

## 1

## Fujitsu Limited

	Companies' approach
<b>□ Background and purpose of accounting</b>	<ul style="list-style-type: none"> <li>• To ascertain the overall picture of the environmental impact of our business activities.</li> <li>• To identify hotspots and clarify categories that we need to focus on.</li> <li>• To fulfill our accountability toward stakeholders by disclosing the data concerning the environmental impact of our business activities.</li> </ul>
<b>□ Utilization of accounting results</b>	<p>The results are:</p> <ul style="list-style-type: none"> <li>• utilized to identify important environmental impact factors in our environmental activities as well as issues that we need to address;</li> <li>• disclosed through our environmental reports, website, and other forms of corporate communication on environmental performance; and</li> <li>• used as data when we respond to external surveys, such as for the CDP and Dow Jones Sustainability Index.</li> </ul>
<b>□ Benefits of accounting</b>	<p>The accounting enables us to:</p> <ul style="list-style-type: none"> <li>• satisfy stakeholders' demand for information disclosure; and</li> <li>• identify categories with large CO<sub>2</sub> emissions, develop more effective plans for emission reduction, and convince others to adopt emission reduction measures.</li> </ul>
<b>□ Internal system for accounting</b>	<ul style="list-style-type: none"> <li>• Primary data are gathered from environmental managers in our business sites and operational managers and calculated by Environment, purchasing, logistics, HR, and other Headquarters divisions for each category.</li> </ul>

## 2

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	Companies' approach
<b>□ Efforts to reduce supply chain emissions</b>	<ul style="list-style-type: none"> <li>As part of the Science Based Targets of the Fujitsu Group (approved by the Science Based Targets initiative [SBTi] in 2017), we have set the target of reducing Scope 3 emissions by 30% from 2013 levels by 2030. The applicable categories are Category 1 (Purchased goods and services) and Category 11 (Use of sold products), where CO<sub>2</sub> emissions are particularly large and therefore the greatest emission reduction effects can be expected.</li> <li>In the Fujitsu Group Environmental Action Plan (Stage VIII) (FY 2016 to 2018), we have set the following targets in connection with Scope 3:               <ul style="list-style-type: none"> <li>- Target related to Category 1: Drive activities to reduce CO<sub>2</sub> emissions in the supply chain.</li> <li>- Target related to Category 4: Reduce CO<sub>2</sub> emissions per sales from transport by an average of 2% or more each year.</li> <li>- Target related to Category 11: Achieve top-level energy efficiency for 50% or more of the new products.</li> </ul> </li> </ul>
<b>□ Issues in supply chain emissions accounting</b>	<ul style="list-style-type: none"> <li>Accounting based on unit value poses some issues that make accurate, detailed calculation difficult, such as credibility of unit value and difficulty in reflecting a company's efforts to reduce emissions.</li> <li>We need to further sophisticate the accounting methodology particularly for categories where gathering overseas data is difficult.</li> </ul>
<b>□ Other</b>	<ul style="list-style-type: none"> <li></li> </ul>

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## Fujitsu Limited

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Volume of components purchased	● Emissions per unit of purchases (Source: 3EID)
Category 2: Capital goods	● Monetary value of capital goods	● Emissions per unit of capital value (Source: 3EID)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Amounts of fuel oil, gas, electricity, and heat consumed at business sites owned by Fujitsu	● Emissions per unit by type of energy (*1, *2)
Category 4: Transportation and delivery (upstream)	● Amount of fuel consumed for transportation by Fujitsu as the consigner	● Emission factor per ton kilometer or fuel consumption (*3, *4)
Category 5: Waste generated in operations	● Amount of waste generated by type	● Emissions per unit of amount of waste generated (*1)
Category 6: Business travel	● Transportation expense payment	● Emissions per unit by means of transport (*1, *5)
Category 7: Employee commuting	● Transportation expense payment ● Transported persons-kilometer (commuting by private automobile)	● Emissions per unit by means of transport (*1, *5)
Category 8: Leased assets (upstream)	● Amounts of fuel oil, gas, electricity, and heat consumed at leased business sites	● Emissions per unit by type of energy (*6, *7)
Category 9: Transportation and delivery (downstream)	● N/A	
Category 10: Processing of sold products	● Intermediate product sales volume	● Emissions per unit of processing volume (calculated by Fujitsu)
Category 11: Use of sold products	● Electricity consumption during the use of main products	● Emissions per unit of electricity (*8)

\*1 Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ministry of the Environment, Ministry of Economy, Trade and Industry)

\*2 CFP Communication Program Basic Database

\*3 Guidelines on Accounting for CO<sub>2</sub> Emissions in the Logistics Field developed by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism under the Act on the Rational Use of Energy

\*4 GHG protocol emissions coefficient database

\*5 Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Database of emissions unit values (Ministry of the Environment, Ministry of Economy, Trade and Industry)

\*6 Act on Promotion of Global Warming Countermeasures–GHG Emissions Accounting, Reporting, and Disclosure System

\*7 IEA CO<sub>2</sub> Emission from Fuel Combustion Highlight 2013

\*8 Actual emission factor for each electricity utility based on ministerial ordinances on calculation and adjusted emission factor for each electricity utility based on reporting orders

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Category	Accounting methods	
	Activity data	Emission factor
Category 12: End-of-life treatment of sold products	• N/A	
Category 13: Leased assets (downstream)	• N/A	
Category 14: Franchises	• N/A	
Category 15: Investments	• N/A	
Other	• N/A	

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## Accounting results

## ● Supply chain emissions (FY 2016)

