

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

The ELECOM Group consists of parent company, ELECOM, hereafter referred to as ELECOM, and 17 group companies, and is engaged in the development, manufacture, and sale of personal computers and digital equipment-related products, as well as businesses related to these activities. Under the slogan "bridging the gap between people and innovation," the ELECOM Group's basic policy is to create new values that enrich business and home life with bringing joy to customers. The ELECOM Group's strength lies in three elements; Firstly, its product development capabilities, which enable it to develop products that are compatible with new standards that are constantly evolving and products with excellent design, keeping a close eye on market trends. Secondly, the Group's product sales capabilities which enable it to market its products through a variety of sales channels, including the B-to-C market of not only electronics mass retailers but also discount and lifestyle stores, domestic and international e-commerce, and the B-to-B market, where the Group leverages its strengths to develop services. Last of all, the ability to procure products from affiliated factories in Japan and overseas by comprehensively considering and selecting products based on their quality, cost, and supply system to meet the world's needs. It is the speed that the ELECOM Group's DNA with which it is able to execute these strengths in a prompt and timely manner. Going forward, the ELECOM Group will continue to provide new products and services with even greater speed by broadening its vision not only to what users are looking for, but also to one step ahead of their needs.

The product categories and main products handled are as follows;

- PC-related products: mouse, keyboards, wireless routers, hard disks, USB memory sticks, LAN cables, carrying bags, etc.
- Health care products: body composition analyzers, blood pressure monitors, body make-up and body care products, etc.
- Video and audio products: headphones, earphones, speakers, HDMI cables, power strips, etc.
- Camera-related products: camera cases, camera accessories for smartphones, memory cards, etc.
- TV-related products: HDDs for recording, remote controls, display racks, antenna cables, etc.
- Smartphones and tablet PCs: cases, touch pens, protective films, chargers, mobile batteries, etc.
- Car-related products: cigar chargers, car stands/holders, FM transmitters, etc.
- Lifestyle-related products: cooking appliances, USB fans, cup warmers, lighting equipment, kitchen scales, etc.
- Hygiene-related products: face shields, antibacterial and antiviral sheets, UV sterilization boxes, air purification systems, etc.
- e-sports,Gaming related products: gaming mice, gamepads, controllers, gaming headsets, VR goggles/glasses, etc.
- Furniture: Racks, chairs, partitions, storage units, digital signage stands, etc.
- Custom PCs: Touch panel PCs, rugged tablets, compact PCs, data recovery services, etc.
- Other products and services: Wi-Fi installation, personalized orders, etc.

The ELECOM Group aims to grow and develop by each and every employee delivering joy to customers around the world and contributing to a better global environment and society, based on the credo (management creed) and action guidelines.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	April 1 2022	March 31 2023

W0.3

(W0.3) Select the countries/areas in which you operate.

China
Hong Kong SAR, China
Japan
Philippines
Republic of Korea
Singapore
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Exclude all but factory facilities and distribution centers.	The boundary is limited to ELECOM distribution centers, Logitech INA Solutions Co., Ltd. and DX ANTENNA PHILIPPINES, INC. Other facilities in Japan and outside Japan are excluded by considering that they have a much lesser impact on water consumption and the ELECOM Group's business than the facilities covered in the report.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	JP3168200008

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Important	(Direct Utilization) As a fabless company, ELECOM does not have its own manufacturing facilities, and its water use in direct operations is limited to domestic use. On the other hand, the Group owns factory facilities at Logitech INA Solutions and DX ANTENNA PHILIPPINES INC., but their work is only assembly with no use of industrial water, groundwater, or public water supply for cooling water during the process or for manufacturing purposes. No changes are planned to the nature of the business or business model, and "not very significant" changes are not anticipated in the future. (Indirect Utilization) As a fabless company, ELECOM does not have its own manufacturing facilities, and its water use in direct operations is limited to domestic water. However, since each product has its own manufacturing process in a contract factory, it is important to have a sufficient amount of high-quality water available. ELECOM recognizes the need to work with suppliers on water withdrawal and wastewater discharge based on environmental considerations, such as effective use of resources and handling of pollutants. No changes are planned to the nature of the business or business model, and "significant" changes are not anticipated in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	As a fabless company, ELECOM does not have its own manufacturing facilities, and its water use in direct operations is limited to domestic use. On the other hand, the Group owns factory facilities at Logitech INA Solutions and DX ANTENNA PHILIPPINES INC., but their work is only assembly with no use of industrial water, groundwater, or public water supply for cooling water during the process or for manufacturing purposes. In addition, recycled water, brackish water, and produced water are not used.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	1-25	Monthly	The amount of water withdrawal is confirmed by invoices from suppliers.	The ELECOM Group's business locations are categorized into offices, distribution centers, and factories. The two plants are located in the INA Plant of Logitech INA Solutions and DX ANTENNA PHILIPPINES INC. Both have only assembly processes, and no water is used in the process. Therefore, the entire water use is only for that of domestic and the Group obtains it from third-party water sources (external water suppliers). However, we recognize the importance of understanding water-related risks at each site, and since our distribution centers and factories are particularly important in terms of impact and risk management in the ELECOM Group's value chain, we have begun monitoring their water intake since fiscal year 2022. The amount of water withdrawal is confirmed by invoices from suppliers.
Water withdrawals – volumes by source	1-25	Yearly	The volume of water supplied by the third-party source is constantly monitored by meters installed and owned by the water suppliers contracted with each facility, and the amount of water taken is verified on the invoices.	The Group's distribution centers and factories use only domestic water, which is taken from a third-party source (external water supplier). The volume of water supplied by the third-party source is constantly monitored by meters installed and owned by the water suppliers contracted with each facility, and the amount of water taken is verified on the invoices.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	1-25	Continuously	The water quality is inspected and reported by the external supplier in accordance with the Water Supply Law, and is confirmed to be in compliance with water quality standard requirements. In the event of a water quality incident, the external water supplier would report it to us.	The Group's distribution centers and factories use water for domestic use only, which is obtained from a third-party water source (external water supplier). The water quality is inspected and reported by the external supplier in accordance with the Water Supply Law, and is confirmed to be in compliance with water quality standard requirements. In the event of a water quality incident, the external water supplier would report it to us.
Water discharges – total volumes	1-25	Monthly	The amount of water discharged is considered equal to the amount of water withdrawn and is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.	The Group's distribution centers and factories use only domestic water, 100% of which is discharged into public sewage systems operated by a third-party (external sewage company). The amount of water discharged is considered equal to the amount of water withdrawn and is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.
Water discharges – volumes by destination	1-25	Monthly	The amount of water discharged is considered equal to the amount of water withdrawn and is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.	The Group's distribution centers and factories use only domestic water, 100% of which is discharged into public sewage systems operated by a third-party (external sewage company). The amount of water discharged is considered equal to the amount of water withdrawn and is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.
Water discharges – volumes by treatment method	1-25	Monthly	The amount of water discharged is considered equal to the amount of water withdrawn and is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.	The Group's distribution centers and factories use only domestic water, 100% of which is discharged into public sewage systems operated by a third-party (external sewage company). The amount of water discharged is considered equal to the amount of water withdrawn and is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.
Water discharge quality – by standard effluent parameters	Less than 1%	Unknown	Since the Group's distribution centers and factories use water only for domestic use, water quality is not monitored when discharging water into public sewage systems.	Since the Group's distribution centers and factories use water only for domestic use, water quality is not monitored when discharging water into public sewage systems.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	
Water discharge quality – temperature	Less than 1%	Unknown	Since the Group's distribution centers and factories use water only for domestic use, water quality is not monitored when discharging water into public sewage systems.	Since the Group's distribution centers and factories use water only for domestic use, water quality is not monitored when discharging water into public sewage systems.
Water consumption – total volume	Less than 1%	Monthly	The volume of water supplied by the third-party source is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices.	The Group's distribution centers and factories use only domestic water, which is taken from a third-party source (external water supplier). The volume of water supplied by the third-party source is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices. All water use is for domestic purposes, and wastewater is considered equal to water withdrawal, so the amount of consumption is considered small.
Water recycled/reused	Less than 1%	Unknown	The Group's distribution centers and factories use only domestic water, which is taken from a third-party source (external water supplier). Therefore, there is no use of recycled water.	The Group's distribution centers and factories use only domestic water, which is taken from a third-party source (external water supplier). Therefore, there is no use of recycled water.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
The provision of fully-functioning, safely managed WASH services to all workers	1-25	Continuously	The quality of tap water is managed by an external water supplier, and the external water supplier provides notification when problems occur or are anticipated.	A small portion of the tap water at the Group's distribution centers and factories is used as drinking water. The quality of tap water is managed by an external water supplier, and the external water supplier provides notification when problems occur or are anticipated. Therefore, the quality of the tap water can be continuously monitored through reports from the tap water supplier.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	3.86	This is our first year of measurement	Please select	About the same	Other, please specify (The Group do not plan to change our business activities or business model, and nor anticipate any major changes in water withdrawal in the future.)	The ELECOM Group's business locations are categorized into offices, distribution centers, and factories. The two plants are located at the INA Plant of Group company Logitech INA Solutions and DX ANTENNA PHILIPPINES INC. Both have only assembly processes, and no water is used in the process. Therefore, the entire group uses water only for domestic use and obtains it from third-party water sources (external water suppliers). While The Group recognizes the importance of understanding water-related risks at each of our sites and our distribution centers and factories are particularly important in terms of impact and risk management in the ELECOM Group's value chain, water intake has begun to be monitored since fiscal 2022. In the future, further monitoring of water intake at other business sites will be conducted to expand the scope of the Group's survey and to consider reducing the amount of water used. The Group do not plan to change our business activities or business model, and nor anticipate any major changes in water withdrawal in the future.
Total discharges	3.86	This is our first year of measurement	Please select	About the same	Other, please specify (No changes are planned to the business model and no major fluctuations in Discharge are expected in the future.)	Since fiscal 2022, we have begun monitoring the volume of wastewater discharged from our distribution centers and factories, as they are of particular importance to the ELECOM Group's value chain in terms of impact and risk management. The Group's distribution centers and factories discharge only domestic wastewater, 100% of which is discharged into public sewage systems operated by a third party (external sewage company). The amount of wastewater discharged is considered equal to the amount of water withdrawn. In the future, further assessment of wastewater volume at other sites will be conducted to expand the scope of the Group's survey and consideration will be given to reducing wastewater volume in the same manner as water intake. No changes are planned to the business model and no major fluctuations in Discharge are expected in the future.
Total consumption	0	This is our first year of measurement	Please select	About the same	Other, please specify (No changes are planned to the business model and no major fluctuations in water consumption are expected in the future.)	The Group's distribution centers and factories use only domestic water, which is taken from a third-party source (external water supplier). The volume of water supplied by the third-party source is constantly monitored by meters installed and owned by the water suppliers contracted with each facility and confirmed on the invoices. All water use is for domestic purposes, and wastewater is considered equal to water withdrawal, so the amount of consumption is considered small. No changes are planned to the business model and no major fluctuations in water consumption are expected in the future.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	No	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	WRI Aqueduct	The ELECOM Group defines areas of water stress as having an AQUEDUCT risk level of "High" or higher. The percentage of water withdrawal from the Group's distribution centers and plants from areas with AQUEDUCT water stress "high" or higher was 0%. No changes are planned to the business model and no major fluctuations in water withdrawal are expected in the future.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Third party sources	Relevant	3.86	This is our first year of measurement	Please select	The Group's distribution center and factory water use is limited to domestic water use and draws on tap water as a third-party source of water.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Third-party destinations	Relevant	3.86	This is our first year of measurement	Please select	The Group's distribution center and factory water use is limited to domestic water use and drain out from the sewage system as a third-party discharge source. Since the water withdrawal is used for domestic purposes, the amount of wastewater discharged is considered equal to the amount of water withdrawn.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Relevant	3.86	This is our first year of measurement	Please select	1-10	100% of the wastewater from the Group's distribution centers and factories is discharged into public sewage systems operated by a third party (an external sewerage company). These discharges meet domestic wastewater discharge standards and are discharged into the municipal sewage systems without treatment.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	10372700000	3.86		Sales growth is expected in the future, and with regard to total water withdrawal, there is a possibility of an increase due to an increase in personnel and other factors. In addition, we will improve the efficiency of total water withdrawal by considering water conservation measures.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	Unknown	

W1.5**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	No	Important but not an immediate business priority	

W1.5a**(W1.5a) Do you assess your suppliers according to their impact on water security?****Row 1****Assessment of supplier impact**

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

Considered in assessment

<Not Applicable>

Number of suppliers identified as having a substantive impact

<Not Applicable>

% of total suppliers identified as having a substantive impact

<Not Applicable>

Please explain

In FY2022, ELECOM sent a CSR Procurement Self-Assessment Survey to all suppliers for the first time to conduct a survey on suppliers' initiatives. In addition, when concluding contracts, suppliers agree to "use water efficiently," "manage wastewater and give consideration to the environment," and "work to protect water resources" in the "environment and safety" section of the contract. Going forward, based on the importance of suppliers and survey results, regular surveys will be continued and direct audits will be conducted to strengthen engagement with suppliers and encourage them to manage and improve CSR issues.

No water-related issues have had a significant impact on ELECOM's business to date.

W1.5b**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, but we plan to introduce water-related requirements within the next two years	<p>(Type of information requested from suppliers)</p> <p>Management and reduction of wastewater, sludge and emissions</p> <p>Sustainable and efficient use of resources (energy, water, raw materials, etc.)</p> <p>(Regarding evaluation)</p> <p>In the CSR Procurement Survey, ELECOM will check suppliers' efforts in "management and reduction of wastewater, sludge, and exhaust emissions" and "sustainable and efficient use of resources (energy, water, raw materials, etc.)," etc., and consider suppliers that are highly important as suppliers and "need improvement" in the survey results as priority suppliers to be audited. The results of the survey will be used as the basis for direct audits in the future. Based on the results, a direct audit will be conducted, and engagement in dialogue will be conducted to address water issues in the supply chain.</p> <p>To date, no unacceptable water risks have been detected.</p>

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

No other supplier engagements

Details of engagement

<Not Applicable>

% of suppliers by number

<Not Applicable>

% of suppliers with a substantive impact

<Not Applicable>

Rationale for your engagement

Impact of the engagement and measures of success

<Not Applicable>

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	No, we do not identify and classify our potential water pollutants	<Not Applicable>	As a fabless company, ELECOM does not have its own manufacturing facilities, and its water use in direct operations is limited to domestic use. On the other hand, the Group owns factory facilities at Logitech INA Solutions and DX ANTENNA PHILIPPINES INC., but their work is only assembly with no use of industrial water, groundwater, or public water supply for cooling water during the process or for manufacturing purposes.In addition, there is no discharge of potential water pollutants.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct

Contextual issues considered

Water availability at a basin/catchment level

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Local communities

Suppliers

Comment

The risks of water stress, drought, and flooding are assessed using AQUEDUCT. In addition, the risk of administrative action and reputational risk due to deviations from effluent standards are assessed.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	In terms of water security, the Environmental Response Subcommittee uses the AQUEDUCT developed by the World Resources Institute (WRI) to identify business locations with high water stress, flooding, and other water risks. The AQUEDUCT method identifies sites with "very high" baseline water stress as high-risk sites, but currently there are no our sites that meet this definition.	Water availability at the watershed/reservoir level, water regulatory framework, ecosystem and habitat conditions, and access to properly functioning and safely managed water, wastewater, and sanitation (WASH) services for all employees will be included in the assessment.	Customers, suppliers, and local communities: potential risks in procurement of raw materials, manufacturing of products, logistics, etc. Employees involved in manufacturing and logistics: potential risks are significant in terms of access to quality and hygienic drinking water and in the manufacture of products.	The Sustainability Committee of ELECOM determines sustainability-related materiality, KPIs, and other important issues, reviews their progress, and draws up measures to deal with them. Climate-related risks and opportunities are identified across the board based on scenario analysis, led by the Environmental Measures Subcommittee within the Sustainability Committee and in cooperation with promoters in each business organization. The Sustainability Committee examines countermeasures and KPIs for significant climate-related risks and opportunities identified from among those risks and opportunities, and the results are reported to the Board of Directors. In terms of water security, the Environmental Response Subcommittee uses the AQUEDUCT developed by the World Resources Institute (WRI) to identify business locations with high water stress, flooding, and other water risks. The AQUEDUCT method identifies sites with "very high" baseline water stress as high-risk sites, but currently there are no our sites that meet this definition. In the event that a significant risk arises in the future at a target business site due to climate change or changes in regional conditions, measures will be formulated and deliberated by the Environmental Response Subcommittee and, as with climate-related major risks, will be submitted to the Board of Directors for approval.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

In accordance with the TSE, Tokyo Stock Exchange, disclosure regulations, the ELECOM Group identifies matters that may have a significant impact on the financial or strategic aspects of its business and on investors' decisions as follows.

Losses in excess of 3% of consolidated net assets

Consolidated sales fluctuate by 10% or more compared to the forecast for the relevant fiscal year.

Consolidated ordinary income and consolidated net income fluctuate by 30% or more compared to the forecast for the relevant fiscal year.

The Sustainability Committee, Compliance Committee, and Internal Control Committee manage the Group's material risks in cooperation with the Board of Directors, which reports strategies, issues, and countermeasures to the Board of Directors as necessary, and the Board of Directors supervises them.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	0	Less than 1%	None of the sites were rated "very high" or above for "baseline water stress" in the WRI AQUEDUCT.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Japan	Not known
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Number of facilities exposed to water risk

0

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Japan	Yodo
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Type of risk & Primary risk driver

Acute physical	Cyclone, hurricane, typhoon
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Primary potential impact

Reduced revenues from lower sales/output

Company-specific description

As an acute physical risk, extreme weather events such as storm surges, floods and landslides caused by severe typhoons, could cause significant damage to the logistics distribution network. The ELECOM Group had a distribution center in Osaka until January 2022. Western Japan and the Kinki region had been often affected by typhoons that make landfall or pass through the region every year during the typhoon season. In addition, the frequency and scale of typhoons are expected to increase and sea levels to rise in the future. Combined with the actual experience of storm surge damage occurred by Typhoon No. 21 in 2018, the ELECOM Group recognized that the Osaka Distribution Center, which was located in the Kinki region and adjacent to the coast, would have a tremendous negative impact on earnings in the event of a future disaster caused by a large-scale typhoon. The average daily shipment value in the ELECOM Group at that time was approximately 375 million yen, of which the Osaka Distribution Center accounted for 40%. If flooding and storm surge caused by the typhoon were to inundate the facility and disrupt public infrastructure, such as electricity, it would take approximately four days to fully restore operations, and assuming a frequency of three times a year, a 0.34% reduction in annual sales could be at risk, based on experiences and a 20% loss of shipping opportunities per day.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

360000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

In the event of a storm surge or flooding disaster caused by a large typhoon associated with extreme weather, there is a risk that warehouse facilities adjacent to the coast could be severely impacted. The Osaka Distribution Center, located in the Kinki region, is likely to suffer typhoon damage, and if logistics functions were to be disrupted by storm surge or flooding, there could be a significant impact on the Group's earnings. Based on the assumption that the Osaka Distribution Center accounts for 40% of the 375 million yen in shipments per day in FY2021 if a storm surge were to occur and logistics were to cease, and assuming a daily opportunity loss rate of 20% and that it would take 4 days to restore logistics facilities, and assuming the same disaster occurred 3 times in a year, the following assumptions would be made. We estimate that the impact would be 375 million yen x 40% x 20% x 20% x 4 days x 3 times = 360 million yen.

Primary response to risk

Re-site facilities

Description of response

【Situation】 As an acute physical risk, a storm surge or flood caused by a large typhoon associated with extreme weather could shut down logistics functions. The suspension of logistics functions may result in a risk of reduced sales.

【Task】 To avoid this risk, it is necessary to relocate the logistics base in question.

【Action】 In February 2022, the Osaka Distribution Center, which handles 40% of the Group's shipments, was relocated to Inagawa-cho, Hyogo Prefecture, in order to reduce opportunity losses by suspension of shipment and to strengthen logistics functions.

【Result】 This relocation has strengthened the logistics function and avoided the risk of storm surge and flooding disasters. No damage has been reported to date.

Cost of response

4000000000

Explanation of cost of response

Building, equipment, relocation costs, fire insurance

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

The ELECOM Group's strengths lie in its product development and procurement capabilities, which enable it to respond quickly to market demand and trends, and in its robust supply chain, which has the sales and logistics capabilities to deliver these numerous products to a large number of customers in a timely manner. It places particular emphasis on strengthening its logistics functions, taking measures against storm surges and flooding, and improving efficiency by introducing the latest systems. In February 2022, its distribution center was relocated from coastal area of Osaka to Inagawa-cho, Hyogo. The relocation enabled the Hyogo Distribution Center to reduce the impact of flooding, and at the same time, by introducing a shuttle-type three-dimensional automated warehouse system and ipack (a sealing system with an automatic case height adjustment function) aimed at improving logistics efficiency, the previous manual work has been greatly reduced compared to the Osaka Distribution Center, and The introduction of the shuttle multi-story automated warehouse system and ipack (sealing system with automatic case height adjustment) is expected to significantly curtail manual labor compared to the Osaka Distribution Center, resulting in a reduction in cargo handling costs.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

241000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Along with the relocation of the distribution center from Osaka to Inagawa-cho, Hyogo, a shuttle-type multi-story automated warehouse system and I-Pack were installed. As a result, staffing and automation were further streamlined compared to the Osaka distribution center, and in FY2022, loading and unloading costs were reduced by 241 million yen.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Chief Operating Officer (COO)	The Board of Directors oversees climate-related issues and decides on measures and key issues related to sustainability including them. The Sustainability Committee, chaired by COO, is responsible for planning and promoting measures and important issues. The COO has recognized climate-related issues as a management challenge and is taking a leading role by directing the establishment of a Sustainability promotion section in 2022 to more firmly promote sustainability commitment, addressing those issues. The environmental policy states "promotion of efficient use and reduction of resources, energy, and water" and "pollution prevention," and water-related issues are regarded as sustainability issues as well as climate change.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies Reviewing and guiding strategy	The ELECOM Group regards climate change as an important issue that will have a significant impact on our sustainable growth, and has established the Sustainability Committee with the aim of solving social issues, including environmental issues, through our business and enhancing our corporate value. The Sustainability Committee is chaired by the COO and vice-chaired by the CFO, with outside directors participating as observers. In addition, the committee is composed of executives and managers from each company's business organization who serve as facilitators. The subcommittee, which includes the chairperson and vice chairperson as well as the facilitators from each business organization, holds monthly meetings to identify risks that could hinder sustainable business activities due to climate change and various other factors, propose new business opportunities arising from such risks, determine important issues such as materiality and KPIs, confirm their progress, and formulate countermeasures. In addition, the Environmental Measures Subcommittee, which belongs to the Sustainability Committee, works with each business organization to promote initiatives related to climate-related issues under the "Environmental Policy," which advocates the efficient use and reduction of resources, energy, water, and pollution prevention, and based on scenario analysis, material risks and opportunities are identified and recommendations are made to the Sustainability Committee. The inclusion of representatives from each company's business organization in the Sustainability Committee enables close coordination with business activities and a more concrete understanding of management and social issues in terms of both business opportunities and risks for the long-term growth of the Group and society. Under this structure, the Sustainability Committee reports its efforts to address climate change issues and water security to the Board of Directors on a semi-annual and ad hoc basis, and is always in close coordination with management.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	One external director, who is well versed in all aspects of sustainability, oversees the efforts from a medium- to long-term perspective through the Sustainability Committee and the Board of Directors.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Operating Officer (COO)

Water-related responsibilities of this position

Assessing future trends in water demand

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The Board of Directors oversees climate-related issues and decides on measures and key issues related to sustainability including them.

The Environmental Measures Subcommittee, which belongs to the Sustainability Committee, works with each business organization to promote initiatives related to climate-related issues under the "Environmental Policy," which advocates the efficient use and reduction of resources, energy, and water, and pollution prevention, and identifies material risks and opportunities based on scenario analysis and makes recommendations to the Sustainability Committee. Based on scenario analysis, material risks and opportunities are identified and recommendations are made to the Sustainability Committee. The Sustainability Committee reports its efforts to address climate change and water security issues to the Board of Directors on a semi-annual and ad hoc basis, and is always in close coordination with management.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were not reviewed and there are no plans to do so	<Not Applicable>	
Strategy for achieving long-term objectives	No, water-related issues were not reviewed and there are no plans to do so	<Not Applicable>	
Financial planning	No, water-related issues were not reviewed and there are no plans to do so	<Not Applicable>	

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	IEA SDS and RCP 8.5 were used as climate-related scenarios.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>Analysis with reference to such as Physical Scenario RCP 8.5</p> <p>【Parameters】 Global average temperature (IPCC AR6), probability of flooding (Technical Panel on Climate Change-based Flood Control Planning, "Study on Climate Change-based Flood Control Planning")</p> <p>【Assumptions】 The global average temperature is assumed to increase by about 1.6°C from 2021 to 2040, by about 2.4°C from 2041 to 2060, and by about 4.4°C from 2081 to 2100. Flood frequency is assumed to quadruple by 2040.</p> <p>【Analytical Selection】 Since ELECOM Group is a fabless manufacturer and relies on many countries, especially in Asia for its manufacturing process, and since its customers and users are spread all over the world, the global average temperatures and other data from the IPCC report are used as reference.</p>	<p>The ELECOM Group's strengths lie in its product development and procurement capabilities, which enable it to respond quickly to market demand and trends, and in its robust supply chain, which has the sales and logistics capabilities to deliver these numerous products to a large number of customers in a timely manner. Storm surges and flooding caused by large typhoons associated with extreme weather can damage warehouse facilities, inventory, and transport vehicles, as well as cause delivery delays, which can significantly impact logistics capabilities, one of the group's strengths. The results of the scenario analysis clearly demonstrate that the relocation of the distribution center from the coast of Osaka in February 2022 has enhanced the strength and efficiency of the logistics function, leading to a return on capital investment and an increase in corporate value.</p>	<p>1) Grounds for Relevance: Acute physical risks include extreme weather events such as storm surge, flooding, and landslides caused by severe typhoons, which can cause significant damage to logistics distribution networks.</p> <p>2) Impact on strategy: Time horizon 1-5 years. The company made a management decision to relocate its distribution center in order to improve the efficiency and resilience of its distribution network.</p>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Because we do not currently have any products that use water in products themselves and production processes. And no changes are planned to the business model and no major fluctuations in water withdrawal are expected in the future.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

No, and we do not plan to within the next two years

W8.1c

(W8.1c) Why do you not have water-related target(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	We do not currently have any products that use water in products themselves and production processes. And no changes are planned to the business model and no major fluctuations in water withdrawal are expected in the future.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	The ELECOM Group consists of parent company, ELECOM, hereafter referred to as ELECOM, and 17 group companies, and is engaged in the development, manufacture, and sale of personal computers and digital equipment-related products, as well as businesses related to these activities. Under the slogan "bridging the gap between people and innovation," the ELECOM Group's basic policy is to create new values that enrich business and home life with bringing joy to customers. The ELECOM Group's strength lies in three elements; Firstly, its product development capabilities, which enable it to develop products that are compatible with new standards that are constantly evolving and products with excellent design, keeping a close eye on market trends. Secondly, the Group's product sales capabilities which enable it to market its products through a variety of sales channels, including the B-to-C market of not only electronics mass retailers but also discount and lifestyle stores, domestic and international e-commerce, and the B-to-B market, where the Group leverages its strengths to develop services. Last of all, the ability to procure products from affiliated factories in Japan and overseas by comprehensively considering and selecting products based on their quality, cost, and supply system to meet the world's needs. It is the speed that the ELECOM Group's DNA with which it is able to execute these strengths in a prompt and timely manner. Going forward, the ELECOM Group will continue to provide new products and services with even greater speed by broadening its vision not only to what users are looking for, but also to one step ahead of their needs.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Supply chain Product use phase	Regulatory Reputational	[Supply Chain] Call to reduce use of plastics is growing rapidly in the EU and other countries around the world. Due in part to the impact of stricter regulations on the import of waste plastics from other countries, Japan is also becoming increasingly active in the reduction of plastic waste, and may begin to impose stricter regulations like those in the EU. Many of the products and packages handled by the ELECOM Group use plastics, and if the Group does not get ahead of the curve and reduce the amount of plastics used in its products and packaging, ELECOM will encounter a risk that the price of purchased materials and products will rise due to regulations on plastics in addition to the carbon tax. [Reputation] The ELECOM Group recognizes that changes in lifestyles and consumer and societal preferences due to climate change and plastics issues will have a significant impact on its business activities. In particular, the Group believes that failure to reduce plastic and other environmental considerations in product development and delays in responding to newly created categories and markets due to changing lifestyles can have a significant impact on business performance.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Plastic goods	Reduce the total weight of plastic packaging used and/or produced Reduce the total weight of virgin content in plastic goods	The "THINK ECOLOGY" mark is used as a symbol to indicate that the products and packages meet environment-oriented ELECOM's own standards, and the Group is working to reduce the amount of plastics used in its products and packages. This initiative has resulted in a reduction of 93.04 tons per year, compared to the target of 81.65 tons per year set in FY2022.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	Please select	
Production of durable plastic components	Please select	
Production / commercialization of durable plastic goods (including mixed materials)	Yes	
Production / commercialization of plastic packaging	Please select	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Please select	

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

Raw material content percentages available to report

% virgin fossil-based content

<Not Applicable>

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

<Not Applicable>

% post-consumer recycled content

<Not Applicable>

Please explain

The ELECOM Group consists of ELECOM and 17 group companies, and is engaged in the development, manufacture, and sale of personal computer and digital equipment-related products, as well as other related businesses. Many of its products are made of plastic and use plastic packaging generation. The use of plastic causes environmental burdens such as CO2 emissions and microplastics. The Group is working to reduce the environmental impact of its products by increasing its product lineup with the "THINK ECOLOGY" mark, a symbol that indicates products and packaging that have a lower environmental impact than conventional products. As of March 31, 2023, the total number of "THINK ECOLOGY" products in the Group was 6,936.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	2025.53	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	The ELECOM Group consists of ELECOM and 17 group companies, and is engaged in the development, manufacture, and sale of personal computer and digital equipment-related products, as well as other related businesses. Many of its products are made of plastic and use plastic packaging generation. The use of plastic causes environmental burdens such as CO2 emissions and microplastics. The Group is working to reduce the environmental impact of its products by increasing its product lineup with the "THINK ECOLOGY" mark, a symbol that indicates products and packaging that have a lower environmental impact than conventional products. As of March 31, 2023, the total number of "THINK ECOLOGY" products in the Group was 6,936.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W11. Sign off

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	president of a company	Chief Operating Officer (COO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms