

# CONSIDERATION FOR THE ENVIRONMENT

## Basic Approach

### Environmental Policy and Environmental Targets

OKI's Environmental Policy incorporates our desire to pass on a better global environment to the next generation. This Environmental Policy is the foundation of our environmental management, and we are promoting activities centered on decarbonization, resource recycling, and pollution prevention with our products and sites.

Among them, OKI has identified addressing climate change, which has become increasingly important in recent years, and reducing environmental impact through products, and has formulated the OKI Environmental Vision 2030/2050 as the medium- to long-term environmental target for the entire Group.

Considering our Environmental Policy and Environmental Vision, as well as the recent requests of our customers and other stakeholders, we have formulated a three-year plan, which is incorporated into our annual activity plan. We have positioned ISO 14001 as a tool to achieve our plans and targets, and have established a management system to implement environmental management while making it a matter of importance for each of us.

### Environmental Policy

The OKI Group realizes a better global environment by providing products and services that contribute to the development of the information society for the next generation, and passes this down within the group.

- Work to prevent pollution and protect the environment by implementing the OKI Group environmental management.**
  - Take action to provide environment-friendly products and services in all business processes through product planning, manufacturing, and maintenance operations.
  - In business activities, strive to save energy and resources and take action to reduce and recycle waste.
  - Work on biodiversity conservation and sustainable use.
- Comply with applicable environmental legal requirements and regulations, and with customer requirements and other requirements to which the OKI Group subscribes.**
- Adequately implement PDMCA (Plan-Do-multiple Check-Act) in the environmental management system, and take action to advance environmental performance and to continue improvement of its operation system.**
- Disclose environmental information, and make wide contributions to the society by supporting environmental activities.**

## OKI Environmental Vision 2030/2050 (Overview)

### 1 Prevention of Global Warming

FY2030: 42% CO<sub>2</sub> emissions\*<sup>1</sup> reduction at OKI sites and 25% CO<sub>2</sub> emissions\*<sup>2</sup> reduction at suppliers and from the use of products (compared to FY2020)

FY2050: Net zero CO<sub>2</sub> emissions at OKI sites, Net zero power consumption by new products



### 2 Contribution to Achieving SDGs

Through (i) and (ii) below, contribute to achieving the targeted reductions in environmental impact set out by the 2030 SDGs

- Generate innovative products and services and provide solutions conducive to resolving a wide range of environmental issues
- Realize innovative technologies for manufacturing and creating things in the supply chain, including workplaces



\*1 SCOPE1 (fuel derived) + SCOPE2 (power derived)

\*2 Total of SCOPE3 Category 1 (purchased goods and services) and Category 11 (use of sold products)

OKI Environmental Vision 2030/2050

<https://www.oki.com/en/sustainability/eco/mng/vision.html>

## Environmental Activity Plan for FY2023 to FY2025 (Summary)

Environmental Themes	Initiatives	Classification	Applicable	Action Plan and Targets by FY2025
Entire	Expansion and creation of environmentally contributing products	Opportunity	Product	Increase ratio of environmental contribution net sales to overall net sales (35%)
Mitigation of Climate Change	Decarbonization of OKI sites	Risk	Site	21.0% CO <sub>2</sub> emissions reduction for Scopes 1+2 (OKI sites) (compared to FY2020)
	Decarbonization of the supply chain	Risk	Product	12.5% CO <sub>2</sub> emissions reduction for Scope 3 (suppliers + from the use of products) (compared to FY2020)
Prevention of Contamination	Appropriate management of chemical substances at factories	Risk	Site	Strengthening of information transfer and response procedures for use history related to chemical substances
	Management of chemical substances contained in products	Risk	Product	Update of management system functions and improvement of response efficiency
Resource Recycling	Reduction of waste from factories	Risk	Site	Recycling rate of 84% or more
	Collection of used products	Opportunity	Product	Recycle rate of collected used products of 90% or more
Reduction of Water Risk	Water consumption reduction	Risk	Site	Reduction of water consumption by 0.2% (compared to the previous fiscal year)
Conserving Biodiversity	Overall initiatives listed above	Risk	Site/Product	Contribution to biodiversity conservation through climate change mitigation, pollution prevention, and resource recycling initiatives

Performance of plan from FY2020 to FY2022

<https://www.oki.com/en/sustainability/eco/mng/ecoplan.html>

## Information Disclosed According to the Task Force on Climate-related Financial Disclosures (TCFD\*1)

OKI announced its support for the TCFD from a perspective of a positive economic and environmental cycle. Along with systematically managing climate-related risks, opportunities, and countermeasures for them, OKI aims to enhance information disclosure about these efforts.

<b>Governance</b>	<p><b>Roles of managers and director monitoring system for climate-related risks</b></p> <ul style="list-style-type: none"> <li>The OKI Group established a Sustainability Promotion Working Group (WG) in FY2020, with the President as its chief officer, to manage climate-related risks and other sustainability-related risks and promote initiatives based on the Material Issues identified. In April 2023, the WG was transformed into the dedicated Sustainability Promotion &amp; Corporate Communication Division and a new executive officer responsible for sustainability was appointed.</li> <li>The Management Committee makes decisions on important matters related to sustainability. The above-mentioned promotion body reports to the Management Committee on the status of environmental, social, and governance initiatives and issues that embody the Material Issues.</li> <li>Matters that may significantly impact business are reported to the Board of Directors. In fiscal year 2022, deliberations included the revision of the OKI Environmental Vision 2030/2050 and the establishment of the OKI Group Human Rights Policy.</li> </ul>
<b>Strategy</b>	<p><b>Scenario analysis for identifying and addressing risks and opportunities</b></p> <ul style="list-style-type: none"> <li>OKI identifies physical and transition risks based on reports related to climate change issued by international institutions and performs scenario analysis that considers the intensification of climate change if temperatures rise 4°C and social changes needed to limit this increase to 1.5°C.</li> <li>As shown on the following page, perspectives of climate change, resource circulation, and prevention of pollution are included in scenario analysis. OKI identifies risks and opportunities based on these scenarios and establishes countermeasures to better respond flexibly to phenomena that could occur in the future. (Regarding the 1.5°C target, see "Indicators/Targets" below and page 43.)</li> </ul>
<b>Risk Management</b>	<p><b>Risk selection/evaluation process</b></p> <ul style="list-style-type: none"> <li>At least once a year, OKI identifies climate change or other recent phenomena to evaluate the impact, frequency, and period of the risks and opportunities that emerge from them in order to determine their importance.</li> </ul>
	<p><b>Risk management process</b></p> <ul style="list-style-type: none"> <li>OKI considers countermeasures for the above risks and opportunities, developed a Group-wide plan for environmental management, and is implementing this into environmental action plans at each organization and site. The execution status of these plans is checked through internal auditing and revised as needed.</li> </ul>
	<p><b>Method of integrating comprehensive risk management</b></p> <ul style="list-style-type: none"> <li>Environment-related risks, including climate change, are managed in an integrated manner in the environmental management system of the entire OKI Group. Each business unit and the environmental division work together to plan, execute, monitor, and correct the risks, while measures to prevent their manifestation are deployed throughout the Group.</li> </ul>
<b>Indicators/Targets</b>	<p><b>Indicators used</b></p> <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions in the supply chain including OKI sites (Scopes 1+2, Scope 3 categories 1 and 11)</li> <li>Environmental contribution net sales</li> </ul> <p><b>SCOPE1,2,3</b></p> <ul style="list-style-type: none"> <li>Entered on ESG data section (see pages 59-60) of this report and on the table published on the website.</li> </ul> <p><b>Targets</b></p> <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions reduction (in compliance with SBT*<sup>2</sup>): All of the following are compared to FY2020                     <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions*<sup>3</sup> reduction at OKI sites: 42% reduction in FY2030, with 21% reduction by FY2025 as an interim target</li> <li>CO<sub>2</sub> emissions*<sup>4</sup> reduction at suppliers and from the use of products: 25% reduction in FY2030, with 12.5% reduction by FY2025 as an interim target</li> </ul> </li> <li>Environmental contribution sales : Ratio to total Group sales of 50% by FY2030, with 35% by FY2025 as an interim target</li> </ul> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions reduction (in compliance with SBT*<sup>2</sup>) All of the following are compared to FY2020                     <ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions*<sup>3</sup> reduction at OKI sites: 9.8% reduction by FY2022</li> <li>CO<sub>2</sub> emissions*<sup>4</sup> reduction at suppliers and from the use of products: 12.8% reduction by FY2022</li> </ul> </li> <li>Environmental contribution sales : The FY2022 result was 27%. (We are enhancing the calculation criteria. This is introduced on p. 44.)</li> </ul>

\*1 TCFD (Task Force on Climate-related Financial Disclosures): Proposal that suggest the need for companies to disclose information to investors on their response toward climate change

\*2 SBT (Science Based Target): Target standard for reducing greenhouse gas emissions in line with the levels required by the Paris Agreement

\*3 SCOPE1 (fuel derived) + SCOPE2 (power derived)

\*4 Total of SCOPE3 Category 1 (purchased goods and services) and Category 11 (use of sold products), which make up over 67% of SCOPE3 emissions in FY2020

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Strategy Based on Scenario Analysis

As societal changes to limit warming to 1.5°C progress, there will be changes in laws for decarbonization, technological progress, and market needs. We expect that there will be rising demand for OKI's decarbonization solutions.

If temperatures rise 3 to 4°C, there will be increased physical

risks from intense disasters due to the impact of climate change. It is possible that severe impact will hit the supply chain, including OKI's own sites. On the other hand, needs are also expected to rise for OKI's disaster prevention information systems as a preventive measure against intense disasters.

Scenario Analysis					Strategy/Initiatives
Category	Expected Phenomena	Risk/ Opportunity	Impact on Future Finances	Time frame*3	
1.5°C climate change scenario*1 (transitional risks)	Need for decarbonization increases further and spreads	Risk	<ul style="list-style-type: none"> <li>Loss of sales opportunities due to not meeting energy-saving standards on hardware products and customer demands</li> </ul>	Short term	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission reduction targets in compliance with 1.5°C SBT and promotion of the following initiatives</li> <li>Product: Energy-saving for hardware                             <ul style="list-style-type: none"> <li>Set development targets that anticipate stronger regulations</li> <li>Strengthen R&amp;D and technology development and accelerate commercialization</li> </ul> </li> <li>Site: Promotion of the following initiatives for zero CO<sub>2</sub> emissions (ZEB, etc.)                             <ul style="list-style-type: none"> <li>Thorough energy saving: Improve efficiency of production equipment and facilities at sites and streamline all operations</li> <li>Introduction of renewable energy: Install renewable energy equipment at our sites, enter into contracts for electricity derived from renewable energy, etc.</li> </ul> </li> </ul>
			<ul style="list-style-type: none"> <li>Response to customer demands for renewable energy usage in the manufacturing process, impact of fossil fuel tax (carbon tax)</li> </ul>	Medium term	
<ul style="list-style-type: none"> <li>Higher costs stemming from strengthening decarbonization at business sites</li> </ul>	Short term				
		Opportunity	<ul style="list-style-type: none"> <li>Expansion of demand for the following OKI Group products                             <ul style="list-style-type: none"> <li>Decarbonization/energy-saving solutions</li> <li>Technologies that support the spread of renewable energy</li> <li>Hardware products that operate on renewable energy</li> </ul> </li> </ul>	Short term	
4°C climate change scenario*2 (physical risks)	Abnormal weather becomes more frequent and intensifies (increased typhoons/flooding, extreme heat and cold, increased lightning)	Risk	<ul style="list-style-type: none"> <li>Sites/suppliers: Loss of business assets due to disasters at factories and suppliers/suspension of operations/severance of supply chain</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Site: Strengthen climate change BCP/BCM                             <ul style="list-style-type: none"> <li>Install water stop boards; lift height of equipment</li> <li>Devices to stop manufacturing equipment during lightning storms</li> <li>Redundant air conditioning units for inspection devices</li> </ul> </li> <li>Suppliers: Strengthen procurement BCP                             <ul style="list-style-type: none"> <li>Strengthen surveys of climate change risks for suppliers</li> </ul> </li> </ul>
			<ul style="list-style-type: none"> <li>Site: Equipment breaks due to higher temperatures</li> </ul>	Short term	
		Opportunity	<ul style="list-style-type: none"> <li>Product: Expansion of demand for the OKI Group's advanced disaster prevention/ mitigation solutions (disaster prevention field, maritime field)</li> </ul>	Medium term	<ul style="list-style-type: none"> <li>Product: Strengthen business deployment through disaster information systems, etc.</li> </ul>
Prevention of pollution through chemicals	Expansion and complication of laws and regulations for substances	Risk	<ul style="list-style-type: none"> <li>Product: Standards violations for chemicals contained in products</li> <li>Site: Pollution due to deterioration of facilities</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Product: Strengthen sharing of operations across the entire Group</li> <li>Site: Review facility inspection/exchange standards</li> </ul>
		Opportunity	<ul style="list-style-type: none"> <li>Product: Expansion of demand for efficiency improvement in chemical substance management (manufacturing field)</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Product: Deployment of survey systems and analysis services for chemicals in products</li> </ul>
Resource circulation	Strengthening of laws and regulations for oceanic plastics and microplastics	Risk	<ul style="list-style-type: none"> <li>Site: Inflation of waste product disposal costs; refusal to accept from waste disposal companies</li> <li>Product: Risks of resource deprivation; risks of materials supply shortage</li> </ul>	Medium term	<ul style="list-style-type: none"> <li>Site: Waste reduction                             <ul style="list-style-type: none"> <li>Reuse of plastic packaging</li> <li>Reduction of percentage of disposed items through improved efficiency in extracting metal materials</li> </ul> </li> <li>Product: Recovery and reuse of parts from used products utilizing the wide area certification system for industrial waste</li> </ul>
		Opportunity	<ul style="list-style-type: none"> <li>Product: Expansion of demand for resource-saving products and recycling services</li> </ul>	Medium term	<ul style="list-style-type: none"> <li>Product: Provide solutions to extend the service life of customer facilities, reduce burden on customers by recovering used products utilizing the wide area certification system for industrial waste</li> </ul>

\*1 See IEA NZE 2050

\*2 See IPCC RCP8.5

\*3 Long term means more than 10 years, medium term means 3 to under 10 years, and short term means 1 to under 3 years

Expansion and Creation of Environmentally Contributing Products

In order to expand and create environmental contribution products, including those that address climate change, OKI has set a target that 50% of total Group sales should be net sales of environmental contribution products by fiscal year 2030, with an interim target of 35% in fiscal year 2025. The results for fiscal year 2022 were compiled based on the following criteria and

were 27% (100 billion yen).

Environmental contribution products are defined as products that contribute directly or indirectly to matters such as the reduction of environmental impact and damage. In calculating net sales, we have reviewed definitions in light of external circumstances to improve consistency and comprehensiveness.

**Criteria for Environmental Contribution Products: They must meet one of the following:**

- Contributes to reducing causes of environmental impact or damages from environmental deterioration
- Contributes to mitigating damage from climate change, and allowing society to adapt to climate change
- Streamlines management of environmental impacts

**Contribution Area**

Decarbonization, resource saving/waste reduction, chemicals management/pollution prevention, etc.

**Contribution Method**

Direct contribution from using the product. Indirect contribution from streamlined operations through the use of the product is also acceptable

<b>Direct</b>	Direct contribution from using the product Ex) Product's power saving technology, building energy management system: contributes to energy saving "DPS Core" disaster prevention information system: contributes to preventing and mitigating the effects of extreme weather and other disasters
<b>Indirect</b>	Indirect contribution through means such as results of improved business efficiency in the use of the product Ex) "LocoMobi 2.0" ITS service: collects and analyzes road information alleviates road congestion reduces fuel consumption decarbonization

**OKI environmentally contributing products**

OKI Eco Products Hardware

OKI Eco Solutions solutions & services

**Relationship between OKI environmentally contributing products OKI Eco Products**

\*Hardware products that meet OKI's own stricter environmental criteria

R&D for an Environment that "Looks toward the Future"

The OKI Group is conducting R&D that is strongly aware of contributions to the environment, as indicated in the three fields of contribution in the Medium-Term Business Plan 2025. While remaining engaged in the traditional themes, the R&D Department is particularly focused on the following themes.

There are 14 technological themes that directly contribute to the environment, such as power saving and resource saving in AI edge devices, as well as 24 technological themes that indirectly contribute to reducing environmental impact through the use of digital technology.

Themes	Direct/ Indirect	Outline
Next-generation control circuit boards	Direct	We develop next-generation common control circuit boards that reduce electricity consumption by adopting power-saving ASIC with AI functions and highly efficient power supply, and apply this to various hardware. This contributes to reduction of CO <sub>2</sub> emissions by significantly reducing operating and standby electricity consumption.
High-efficiency and miniaturization technology for power supplies	Direct	This reduces operating electricity consumption by adopting GaN (gallium nitride) and increasing the efficiency of switching power supplies. It enables miniaturization, increasing design flexibility in terms of equipment shape and size. It contributes to both power and resource savings in hardware.
Traffic probe data utilization (analysis and prediction)	Indirect	Technology that analyzes traffic probe data (driving history) and predicts the occurrence of traffic jams and required transportation time. It provides information to reduce traffic congestion based on traffic flow control plans, and contributes to the reduction of CO <sub>2</sub> emissions.
Roadside infrastructure wireless technology for automated driving	Indirect	Communication technology and sensing technology such as millimeter wave radar that provides information such as the position, speed, and length of main line vehicles from the roadside to merging vehicles at merging points on expressways and other roads. This enables vehicles to merge safely and smoothly into the main line, and contributes to the reduction of CO <sub>2</sub> emissions by reducing energy consumption associated with deceleration and traffic congestion.
Zero-energy IoT technology	Direct	Power-saving IoT technology that does not require communications/power lines through solar power generation and wireless communications. By enabling connection of various sensors, it utilizes its features of being compact, lightweight, and easy to install, and contributes to disaster prevention/mitigation, such as monitoring of structures in mountains and monitoring of embankment slopes and check dams.
Delivery route optimization technology	Indirect	This optimizes delivery routes and delivery volumes to reduce the number of truck trips and driving distances, and thus contributes to CO <sub>2</sub> emissions reduction.

For more information on environmental contribution products and environmentally friendly R&D, please see "OKI Environmental Contribution Products" and "Issue 241 of the OKI Technical Review" on our website.

<https://www.oki.com/en/sustainability/eco/product/ecosolu.html>

<https://www.oki.com/en/otr/>

Please see "Environmental Conservation" on our website for details about initiatives and data.

<https://www.oki.com/en/sustainability/eco/index.html>