



# Environment

## VOICE

**Akio Takagi**  
Chief Environment and  
Quality Officer, and  
Vice President,  
Anritsu Corporation



### Promotion of Environmental Management

Stakeholders including investors are increasingly interested in the environmental, social and governance (ESG) of companies and their performance in relation to Sustainable Development Goals (SDGs). Meanwhile, companies are identifying their responses to environmental and social concerns as key management concerns.

In this context, Anritsu has been addressing the five primary themes for the second stage of its three-year plan, GLP2017 Environmental Initiative, toward realizing the 2020 VISION. For one priority theme, "Provide information that meets stakeholder expectations," we focused on improving the content of our Sustainability Reports and Anritsu Integrated Reporting. In February 2017, the content of these reports was recognized as exemplary by winning the excellence award for environmental reporting at the 20th Environmental Communication Award, hosted by the Ministry of the Environment. We also ensured full compliance with the RoHS Directive in our mainstay measuring instruments and industrial equipment products by the July 2017 deadline, which was one of our major compliance issues as well as our priority theme, and we also established the related management system. Furthermore, upon the revision of ISO 14001:2015 environmental management systems, we reviewed our own system and determined it coheres more with business activities, and we began operating the revised system in January 2017. We believe that leadership by top management is indispensable for effectively implementing our management system, and under the strong leadership of our management, we will make sure that it is continuously improved.

In fiscal 2017, we will endeavor to enhance our environmental management by formulating the GLP2020 Environmental Initiative plan for the final three years to ensure that we achieve the 2020 VISION and grasp its long-term prospects toward contributing to the creation of a sustainable society.

## Eco-Management, Eco-Mind

### Goal 3

#### Anritsu Group Environmental Policies

##### ■ Environmental Principle

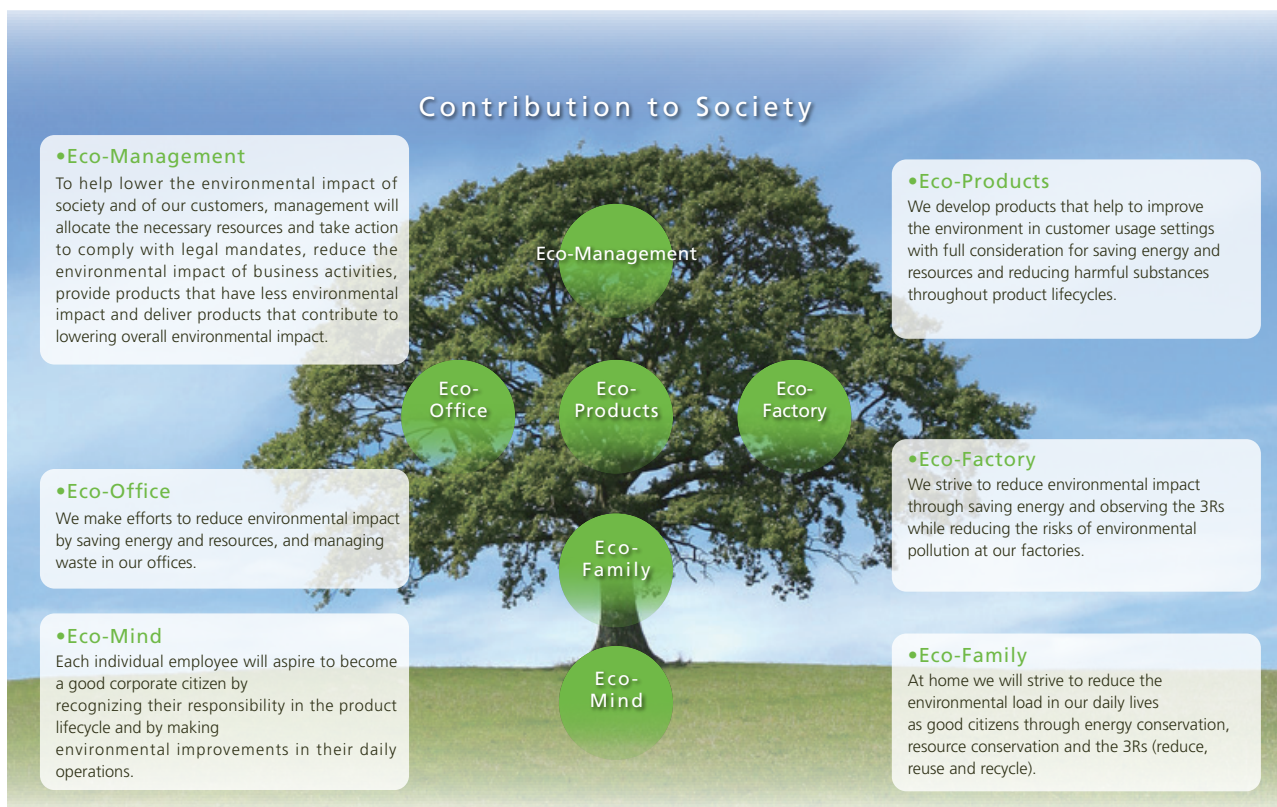
Anritsu strives to give due consideration to the environment in both the development and manufacture of our products. Through sincerity, harmony and enthusiasm we will endeavor to foster a prosperous society at one with nature.



### ■ Action Guidelines (for Anritsu Group companies in Japan)

We create “Eco-Offices”, “Eco-Factories”, and “Eco-Products” based on the “Eco-management” of our company and the “Eco-Mind” of every one of us.

- (1) Over the whole life cycle of a product, from design and development, to procurement, manufacturing, marketing, distribution, and usage by customers, through disposal, we conduct environmentally conscious business activities.
- (2) We have set up an organizational and operational structure to perform environmental management activities, and have established and maintain an environmental management system that we continuously improve.
- (3) We comply with legal and regulatory controls and make every effort to continuously improve the environmental performance to meet the requirements from stakeholders.
- (4) In order to contribute to the prevention of global warming and conservation of biological diversity, we promote energy saving, 3Rs (reduce, reuse, and recycle), and environmental pollution risk reduction in all of our offices and factories.
- (5) We provide eco-products by saving energy, saving resources, and reducing hazardous substances.
- (6) We cultivate eco-minds by providing appropriate environmental education and training.



## Boundary of Global Environmental Protection

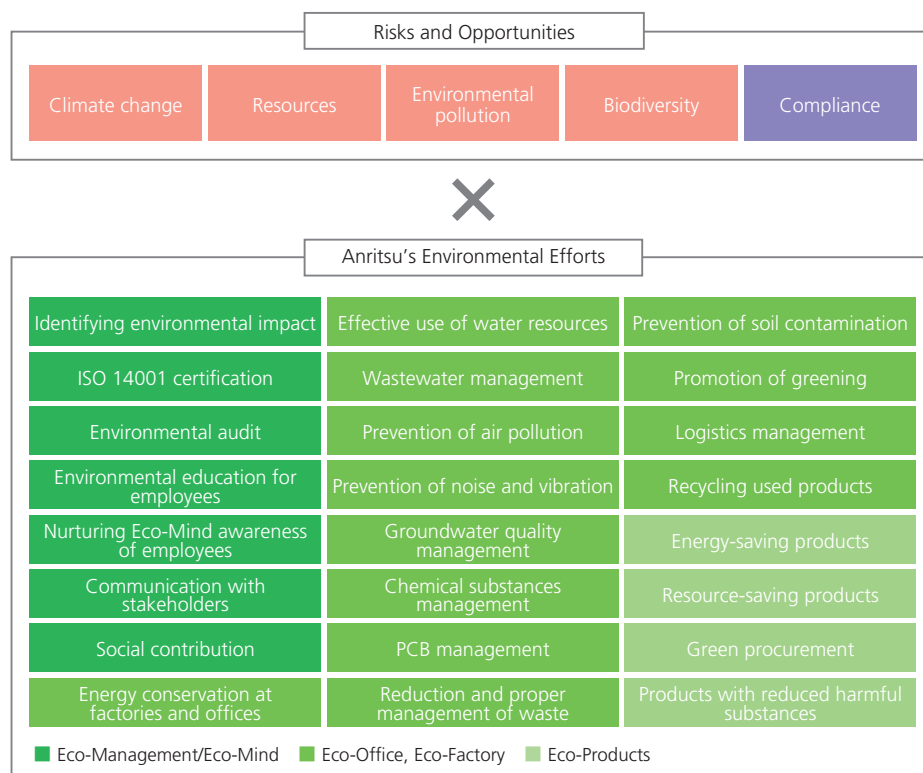
While the boundary of global environmental protection extends to the entire Anritsu Group, in principle the reporting boundary for numerical data, such as environmental impact, encompasses Anritsu Corp. and the following Group companies. Anritsu A/S (Denmark) is excluded in fiscal 2016, as its site has been closed.

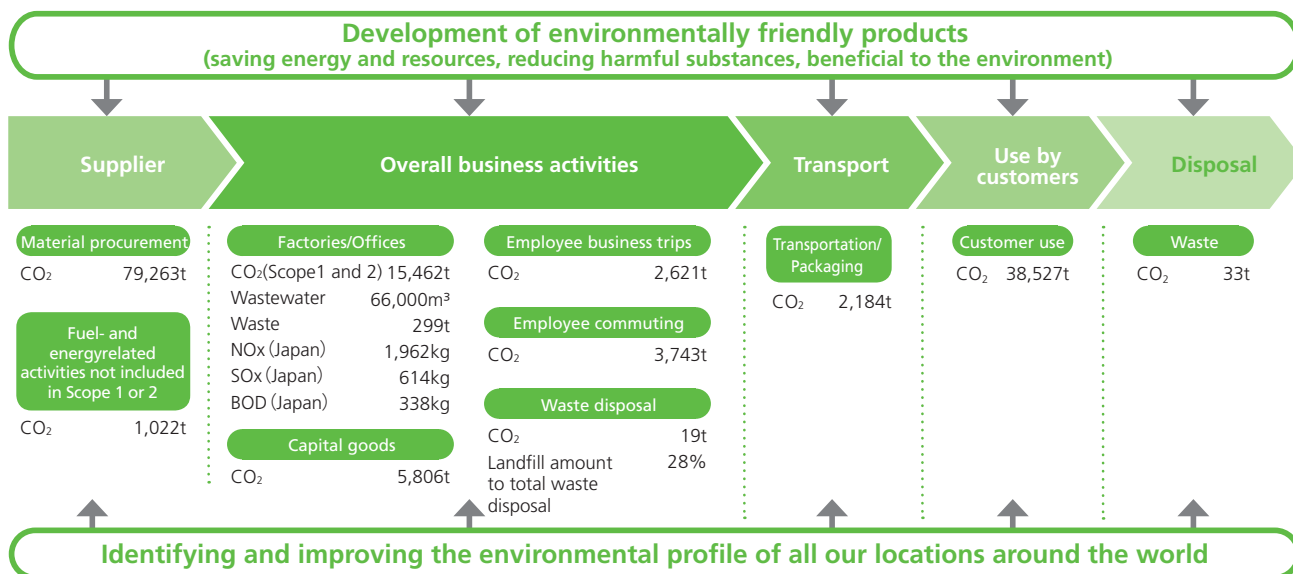
Group Companies in Japan	Anritsu Infivis Co., Ltd.	Tohoku Anritsu Co., Ltd.	Anritsu Customer Support Co., Ltd.
	Anritsu Devices Co., Ltd.	Anritsu Networks Co., Ltd.	Anritsu Engineering Co., Ltd.
	Anritsu Kousan Co., Ltd.	AT Techmac Co., Ltd.	Anritsu Pro Associe Co., Ltd.
Group Companies outside Japan	Anritsu Company (U.S.A.)	Anritsu Ltd. (UK)	

For Anritsu Group companies in Japan under Goal 3, the Hiratsuka site refers to the facilities of AT Techmac Co., Ltd. in Hiratsuka City, Kanagawa Prefecture; the Tohoku site refers to those of Tohoku Anritsu Co., Ltd. in Koriyama City, Fukushima Prefecture; and the Atsugi site refers to those of other Group companies in Atsugi City, Kanagawa Prefecture, and the domestic sales offices.


## Environmental Management at Anritsu

In pursuing initiatives for continuous improvement anchored in its environmental management system, Anritsu identifies both harmful and beneficial environmental aspect from the perspective of the environment and effectively addresses these risks and opportunities.





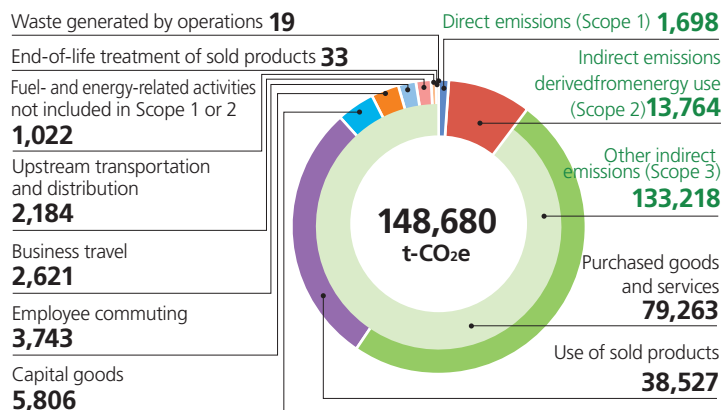
※ Figures are calculated in accordance with the "Basic guidelines on calculating greenhouse gas emissions in the supply chain."

 **More information (Excel)**  
Detailed data

## Scope Calculations

Anritsu calculates greenhouse gas emissions generated throughout the entire value chain in accordance with the Scope Standard of the GHG Protocol. While Scope 1 includes greenhouse gases such as HFCs, PFCs and N<sub>2</sub>O, the amount is minimal (about 4%). In Scope 2, we are consistently striving to save energy. In Scope 3, we will seek improvements with respect to "purchased goods and services" and the "use of sold products", which are particularly high in CO<sub>2</sub> emissions. We have obtained third-party verification for the calculated value of our actual emissions.

### ► CO<sub>2</sub> Emissions of the Entire Value Chain



### ► Third party verification report



## Initiatives for Realizing the 2020 VISION

Anritsu promotes environmental management toward its 2020 VISION goal of “Building an environmental brand by pursuing global environmental management throughout the entire value chain”. We launched our activities in fiscal 2012 and are now in the final year of the three-year plan, GLP2017 Environmental Initiative, which constitutes the second stage of the 2020 VISION. After completing the initiative in fiscal 2017, we will formulate plans to include the subsequent long-term prospects for the next stage, or GLP2020 Environmental Initiative.

### ► Priority Themes of GLP2017 Environmental Initiative

2020 VISION : Building an environmental brand by pursuing global environmental management throughout the entire value chain.			
	Efforts to Preserve Biodiversity		
	Prevention of global warming Energy / Water	Create a recycling-oriented society Resources	Prevention of pollution Chemical substances
Eco-Management	<b>Priority Theme 1</b> Improve the management system to create a closer link with management		
Eco-Communication	<b>Priority Theme 2</b> Provide information that meets stakeholder expectations		
Eco-Products	<b>Priority Theme 3</b> Provide energy- and resource-saving products		<b>Priority Theme 4</b> Provide products that do not contain hazardous substances
Eco-Office, Eco-Factory	<b>Priority Theme 5</b> Effectively use energy and water	Observance of the 3Rs	Reduction of chemical substances and prevention of risks
Eco-Mind	Cultivation of Eco-Mind awareness		

### ■ Priority Theme 1: Improve the management system to create a closer link with management

After reviewing the 2015 version of the ISO 14001 environmental management system, the Anritsu Group in Japan began operating its management system based on this version in January 2017. It will subsequently undergo a transition audit in December 2017, with a focus on changing to a system under which we can actively pursue environmental improvement in our daily work and duties. Under the revised management system, in fiscal 2017 each department has been striving to make improvements for the environment through their daily work, such as by promoting orders for environmentally friendly products and bolstering workplace efficiency and product quality.


### ■ Priority Theme 2: Provide information that meets stakeholder expectations

We have been working to improve the compatibility of our CSR and other reports with the environmental reporting guidelines of the Ministry of the Environment of Japan, GRI-G4 and other relevant guidelines for information disclosure by formulating our own information disclosure guidelines. This has led to our receiving an excellence award for environmental reporting at the 20th Environmental

Communication Award hosted by the Ministry of the Environment.

Since fiscal 2016, we have been participating in the ESG Information Analysis & Communication Platform Project of the Ministry of the Environment of Japan. There we disclosed our environmental information to participating companies and investors and also directly communicated with investors, who provided a range of guidance on our environmental management and the quality of our information disclosure.

Looking ahead, we will continue improving the quality of our information disclosure.

 More information  
Scope calculations

### ■ Priority Theme 3: Provide energy- and resource-saving products

In fiscal 2016, we registered four new models as Excellent Eco-Products. To reduce CO<sub>2</sub> emissions throughout the value chain, we will formulate improvement plans under our GLP2017 Environmental Initiative for “purchased goods and services” and “use of sold products”, which have been particularly high in CO<sub>2</sub> emissions under Scope 3. To make improvements throughout the value chain, partnering with our suppliers as we carry out activities will be particularly important, and so we have held briefings to seek their understanding and cooperation.

### ■ Priority Theme 4: Provide products that do not contain hazardous substances

Anritsu’s mainstay products of measuring instruments and industrial equipment will be required to comply with the RoHS Directive from July 2017. Since 2006 the Anritsu Group has been working to reduce hazardous substances in products and developing new products in accordance with the RoHS Directive. In light of the long life cycles of our mainstay products, we also completed the necessary measures for existing products scheduled to be shipped to customers after July 2017. In response to the addition of phthalates to the list of restricted substances in RoHS 2 Annex II, we obtained potential substitutes for products containing those substances and began examining their quality and durability. In fiscal 2017, we will begin implementing chemSHERPA, an initiative of the Ministry of Economy, Trade and Industry, as a management tool for hazardous substances contained in products.

### ■ Priority Theme 5: Effectively use energy and water

In fiscal 2016, electric power consumption for the Atsugi site decreased by 2.1% compared to fiscal 2014. However, electric power consumption for the global Anritsu Group rose by 0.3% from fiscal 2014, following from increased consumption in the Hiratsuka and Tohoku sites.

Water use in fiscal 2016 significantly decreased from fiscal 2014 for the Atsugi site (17.1%) and Anritsu Company (U.S.A.) (17.6%) as well as for the global Anritsu Group (15.4%).



## TOPICS

### Anritsu Receives Excellence Award for Environmental Reporting at the 20th Environmental Communication Award



WEB

Brochure of the 20th Environmental Communication Award (Japanese only)

In February 2017, we received an excellence award for environmental reporting at the 20th Environmental Communication Award hosted by the Ministry of the Environment of Japan. The award recognized the excellence of our 2016 Sustainability Report and 2016 Anritsu Integrated Reporting. Winning this award validates the efforts of each department associated with ESG, including environmental reporting led by the Corporate Communication Department for raising the level of reporting by steadily implementing ESG-related initiatives and pursuing the transparency and comprehensiveness of information that our stakeholders expect.

In particular we have been disclosing environmental information every year through our Environmental Report since 2000 and Sustainability Report since 2005 in accordance with the Environmental Reporting Guidelines of the Ministry of the Environment of Japan. In response to the recent growing demand for information disclosure, especially from international investors, and to ensure that the information disclosed is accurate, we formulated our own information disclosure guidelines on providing environmental information in fiscal 2015, which adhere to the Environmental Reporting Guidelines of the Ministry of the Environment of Japan and reflect consideration for the information required by GRI-G4, questionnaires and comments directed to us.

With the approaching transition from GRI-G4 to GRI Standards and the revision of the Environmental Reporting Guidelines of the Ministry of the Environment of Japan, we will promptly take action and continue to deliver accurate information that meets the expectations of all our stakeholders.



Mr. Hiroyuki Yagi (left), selection committee chair, presenting the award to Akio Takagi (right), Vice President of Anritsu Corporation, at the 20th Environmental Communication Award Ceremony

### Environmental Management Promotion System

A rising number of issues have required a concerted global effort by Anritsu, including the environmental expectations of our stakeholders, regulations on chemical substances contained in products such as the RoHS Directive, development of environmentally friendly products, prevention of climate change and water resource issues. To deal with global environmental issues in general, we hold Global Environment Management Meetings, attended by responsible officers at our three major locations in Japan, the United States and the United Kingdom.

To solve challenging issues and share information, we also set up the Environment Management Committee, which aims to resolve environmental issues while using the environmental management system and the Promotion of RoHS Group Meeting for the development and production of products that do not contain banned substances. The Environment Management Committee is at the core of our environmental management. It is chaired by the director of environmental management (chief environmental officer of Anritsu Corporation), and its members include officers responsible for the environment at each division of Anritsu Corporation and Group companies in Japan, as well as officers responsible for internal control, legal affairs, CSR and CS. The committee identifies risks and

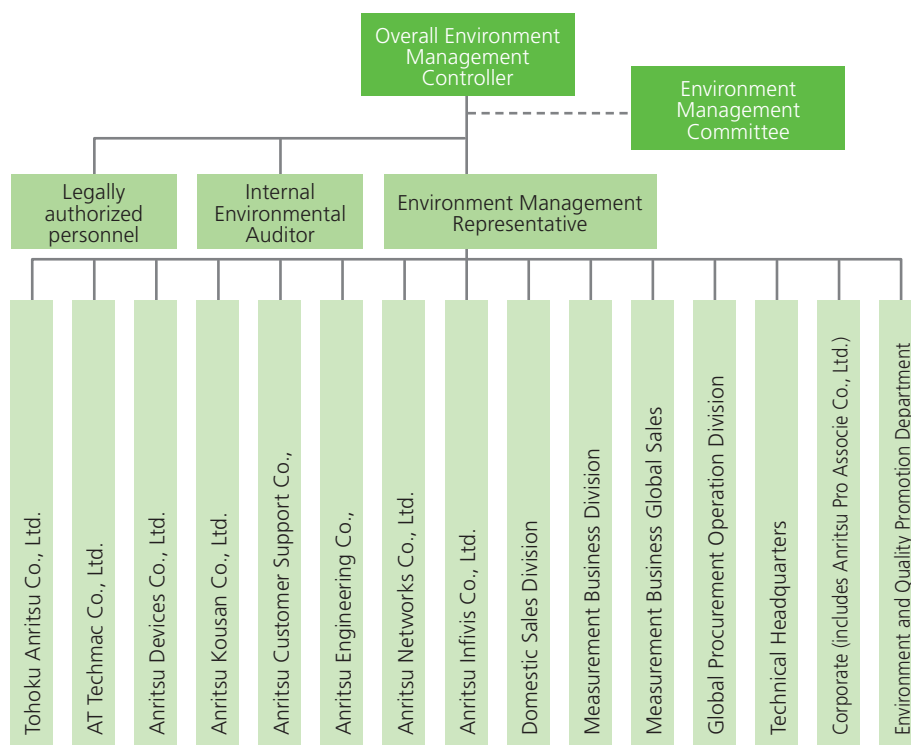
opportunities related to the environment and carries out its activities with due consideration for consistency with our business strategies.

The Product Assessment Committee, established under our environmental management system, promotes the development of environmentally friendly products. It was reorganized into the design development process of the quality management system, since developing environmentally friendly products is an aspect of product quality.



### Environmental Management Organization (Anritsu Group in Japan)

The environmental management organization of the Anritsu Group in Japan promotes environmental management activities under the leadership of the director of environmental management.



### Environmental Management Systems

The Anritsu Group has established environmental management systems at major production sites in Japan and the United States and has obtained ISO 14001 certification.

Following the upgrading of the management system to the 2015 version, the Anritsu Group has identified environmental initiatives closely related to daily work and duties and revised internal regulations for promoting these initiatives. We began operating under the 2015 version in January 2017 and intend to apply for a transition audit in December of the same year.

The environmental management system covers approximately 70% of the Anritsu Group.



\*Expanded the scope of ISO 14001 accreditation to include Tohoku Anritsu Co., Ltd. in 2003, which independently acquired certification in October 1999.



WEB

Anritsu Corporation  
ISO14001 Management  
System Certificate(English)



WEB

Anritsu Company(USA)  
ISO14001 Management  
Certificate

### ISO 14001 Registration Company

#### Anritsu Corporation (Head Office)

【Certification Date】August 1998 【Update】February 2016

【Certification Organization】JQA/JQA-EM0210\*

- Anritsu Corporation
- Anritsu Infivis Co., Ltd.
- Anritsu Customer Support Co., Ltd.
- Anritsu Networks Co., Ltd.
- Anritsu Engineering Co., Ltd.
- Anritsu Kousan Co., Ltd.
- AT Techmac Co., Ltd.
- Anritsu Pro Associe Co., Ltd.
- Anritsu Devices Co., Ltd.
- Tohoku Anritsu Co., Ltd.



#### Anritsu Company (U.S.A.)

【Address】490 Jarvis Drive Morgan Hill, CA 95037

【Certification Date】March 2007 【Update】April 2016

【Certification Organization】NQA/EN12275



## Environmental Audit



Environmental auditing

In the external ISO 14001 recertification audit for fiscal 2016, the Anritsu Group in Japan received an integrated audit in which audits were simultaneously conducted for the ISO 9001 quality management system and ISO 27001 information security management system. As a result, while all items were found to be in compliance, 6 opportunities for improvement and 1 good point were indicated with respect to ISO 14001.

In addition, the Anritsu Group in Japan conducted two internal environmental audits of the conformance and effectiveness of our environmental management system and environmental performance in July and compliance status in October. While this resulted in indications of 19 observations and 3 observations, respectively, there were no nonconforming areas.

Opportunities for improvement indicated by external audits and observations pointed out by internal audits are reported to the Environment Management Committee and shared and rolled out throughout all management organizations. Improvements are made for issues faced by each management organization and confirmed during the internal audit conducted in the following fiscal year.

In fiscal 2016, we conducted audits with an emphasis on chemical substance management and compliance with the Fluorocarbons Emission Control Law (Act on Rational Use and Proper Management of Fluorocarbons).

## Compliance Status

The Anritsu Group in Japan recognizes business-related environmental laws and regulations and confirms the status of compliance through internal environmental audits. In activities involving regulations on discharged water, air and noise, we strive to ensure compliance by adopting voluntary management standards that are more demanding than statutory regulations.

There have been no legal violations for over a decade, although it was recently discovered that the notification for high pressure gas manufacturing under the High Pressure Gas Safety Act had not been submitted when the air conditioning heat pump chiller (Class 2 manufacturing equipment) was relocated in 2002. As a result, we received

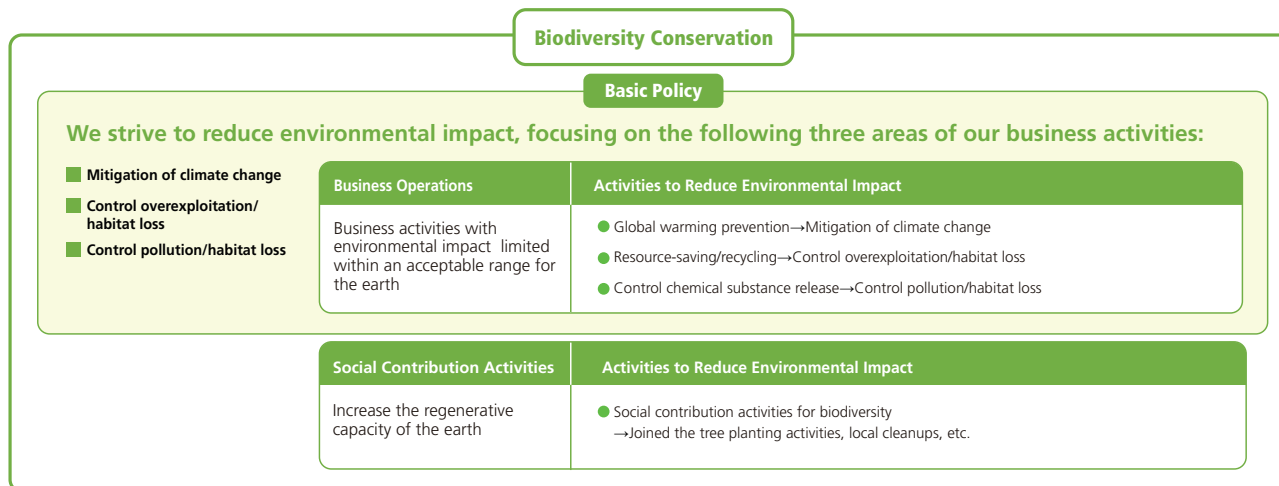
a compliance order from Kanagawa Prefecture in March 2017. Upon receipt of the order, we reeducated ourselves on the issuance of required notifications for relocating equipment, improved our notification ledger related to high-pressure gas for easier reviewing of the previous data, and thoroughly checked the submission status of notifications by an internal audit to prevent any recurrence of the problem. Consequently, our improvement plan was accepted by the prefecture in April 2017. We will work to prevent any similar incident from recurring, ensure compliance with regulatory requirements, prevent accidents and reduce our environmental impact.

In addition, we have an established mechanism for handling complaints under the environmental management system, and we received no complaints from interested parties including people living around the site.

## Efforts to Preserve Biodiversity

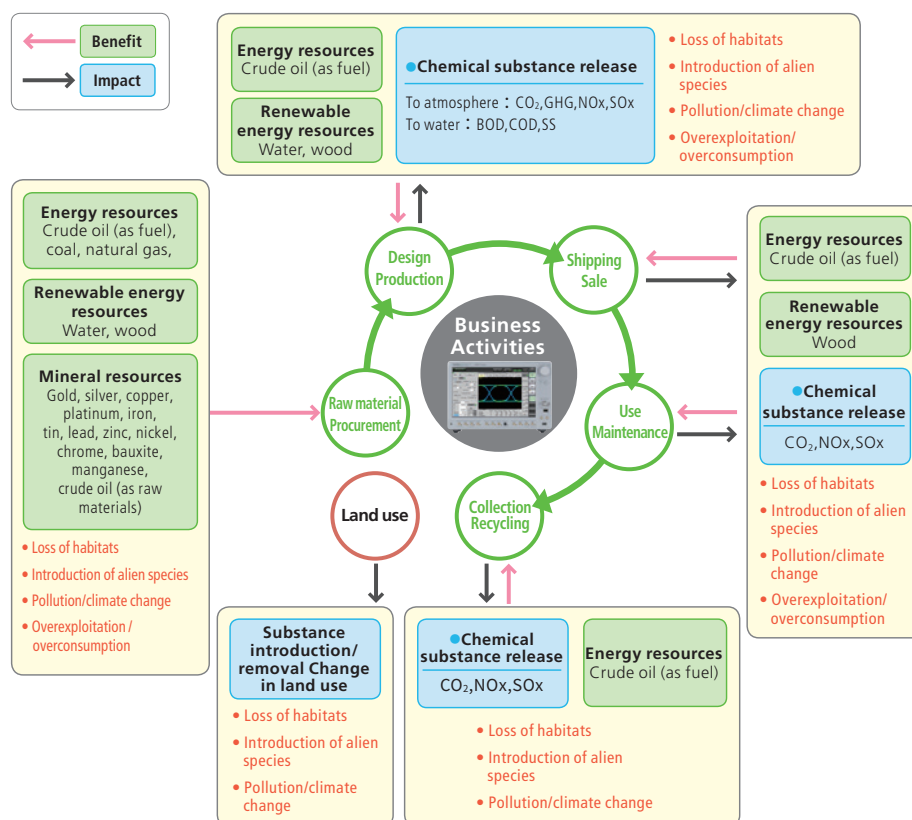
### ■ Policy for Conserving Biodiversity

While the business operations of the Anritsu Group benefit from ecosystems supported by diverse organisms, they also have a negative impact on them. Preserving the biodiversity which is the foundation of ecosystems is therefore a vital concern for environmental management. The basic policy of the Anritsu Group is to encourage activities that reduce the environmental impact associated with our business operations and to preserve biodiversity through social contribution efforts that protect the natural environment.



### ■ Initiatives Associated with Our Business Activities

We created a relevance map based on the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity format to better understand the relationship between the Anritsu Group's business activities and biodiversity. The map enabled us to better understand how our business activities relate to ecosystems. We are carrying out activities based on the results, including providing environmental training for our employees, communicating with suppliers about our Green Procurement Specification, and greening our business sites with due consideration for ecosystems.



### ■ Joined Nippon Keidanren's Declaration of Biodiversity

The Anritsu Group in Japan has endorsed Nippon Keidanren's Declaration of Biodiversity and participates as a promotion partner to exercise leadership in creating a society that values and supports biodiversity.

### Environmental Education for Employees



Environmental education



Environmental education teaching material for employee

To raise the environmental awareness of each employee and encourage them to actively engage in environmental activities, we provide general education through e-learning every year for all Anritsu Group employees in Japan as well as environmental education programs designed for each job type and rank. These programs are also attended by employees of business partners under consignment.

Following the revision of the Industrial Safety and Health Act, we conducted risk assessment training in fiscal 2016 for divisions that handle chemical substances. Our e-learning courseware follows the theme of the "2015 revision of ISO 14001" to explain the purpose of ISO 14001 and the major changes and goals of the 2015 version in order to raise employee awareness prior to the transition audit scheduled for fiscal 2017. The course was attended by 2,687 employees.

Educational Programs		
New employee education	Internal auditor training program	Internal auditor follow-up education
General education	Education for technology departments	Education for sales departments
Onsite consignment worker education	High-pressure gas handler courses	Chemical substances manager training

## TOPIC

**RoHS Training for Sales Divisions in Europe**

\*1 New Approach Directives: EU directives governing the harmonization of the standards, such as for product safety and quality.

\*2 CE marking: A symbol indicating that a product complies with the essential requirements of the applicable directives, such as for safety and quality.

\*3 EMC Directive: EU directive applicable to all electronic or electrical products that may cause danger or device failure by electromagnetic disturbance.

\*4 LVD Directive: The Low Voltage Directive is an EU directive outlining essential safety requirements for all electrical equipment operating with voltages between 50 V and 1,000 V for alternating current and 75 V and 1,500 V for direct current.

In July 2017, measuring instruments and X-ray inspection systems, which are mainstay products of Anritsu, became subject to the RoHS Directive. Therefore, we provided training on our approaches and the handling of the RoHS Directive to our sales departments in Europe as the main points of contact for European customers.

While under the RoHS Directive, products are required to be CE marked\*<sup>2</sup> based on the New Approach Directives\*<sup>1</sup>. It can be difficult to distinguish between the CE mark for compliance with the EMC\*<sup>3</sup> and LVD\*<sup>4</sup> directives and the mark confirming compliance with the added RoHS Directive because they have the same color and shape. We trained our employees to easily distinguish the marks in order to avoid any potential problem with sales or repair at the time of switching.



Training material for sales departments in Europe

**Environmental Awards System**

\*Activities undertaken by the Anritsu Group in Japan to improve operational efficiency, quality and other aspects.



Environmental Awards

The Anritsu Group in Japan gives awards to employees who have obtained environment-related qualifications, groups that have carried out environmental projects in the AQU Innovation Activities\* and employees who have offered proposals for improvement.

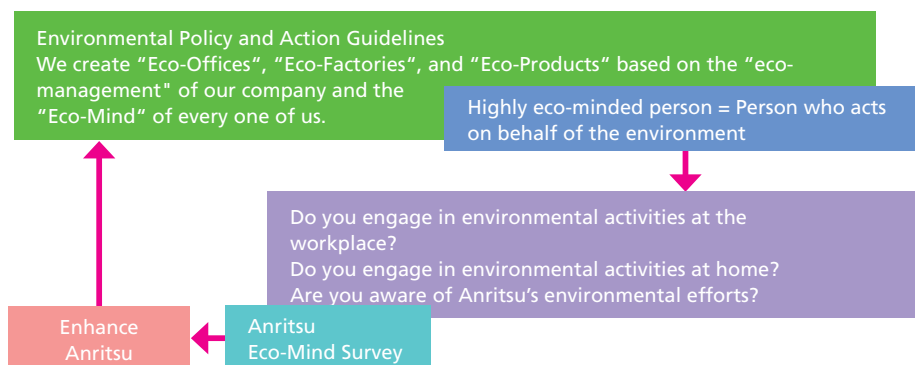
In fiscal 2016, 22 group projects and 115 proposals were recognized with environmental awards.

**Eco-Mind Awareness of Employees**

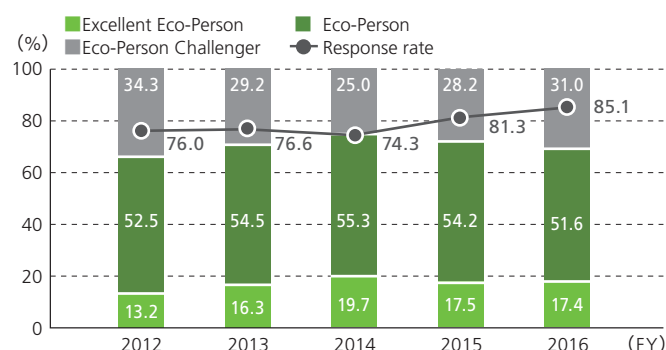
We conduct a survey of all Anritsu Group employees in Japan to determine the degree to which we share an Eco-Mind awareness.

Questions were designed to determine the state of workplace activities by asking whether action is being taken toward creating the Eco-Office (promoting conservation and the 3Rs, and reducing environmental compliance risks), as well as the state of activities at home and about participant awareness with regard to Anritsu's efforts.

In fiscal 2016, the response rate improved considerably, from 81.3% in fiscal 2015 to 85.1%. However, due in part to the expanded scope of respondents, the ratio of "Excellent Eco-Persons", who scored above 90 points on the survey, fell to 17.4%. Five years have passed since we started our Eco-Mind survey, and it has now become obsolete. We will review the effectiveness of the survey and consider how to improve Eco-Mind awareness among employees.



### ► Eco-Mind of Employees



## Environmental Communication



Environment Leaflet for customers



Eco Club for employees

Anritsu actively communicates inside and outside the company with a firm belief in the vital importance of raising stakeholder awareness of our environmental activities and gaining their support for our efforts to protect the global environment.

The Anritsu Group in Japan has constructed a system for responding to stakeholders' inquiries concerning the environment. To provide environmental information tailored for each group of stakeholders, we also publish the Environment Leaflet for customers and the quarterly Eco Club via the Intranet for employees, in addition to our Sustainability Report, environmental advertisements and environment-related features, also available online. Furthermore, seeking to provide an accurate response to stakeholder requests for information, we laid out our own information disclosure guidelines on providing environmental information, which adhere to the environmental reporting guidelines of the Japanese Ministry of Environment and reflect consideration for the information required by GRI-G4 and the CDP questionnaire.

We believe that disclosure of ESG information will become increasingly important and thus participated in the ESG Information Analysis & Communication Platform Project implemented by the Ministry of the Environment of Japan in 2016. The purpose of the project is to support the corporate disclosure of environmental information and dialogue with investors toward realizing a society and economy where sufficient funds are circulated to companies carrying out sustainable initiatives, including low-carbon activities. We disclosed our environmental information on a trial basis and engaged in dialogues with investors.

We will make every effort to ensure prompt and effective communication with our stakeholders by disclosing our environmental information, responding to environmental surveys and exchanging opinions.

## CDP

The CDP is a nonprofit organization that collaborates with institutional investors (827 companies with above 100 trillion dollars in combined assets under management as of May 2017) to send questionnaires to about 5,600 leading companies around the world, requesting disclosure of information about their environmental impact, including strategies on climate change, water and forests as well as the volume of their greenhouse gas emissions. The CDP analyzes and assesses the responses and discloses the results to investors, which can be used to inform their investment decisions. Since fiscal 2012, Anritsu has been continuously responding to the CDP questionnaire on climate change, sent to 500 companies in Japan.

In fiscal 2016, the CDP scoring system changed significantly, and we were given a score of “B ; Management level”, meaning that the “company has considered the concrete impacts of climate change that are in line with its own businesses.” In fiscal 2015, prior to the scoring system change, our disclosure score was a near-perfect 99 points and our performance score was C.

We will continue our efforts to enhance the reliability of our information disclosure and reduce CO<sub>2</sub> emissions throughout our supply chain to prevent global warming.