

# 1 Foster Electric Company, Limited

	<b>Companies' approach</b>
<b>□ Background and purpose of accounting</b>	<ul style="list-style-type: none"> <li>• We will consider an effective way to reduce not only Scope 1 and 2 but also Scope3 by capturing supply chain emissions through our business activities.</li> <li>• In order to respond to information disclosure of supply chain emissions to stakeholder.</li> </ul>
<b>□ Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>• Responding to corporate evaluation survey externally and customer requests.</li> <li>• Promoting our environmental activities by disclosing of accounting results on the website.</li> <li>• Making use of the setting target of the environmental management activities and the performance indicators.</li> </ul>
<b>□ Benefits of accounting</b>	<ul style="list-style-type: none"> <li>• Being able to clarify the large amount of emission source and the reduction potential by accounting of supply chain emissions. Moreover, the reduction plan based on these data can be easily set.</li> <li>• Leading to a new goal setting and further reducing.</li> <li>• The interdivisional cooperation is expected to help improve the environmental awareness among employees.</li> </ul>
<b>□ Internal system for accounting</b>	<ul style="list-style-type: none"> <li>• Collecting data of accounting, transportation, material and energy usage from related departments.</li> <li>• Data accounting by the environmental department and the environmental management system secretariat.</li> </ul>

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## Companies' approach

### Efforts to reduce supply chain emissions

- Capturing the Foster group’s supply chain emissions and making an action plan to reduce them in the future by expanding the scope of accounting globally.
- Making a contribution to reduce emissions of CO<sub>2</sub> by developing eco-friendly products such as lower energy consumption and weight saving.

[Environmentally Friendly Products: Lightweight speaker for in-vehicle use]

- We are developing a lightweight speaker, optimum for next-generation eco-friendly vehicles such as electric vehicles (EVs). We reduced the weight of the speaker significantly to 140 grams for a speaker with a diameter of 17 centimeters while minimizing the suppression of its sound pressure level, a fundamental performance feature for speakers. It makes a contribution to reduce overall emissions of CO<sub>2</sub> from vehicles.



Lightweight speaker for in-vehicle use

### Issues in supply chain emissions accounting

- We conducted accounting only in Japan at this time. Since we do not have our own domestic factories, the category 11 and category 4 activities are a large part of Scope 3 emissions. We will expand the scope of accounting and data collection to overseas sites.
- Building the global system for the management of supply chain emissions.

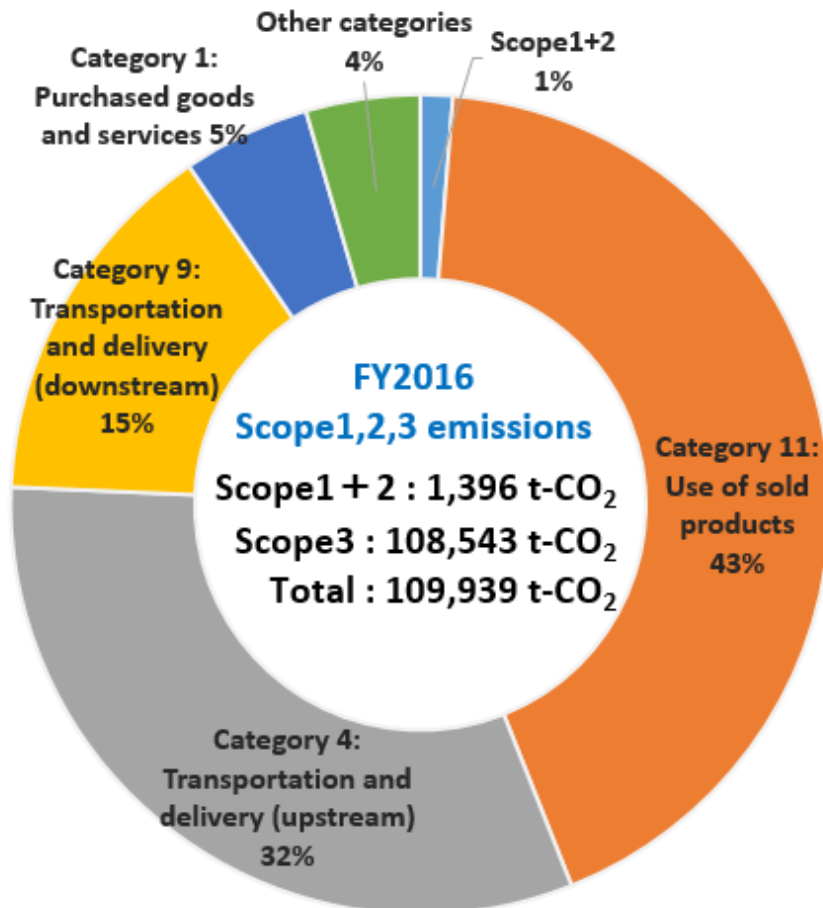
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Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Purchased amount of parts and materials</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Investment amount of capital goods</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Energy consumption of fuel and electricity</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> <li>CFP communication Program database *2</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Transportation in ton-kilometers</li> </ul>	<ul style="list-style-type: none"> <li>CFP communication Program database *2</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Amount of waste discharged by type</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Transportation expenses paid</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Commuting transportation expensed paid</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> <li>CFP communication Program database *2</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>Included in Scope1 and 2</li> </ul>	<ul style="list-style-type: none"> <li>-</li> </ul>
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Transportation in ton-kilometers for sold products</li> </ul>	<ul style="list-style-type: none"> <li>CFP communication Program database *2</li> </ul>
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>Energy consumption in the processing of intermediate products</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission factors by electricity power provider (Alternative value: 2015 results)</li> </ul>
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Energy consumption at the use stage of sold products</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission factors by our company's data</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Amount of waste discharged by type</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor database*1</li> </ul>
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<p>*1: Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.2.4)</p> <p>*2: JEMAI Carbon Footprint communication Program Basic database Ver.1.10 (Domestic data)</p> <p>JEMAI: Japan Environmental Management Association for Industry</p>
Category 14: Franchises	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	
Category 15: Investments	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	
Other	<ul style="list-style-type: none"> <li>Not applicable for the optional category</li> </ul>	

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## Accounting results

### ● Supply chain emissions



Scope	Category	CO2 emission amount (t-CO <sub>2</sub> )
Scope1	Direct emissions	205
Scope2	Indirect emissions (Purchased electricity)	1,191
<b>Scope1,2 Total</b>		<b>1,396</b>
Scope3	1. Purchased goods and services	5,541
	2. Capital goods	1,168
	3. Fuel and energy related activities not included in Scope 1 or 2	96
	4. Transportation and delivery (upstream)	34,850
	5. Waste generated in operations	94
	6. Business travel	513
	7. Employee commuting	235
	9. Transportation and delivery (downstream)	16,232
	10. Processing of sold products	1
	11. Use of sold products	46,962
	12. End-of-life treatment of sold products	2,851
	<b>Scope3 Total</b>	
<b>Scope1,2,3 Total</b>		<b>109,939</b>

\*The organizational scope of greenhouse gas accounting :  
Japan domestic (Headquarters and group companies in Japan)