to our traditional focus on quality, cost, delivery, and service. We promote green procurement, which is procurement that evaluates environmental aspects before purchasing.

These standards were created for the purpose of presenting FDK Group's basic philosophy regarding green purchasing and the specific details we ask from our valued business partners.

FDK Group will give priority to purchasing products from suppliers who are likeminded and comply with our green procurement standards. We request that our valued business partners understand the purpose of our mission and cooperate accordingly.

4. Scope of application of green procurement standards

These standards apply to the following procured items of FDK Group companies and their valued business partners:

1) Target procurement items

This includes materials, parts, units, accessories, packaging materials, products, etc.

Please note that this does not include equipment, jigs, tools, software/services, OA equipment, stationery, consumables, services, etc. used within FDK Group.

2) Target business partners

Our green procurement standard applies to those who deliver the above-mentioned target procured items, hereinafter referred to as 'procured items', and applies to a large number of valued business partners.

5. Green procurement requirements

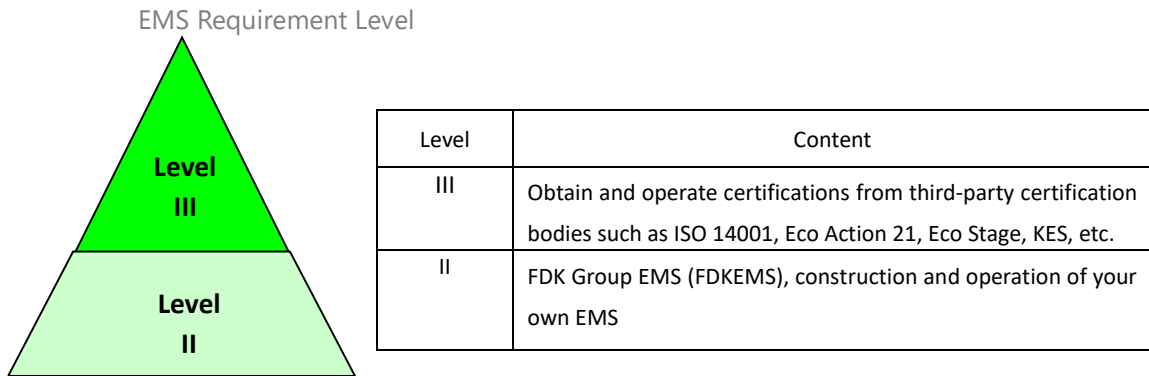
In order for FDK Group to contribute to the sustainable development of society by providing environmentally-friendly products, there are three green procurement requirements shown in the table below that we ask our valued business partners to observe.

We will make it a priority to procure deliverables that satisfy all three green procurement requirements and, in doing so, we will confirm compliancy before the initiation of all new deals.

| | Requirements |
|---|---|
| 1 | Building an environmental management system (EMS). |
| 2 | Complying with the management standards for chemical substances contained in FDK Group. |
| 3 | Establishing a management system for chemical substances contained in products. |

1) Building an environmental management system (EMS)

To our valued business partners, FDK Group asks that you build an environmental management system (EMS). The final goal of the EMS you build is to obtain third-party certification such as ISO14001. We ask our dedicated business partners who manufacture procured items used in FDK Group products to have an EMS construction Level II or higher.



We believe building an EMS that continuously runs the **PDCA cycle** is the foundation for properly responding to all environmental issues, both in terms of awareness and action.

PDCA: Plan (set necessary objectives and processes) → Do (implement and operate) → Check (report results) → Action (reassess plans)

The EMS that we will build includes the following:

- ① ISO 14001
- ② EMS certified by a third party other than ISO 14001
 - Eco Action 21, Eco Stage, KES, Michinoku EMS, etc.
- ③ FDKEMS (a simple environmental management system for FDK Group)
- ④ A second-party certified EMS other than the above or a supplier's own EMS that has self-declared conformance.

Note: Third-party certification is certification by a non-interested group/organization (certification body)

Second-party authentication: Authentication by an interested group or organization such as a customer

2) Compliance with the management standards for chemical substances contained in the FDK Group

FDK Group has specified substances that are prohibited from being included in procured products in the FDK

Group Specified Chemical Substance List. We ask our valued business partners to comply with these management standards and ensure that prohibited substances are not included in procured products.

The contents of this management standard may be updated from time to time. Additions and changes may be made with written notice from FDK Group.

Please obtain FDK Group's designated chemical substance list by clicking on the following URL and check management standards:

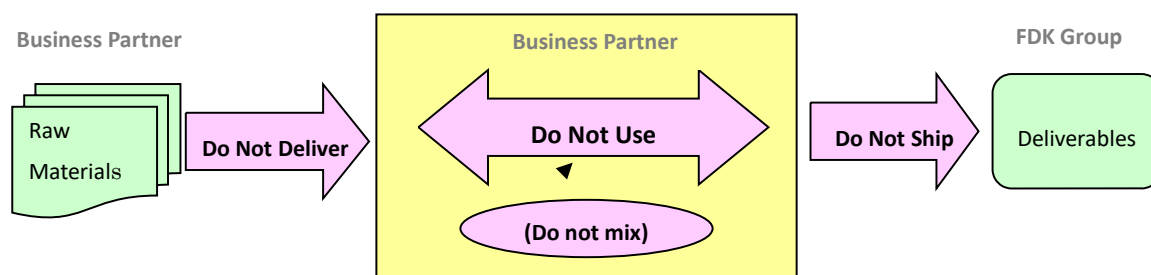
http://www.fdk.co.jp/kankyogreen_proc.html

3) Establishment of a management system for chemical substances contained in products

FDK Group will notify our valued business partners of prohibited chemical substances. We ask that you manage your products ensuring they do not contain prohibited chemical substances.

- a) To ensure exclusion, management based on the following three principles is important:

Do Not Deliver, Do Not Use, and Do Not Ship.



- b) The specific management details requested by FDK Group are based on Guidelines for the Management of Chemical Substances in Products¹ published by the Joint Article Management Promotion Council (JAMP). FDK Group uses the chemical substance management system audit check sheet created with reference to the basic contents of the Management Guidelines for Chemical Substances in Products to check the status of establishment and operation of the management system for chemical substances in products of our valued business partners.

In addition, at our customers' request, we are permitted to use a list of action items and a check sheet in accordance with JAMP's guidelines for managing chemical substances in products.

¹ The guidelines can be downloaded by clicking on the following link provided by JAMP: <https://chemsherpa.net/docs/guidelines>

6. Green procurement documents to be submitted and confirmation period

Please refer to the Manual for Investigation of Chemical Substances Contained in Products for the documents to be submitted and the confirmation period.

Please check the investigation manual for chemical substances contained in products, required documents, etc. by clicking on the following URL: https://www.fdk.co.jp/kankyoun/green_proc.html

7. Other Considerations

In order for FDK Group to contribute to the sustainable development of society by providing environmentally-friendly products, we require our valued business partners to manufacture products based on the responsibilities of business operators under the Basic Environment Act and the Act on Promotion of Global Warming Countermeasures.

We ask that you also consider the following regarding business activities such as sales:

1) Consideration for overall business activities

- ① Strive to reduce environmental impact and preserve the environment.
- ② Comply with laws and regulations, prevent pollution, and properly preserve the natural environment.
- ③ Use raw materials, parts, and services that reduce environmental impact.
- ④ Strive to reduce greenhouse gas emissions (including contributing to the reduction of greenhouse gas emissions by others).

2) Implementation of product environmental assessment for procured items

a. Consideration for resource conservation

- ① Consider miniaturization and weight reduction to reduce volume and weight.
- ② Consider improved performance to upgrade quality and extend service life.

b. Consideration for recycling

- ① Use fewer types of plastic materials. Unify if possible.
- ② Use easily recyclable plastic materials. If possible, avoid thermoset plastics and use the following recommended general-purpose plastics:
 - Polyethylene (PE)
 - Polystyrene (PS)
 - Polypropylene (PP)
 - Acrylonitrile butadiene styrene (ABS)
- ③ The plastic materials used are labeled in accordance with JIS or ISO standards.
- ④ Use returnable boxes or reusable packaging for transporting procured items.

c. Consideration for ease of processing and disposal

- ① Unless it is necessary to make disassembly difficult, the design should be such that it can be easily dismantled using common tools.
- ② Composite materials should not be used if possible.
- ③ Avoid using polyvinyl chloride as much as possible, considering its safety when incinerated.
- ④ During disposal, reduce environmental impact such as chemical elution, air pollution, water pollution, and oil pollution.

d. Consideration for energy conservation

- ① Reduce power consumption during operation and standby as much as possible.
- ② If possible, have power saving functions.
- ③ Consideration will be given to energy conservation during manufacturing.
- ④ Consider energy conservation, including transportation distance and means of transportation.
- ⑤ Consider energy conservation (CO₂ reduction) throughout the life cycle.

3) Consideration for CO₂ emission control/reduction

- ① Understand the significance of CO₂ emission control/reduction and express your intention as a company to address this issue.
- ② Based on your company's CO₂ emissions, work towards numerical targets that clearly define the activity period, target value, and target of activities (company-wide, each site, etc.).
- ③ In addition to in-house efforts, we will encourage upstream CO₂ emissions control/reduction in the supply chain and collaborate with external organizations on studies.

4) Consideration for biodiversity conservation

- ① We understand the significance of biodiversity conservation and express our intention to work towards it as a company.
- ② Establish a company-wide activity organization with responsible management. Based on this, we will carry out company-wide initiatives, initiatives for each site, and initiatives for each department regarding biodiversity conservation.
- ③ In addition to in-house initiatives, we will encourage biodiversity conservation activities upstream in the supply chain and collaborate in review work with external organizations.

5) Consideration for water resources, etc.

- ① Understand the significance of reducing water resources, etc., and express your intention to tackle this as a company.
- ② To reduce water consumption, we will work to conserve water in toilets, recycle industrial water/tap water, and utilize rainwater.
- ③ To prevent water pollution, we will purify factory wastewater and conduct regular water quality tests.
- ④ Carry out cleaning activities of rivers, lakes, etc. Participate in forest conservation activities.

6) Notification of changes in procured items and abnormalities

a. Reporting and disclosing

If you discover any of the following changes or situations in procured items, please contact us immediately and provide us with information:

- ① Raw materials used are changed.
- ② Discovery of chemical substances contained in the product differing from what is described in the submitted documents.
- ③ In the event that a violation of environmental laws and regulations or an environmental risk occurs.

b. Advance change application and change notification

If you discover any of the following changes or detect in procured items, please submit a change application form in advance and contact us immediately:

- ① Changes in the construction status of the environmental management system. Please disclose and provide information on the changes.
- ② Changes in 4M. Please disclose and provide the change information.

Revision History

| Date | Edition | Main Revision Details |
|-------------------|-------------------------|--|
| January 15, 2024 | Version 9.0 | <ul style="list-style-type: none"> Review of the department issuing this standard. Contained chemical substance management standards; added text regarding additions and changes to the content. |
| November 15, 2023 | Version 8.0 | <ul style="list-style-type: none"> Established FDK Group 11th Environmental Action Plan. Department name change (SCM Department → Purchasing and Logistics Support Department). |
| May 15, 2020 | Version 7.0 | <ul style="list-style-type: none"> Revised FDK Group Environmental Charter. Added reference to the product chemical substance investigation manual for green procurement submission documents and confirmation period, including the download address. Changed name of department in charge. |
| February 1, 2017 | Version 6.0 | <ul style="list-style-type: none"> Document number changed from FDK-E37-01. Established FDK Group 8th Environmental Action Plan. Name changed to FDK Group Environmental Charter Changed the environmental survey form for business partners to the Fujitsu Group 8th Survey Form. Changed to include the survey of chemical substances contained, JAMP information transmission sheet, and FDK Chemical Substance Survey Form. |
| April 1, 2015 | Version 5.0 | <ul style="list-style-type: none"> Changed due to revision of contained chemical substance management standards. Added FDK Group environmental status survey form. |
| June 11, 2013 | Version 4.3 | <ul style="list-style-type: none"> Changed to 7th FDK Group Environmental Action Plan from FY2013. Changed to use Business Partner Survey Sheet as a confirmation document before starting new business transactions. Added the FDK Group Environmental Measures Survey Sheet as a required document for building an environmental management system. Change the department name for inquiries. |
| June 30, 2011 | Version 4.2 | <ul style="list-style-type: none"> Changed EMS construction to require Level II or higher from our valued business partners who manufacture procured items used in FDK Group products. |
| April 28, 2011 | Version 4.1 | <ul style="list-style-type: none"> Changed to conducting a survey on the status of environmental initiatives using FDK Group Environmental Measures Survey Form. The content of FDKEMS has been changed to FDK's own EMS with reference to FJEMS. |
| May 2001 | 1 st Edition | <ul style="list-style-type: none"> Established first edition. |

Contact information

Inquiries regarding the contents of green procurement standards:

General Affairs and Personnel Department (Environment)

Inquiries regarding green procurement operations:

Purchasing/Logistics Support Department (Purchasing)

Product Inquiries regarding the content of chemical substance management:

Quality Assurance Department