

ESG Highlights

Tackling Climate Change

Targeting About 30% Private Generation of Renewable Energy through Anritsu Climate Change Action PGRE 30

Anritsu Corporation has formulated "Anritsu Climate Change Action PGRE 30 (hereinafter "PGRE 30"*1)" as a new initiative for reducing greenhouse gas emissions. PGRE 30 will directly reduce greenhouse gas emissions through the use of renewable energy. Private generation of renewable energy ratio accounted for 0.8% of the Anritsu Group's electricity consumption*2 in FY2018 and we will raise this to about 30% by around 2030.

In FY2019, due to the addition of 57kW of solar panels in the Atsugi premises in January 2020 the ratio of private power generation reached 0.9%. In September 2020, 1,100 kW of solar panels will be installed in the United States and as a result, in FY2020 the private power generation ratio is expected to be 4.3%.

PGRE 30 is Anritsu's ambitious attempt to exceed Japan's 2030 renewable energy target of 22% to 24% (7% of which is from solar generation).

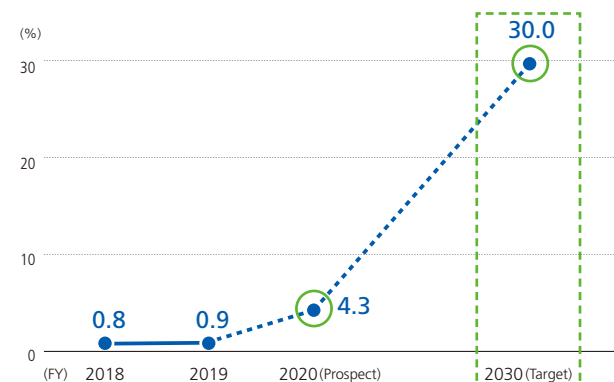
Target 7.2 in Goal 7 of the Sustainable Development Goals (SDGs) promotes increasing substantially the share of renewable energy in the global energy mix by 2030. PGRE 30 is Anritsu's own unique contribution to directly expanding the use of renewable energy by introducing the solar



Solar power generation facility under construction at Morgan Hill

panel that will be consumed by the Anritsu Group's principal business sites—Atsugi in Kanagawa, Japan, Koriyama in Fukushima, Japan, and Morgan Hill, California, in the

Private Generation of Renewable Energy Ratio



*Private Generation of Renewable Energy Ratio = solar power consumption/electrical power consumption (FY2018)

U.S. We believe this initiative will help to achieve the goals and targets in the SDGs.

Background to the Approach

As a countermeasure to the problems of climate change and man-made global warming, the Paris Agreement (COP21) was formulated in 2015 with the goal of reducing greenhouse gas emissions to ensure that the rise in average temperatures does not exceed 2°C compared to pre-industrial levels. This approach was set as a key issue within the SDGs adopted by the UN that same year.



Anritsu submitted its plan to reduce greenhouse gas emissions to the Science-Based Target (SBT) initiative*3 and it was approved in December 2019 as a plan matching proposed reduction scenarios based on IPCC*4 climate science.

The Anritsu Group's greenhouse gas emission reduction targets that received SBT approval are as follows.

- Scope 1 & 2: Reduce greenhouse gas emissions by 30% compared to FY2015 levels by FY2030
- Scope 3: Reduce greenhouse gas emissions connected to the use of products and services purchased and products sold by 30% compared to FY2018 levels by FY2030

Although the purchase of renewable energy credits/certificates (RECs) was also considered for implementing this plan, we formulated PGRE 30 with a focus on generating renewable energy in-house as part of our initiatives for realizing the SDGs.



*1 PGRE 30: "PGRE" refers to Private Generation of Renewable Energy and "30" refers to the target of 30% Private Generation of Renewable Energy by around 2030.

*2 Electricity consumption of AT Techmac Co., Ltd. is excluded because it is not a wholly-owned subsidiary.

*3 SBT initiative
A joint initiative encouraging companies to set reduction targets that are in line with scientific knowledge to ensure that the rise in average temperatures does not exceed 2°C, or if possible 1.5°C, compared to pre-industrial levels.

*4 IPCC
Abbreviation of Intergovernmental Panel on Climate Change.

Harmonizing with Global Society

Social Issues as a Background

The Anritsu Group supports the universal principles of human rights and labor. Since 2006, we have participated in the United Nations Global Compact, which puts these principles into practice. As a signatory dedicated to solving social issues—including the SDGs—we are promoting efforts aimed at advancing respect for human rights and diversity. In order to better secure human resources in an aging society with a declining birth rate, and to respond to the risks and needs of a diversifying market, we believe it is increasingly important for companies to promote diversity management. For the Anritsu Group, which has overseas sales that account for 66% of total sales, fulfilling our long-term vision of remaining the leader in the global market, while also maintaining our current business activities, requires us to create an environment in which a diverse group of employees can work actively and mutually share their values.



Anritsu's Human Resources Concept

In the Anritsu Group, human resources are an essential asset. We believe that supporting diverse human resources innovation and solving social issues through our business will lead to greater corporate value. Recognizing this, we announced a Diversity Policy and have promoted diversity through measures including gender equality; supporting the active involvement of female employees; promoting a healthy life-work balance; encouraging the hiring of employees with disabilities; hiring foreign employees; supporting the involvement of senior employees and more. We are energetically striving to support diversity by hiring and promoting diverse human resources and adopting a global human resources management system. Also, the Anritsu Group is pursuing reforms to the labor environment and labor system for life-work balance of the employees.

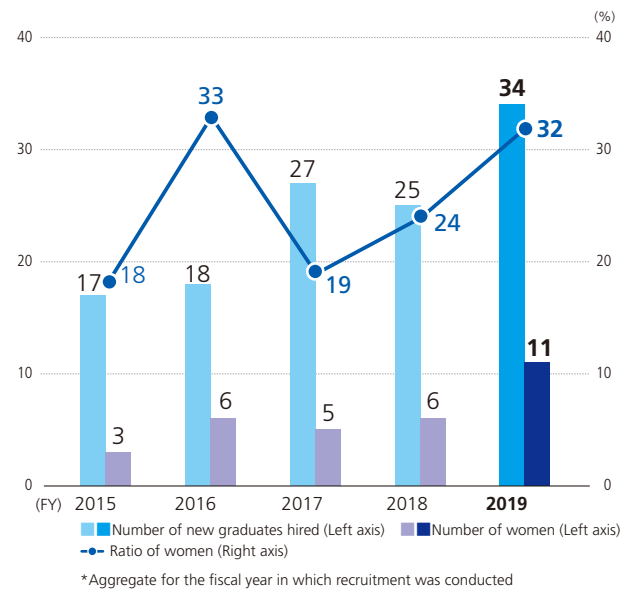
Promoting the Active Involvement of Female Employees

We are carrying out initiatives to allow female employees to pursue their professional lives alongside their private lives and to more directly contribute to the growth of our business and enhancement of our corporate value. We are putting particular effort toward career development and support for female employees who have difficulty balancing work and home demands due to life events such as childrearing or family nursing care. In FY2016, we set the goal of raising the ratio of women hired in Japan to 20% of all

new recruits by 2020, while also further establishing a working environment that supports female employees. In April 2020, we achieved this goal. In terms of support for career advancement, we also have initiatives such as increasing the number of participants in our tier-based training system as well as training seminars that have helped three female employees in FY2019 become company managers. As a result, our ratio of female managers in FY2019 was 1.8%. In April of 2020, two female employees became company managers. Going forward, we have announced a new goal, which we would like to achieve by FY2023, to surpass the June, 2020 industry average of a 3.3% ratio* of women in management positions. Accordingly, we will devote continued effort to increasing our number of female employees, supporting career development for females, and creating an environment that fosters female employees who take on central roles in the organization.

* Based on material released by the Ministry of Health, Labour and Welfare

Women as a Ratio of New Graduates Hired



Work-Style Reform Initiatives

The Anritsu Group moved quickly and took early steps to promote work-style reforms to respond to the social demands such as responses for aging society with a declining birth rate, life-work balance and globalization. We are promoting telecommuting that helps free employees from working in a specific place at a specific time while supporting workstyles that suit different values of employees and approaches to work. Also, the Anritsu Group is pursuing reforms to the labor environment and labor system, and working to spur innovation by improving productivity, all as part of work-style reforms with the goal of translating these changes to greater corporate value.