

We are conscious of the importance of environmental preservation as a common issue for all humankind, and are committed to do our utmost to protect the environment in all aspects of our corporate operations, with particular emphasis on efforts that result in environmentally sound product specifications.

### Environmental Policy

We, the EIZO Group, are aware that our products have an impact on the environment. In our product development work we therefore consider friendliness to the environment to be part and parcel of product quality. We endeavor to supply our customers worldwide with products developed to common specifications that meet or exceed the environmental requirements of individual countries as well as our own environmental standards. We are conscious of the importance of environmental preservation as a common issue for all humankind and pledge to do our utmost to protect the environment in all aspects of our corporate operations.

- 1 We endeavor to constantly remain up to date on and to strictly adhere to environmental laws and standards applicable to our corporate operations and products, as well as other environmental preservation requirements of society at large. We determine environmental objectives and targets based on a clear understanding of such requirements as well as the environmental impact of our corporate operations and products. These objectives and targets are reviewed on a regular basis to achieve ongoing improvement of our environmental management system and performance.
- 2 At the research and development stage, we pay careful attention to the design of our products to minimize the consumption of resources and energy, ensure ease of recycling, and reduce the volume of toxic substances. Our aim is a continuous raising of our environmental standards.
- 3 In our corporate operations we give due consideration to conserving energy and resources. We work to reduce the volume of waste products generated by our operations and to dispose properly of all waste generated. We are engaged in positive efforts to promote the collection and recycling of used products discarded by consumers.
- 4 We constantly monitor the latest information related to the environment through our information network, which includes our overseas facilities and affiliated companies. We endeavor to share information appropriately by disclosing and disseminating details of our own environmental initiatives, and we work with others in common efforts aimed at preserving the environment.
- 5 We educate all company members and strive to deepen their awareness of environmental matters, while creating members of a team that will be committed to the effective use of natural resources and energy, and to the protection of our global environment.

### Environmental Management System

After establishing an environmental management system under our Environmental Policy, we obtained ISO 14001 certification\* in July 1998. Since then we have implemented measures for waste reduction and reduced resource and energy consumption. We have also taken a step farther in light of a number of factors, including society's movement toward environmentally sound products and growing public interest in eco products, by operating our environmental management system, which emphasizes environmental targets centered on environmentally sound products.

\*EIZO MS Corporation, EIZO GmbH, EIZO Technologies GmbH, and EIZO Display Technologies (Suzhou) Co., Ltd. have also obtained certification.

### Activities under the Environmental Management System

Enhancing the environmental performance of our business operations requires integrating them with our environmental protection activities. To do so, EIZO has environmental protection initiatives in place that comply with the revised ISO 14001:2015 standards under the leadership and control of the director responsible for environmental management. These initiatives are linked with management policies and business strategies set by top management. The Corporate Safety Section of the General Affairs Department takes responsibility for the promotion of our corporate activities while also managing the energy consumption of our facilities and equipment, chemical substances and waste. The Certified Standards Section of the Technology Management Department is responsible for our products, gathering environmental information from around the world and promoting the development of environmentally sound products.



### Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2016 after a third-party institution conducted an external audit.

## Environmental Targets/Performance Report

Scope: EIZO Corporation headquarters area, EIZO MS Corporation, and EIZO Display Technologies (Suzhou) Co., Ltd.

Environmental Theme	FY2016 Environmental Targets	FY2016 Actual Results	Self-evaluation	FY2017 Targets
Pollution control	Proper control and reduction of chemical substances used in our facilities	Appropriately managed chemical substances through a series of controls, including risk assessment, survey of storage status and employee education	○	<ul style="list-style-type: none"> <li>● Assess risks for chemical substances</li> <li>● Introduce new format for managing chemicals in products (chemSHERPA)</li> </ul>
Sustainable use of resources	Promote smaller, lightweight and resource-saving products	Reduced the body dimension and weight of models developed in fiscal 2016 by about 25% and 20%, respectively, compared to conventional models	○	<ul style="list-style-type: none"> <li>● Develop flat monitor products</li> <li>● Explore lightweight structure technology</li> <li>● Develop reuse products</li> <li>● Reduce industrial waste               <ul style="list-style-type: none"> <li>• Optimize inventory</li> <li>• Effectively use waste materials</li> </ul> </li> </ul>
	Continue to respond to the reuse of amusement monitor components	Conducted full-scale initiative to reuse units and components	○	
	Maintain industrial waste generation below 360 t and purchase of copier paper below 5,950 kg	Reduced industrial waste generation to below 315.8 t; purchased 6,283 kg of copier paper, partly due to the start of operations at a new factory building	△	
Climate change mitigation and adaptation	Reduce electricity consumption to no more than 10.125 million kWh/year Constrain and manage energy consumption in new company buildings and equipment	Maintained electricity consumption at 9.061 million kWh	○	<ul style="list-style-type: none"> <li>● Reduce energy consumption in business activities               <ul style="list-style-type: none"> <li>• Reduce overtime (raise operational efficiency)</li> <li>• Comply with energy saving law</li> <li>• Upgrade to energy saving equipment (air conditioning, production facility, LED lighting, hybrid vehicles, etc.)</li> <li>• Optimize management of servers and client PCs</li> </ul> </li> <li>● Develop and expand sales of low electricity consumption products</li> </ul>
	Prepare for compliance with the energy saving law	Completed compliance with management criteria	○	
	Reduce consumption of fuel LPG: 145 t max; kerosene: 20 kl max	Maintained consumption of fuel LPG at 140 t max; kerosene at 18 kl max	○	
	Further expand products with lower electricity consumption Increase and upgrade products with EU energy labels	Achieved compliance with EU energy label A++ standard for 2 products in the FlexScan series	○	
Environmental protection/ Biodiversity preservation	—	—	—	<ul style="list-style-type: none"> <li>● Appropriately manage the environment of company premises               <ul style="list-style-type: none"> <li>• Greening of premises</li> <li>• Develop waterways around premises</li> </ul> </li> </ul>
Legal compliance and standards compliance	Continue green procurement	Appropriately managed component procurement by including newly restricted substances under RoHS, the latest REACH, restricted substances under TCO and red phosphorous in the EIZO Green Procurement Standards to ensure that products comply with environmental standards	○	<ul style="list-style-type: none"> <li>● Respond promptly to environmental rules and standards, such as chemical substance rules and energy standards</li> </ul>
	Obtain ENERGY STAR 7.0 certification	Obtained certification for 15 products in the FlexScan series	○	
	Develop models compliant with TCO Certified Displays 7	Obtained certification for 12 products in the FlexScan series	○	

○: Results exceeding 75%, △: Over 50% and under 75%, ×: Under 50%

## Status of Group Companies

The current status of Group companies is as follows.

- EIZO Display Technologies (Suzhou) Co., Ltd. (ISO 14001 certification: 2011)

Environmental targets applied to the EIZO Corporation headquarters area and EIZO MS Corporation (Hakui factory and Nanao factory) were also applied to EIZO Display Technologies (Suzhou) Co., Ltd. starting in fiscal 2012 to establish an environmental management system encompassing all three companies.

- EIZO Technologies GmbH (ISO 14001 certification: 2012) and EIZO GmbH (ISO 14001 certification: 2009)

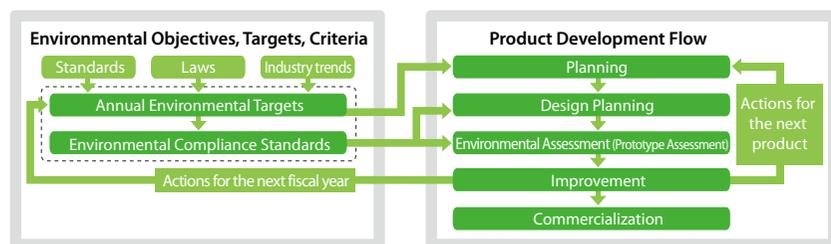
Both companies operate in accordance with local environmental conditions and regulations, including those for CO<sub>2</sub> emissions reduction, the 3Rs and management of chemicals.

## Basic Product Development Sequence

In product development, we endeavor to meet the legal requirement and standards as well as to enhance the environmentally sound quality of our products including compliance with the legal requirement and standards, domestic and overseas legal requirements and standards, industry trends and social conditions. In addition, we conduct product environmental assessments in accordance with our own Environmental Compliance Standards to measure the environmental soundness of products.

The standards are linked to our system for developing, implementing and meeting environmental targets for each fiscal year, and are revised every year toward improving the environmental soundness of our products. We also evaluate and control chemical substances throughout our supply chain in line with our Green Procurement Standards so that they comply with chemical substance regulations.

### ● Basic Product Development Sequence



## Green Procurement

### Our Philosophy on Green Procurement

Our Environmental Policy for preserving the global environment applies to all our business operations, and respect for the environment is incorporated into product development to create a recycling-based society.

Our Green Procurement Standards were established to guide material procurement and to meet the expectations of customers and society as a whole by maintaining and strengthening our environmental preservation activities. The standards were also intended to fulfill our social responsibility by enabling us to quickly respond to the evolving environmental rules and regulations in each country.

Our suppliers' efforts to reduce environmental impact and preserve the environment are just as important to us as their quality, prices, delivery schedule, services and technological excellence. In selecting products, parts and materials, including packaging, we place higher priority on those that are environmentally sound as well as meeting our quality, function and cost requirements.

These efforts are helping to reduce the environmental impact of our business operations while at

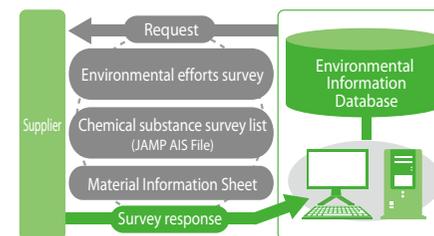
the same time expanding markets for environmentally friendly products.

### Management of Chemical Content Information

Amid growing concern for the environment across the globe, we voluntarily monitor chemical substances toward obtaining certifications for environmental standards in Japan and overseas, and support our green procurement efforts. These efforts include surveying the environmental activities of our suppliers and the chemical substances contained in the parts we procure from them.

We have established a database for collecting and managing the results of these surveys to determine which suppliers and materials best align with our values, and we also use the information in evaluating the environmental compliance of our own products.

#### ● Flow of Chemical Content Survey



## Compliance with Environmental Standards and Legal Requirements

In our effort to proactively develop environmentally sound products, we observe the legal requirements of Japan and other countries and comply with major voluntary environmental standards in each market for our flagship products.

In Europe a number of regulations are being enforced, including the WEEE Directive (collection and recycling of discarded electrical and electronic equipment), the RoHS Directive (use of certain hazardous substances in electrical and electronic equipment), the REACH Regulation (registration, evaluation, authorization and restriction of chemicals) and the ErP Directive (eco-designing for energy-related products). These regulations were developed in Europe; however, they have been playing an important role in encouraging other countries and regions to take similar steps. Our products comply with these regulations.

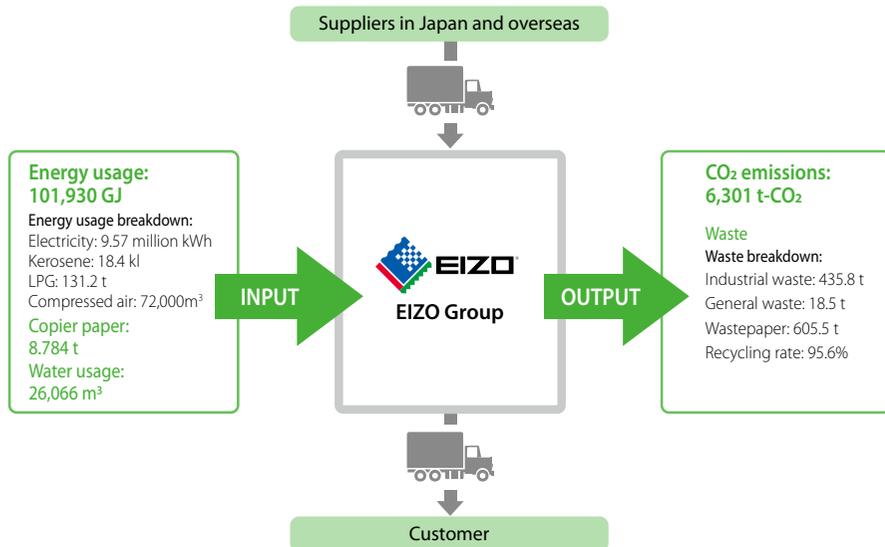
We also respond to environmental labeling standards such as TCO Certified Display 7 (international comprehensive standards for monitors), EPEAT (international environmental standard for PCs/monitors), ENERGY STAR 7.0 (energy efficiency standard established in the United States) and PC Green Label (Japanese environmental standard for PCs/monitors). In addition, we are actively involved in the development of TCO, ENERGY STAR and PC Green Label.

EIZO will continue to focus on developing green products while keeping an eye on the development of environmental labeling.



## Overview of the Environmental Impact of Our Business Operations

(Scope of calculations: six areas as listed below)



### ● Environmental Impact by Area

Area	EIZO Corporation headquarters area	EIZO MS Corporation		EIZO Display Technologies (Suzhou) Co., Ltd. (China)	EIZO GmbH (Germany)	EIZO Technologies GmbH (Germany)	Total	
		Hakui factory	Nanao factory					
Operations	Development and manufacturing (assembly) of monitors	Production of circuit boards	Assembly of monitors	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors		
Energy usage (GJ)	58,576	28,218	8,745	1,741	1,530	3,120	101,930	
Energy Resources	Electricity (10,000 kWh)	522.9	283.0	87.7	17.5	14.6	31.3	957.0
	Kerosene (kl)	18.4	-	-	-	-	-	18.4
	LPG (t)	131.2	-	-	-	-	-	131.2
	Compressed air (10,000 m³)	-	-	-	-	7.2	-	7.2
Copier paper (t)	4,951	914	252	267	2,400	-	8,784	
Water usage (m³)	20,717	2,255	2,400	694	-	-	26,066	
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	3,655	1,740	539	134	84	149	6,301	
Waste	Industrial waste (t)	227.7	41.1	86.1	-	63.8	17.1	435.8
	General waste (t)	14.4	2.3	0.8	-	1.0	-	18.5
	Wastepaper (t)	301.2	69.8	184.3	-	30.0	20.2	605.5
	Recycling rate (%)	98.5	97.3	99.0	-	80.0	-	95.6

## Environmental Risk Management

### Facility Management

In principle, we ensure compliance with stringent voluntary management standards, including standards not bound by law.

### Regulatory Compliance

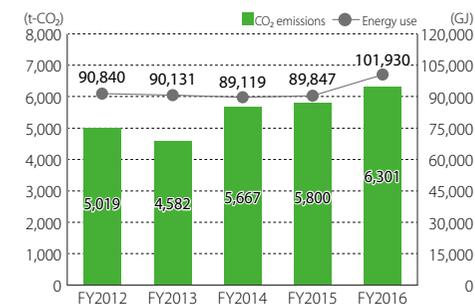
We comply with Japanese regulations governing corporate activities such as the Air Pollution Control Act, the Water Quality Pollution Control Act, and the Waste Disposal and Public Cleansing Act by collecting information on revisions and new regulations and by regularly monitoring and measuring the status of our response. Our emissions of air pollutants NO<sub>x</sub>, SO<sub>x</sub>, soot and dust are regularly measured in accordance with the Air Pollution Control Act and have remained well below the legal limit. In addition, we adhere to our own voluntary management standards, even in operations for which there are no applicable laws. No compliance problems were found in fiscal 2016, and no administrative guidance, admonitions, orders or reprimands were received. In addition, no complaints about environmental issues were received from our neighboring communities.

## Energy Consumption and Greenhouse Gas Emissions

Since the new factory building in the EIZO Corporation headquarters area began operating in February 2016, energy use has increased along with a rise in CO<sub>2</sub> emissions. We are taking action to reduce energy consumption at the new building, such as by installing energy saving air conditioning systems and other equipment. Also, we are upgrading to LED lighting in the other buildings and applying heat-insulating film on windows to raise air conditioning efficiency.

Since Group companies in Germany were added to the scope of calculations in fiscal 2016, there is no continuity between data for this year and that for fiscal 2015 and earlier.

### ● Emissions of Greenhouse Gases (Japan, China and Germany)



\*Calculations of CO<sub>2</sub> emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company for Japan and the calculation methods of each country.

### Scope 3 Greenhouse Gas Emissions

We began trial calculations of Scope 3 emissions in fiscal 2016. We have yet to compile data for all categories and to unify the scope of data, but we intend to continue to improve the accuracy of our calculations.

Category	CO <sub>2</sub> Emissions (FY2016) (t-CO <sub>2</sub> )	Composition (%)	Scope of Data
1 Purchased goods and services	123,099	60.5	Japan
2 Capital goods	5,702	2.8	Consolidated
3 Fuel and energy-related activities not included in Scope 1 or 2	185	0.1	Energy usage in the EIZO Corporation head office area
4 Upstream transportation and distribution	621	0.3	Shipment volume of products as cargo owner
5 Waste generated in operations	128	0.1	Waste generated in the EIZO Corporation headquarters area
6 Business travel	507	0.2	EIZO Corporation headquarters
7 Employee commuting	743	0.4	Japan
11 Use of sold products	72,621	35.7	Japan
12 End-of-life treatment of sold products	16	0.0	Japan
<b>Total</b>	<b>203,622</b>		

### Water Use

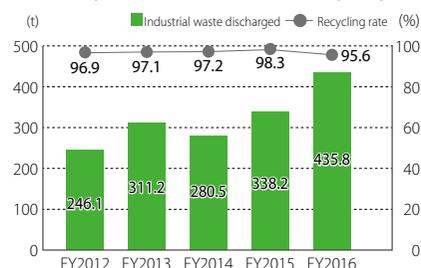
We use only groundwater in EIZO Corporation's headquarters area (affiliated companies use the public water supply). We monitor water usage and wastewater discharge to reduce the risk of subsidence and stress on wastewater treatment systems. We use water in our corporate buildings as well as for a snow melting system and for watering plants in the summer. Our manufacturing processes do not use any water.

### Industrial Waste

Our total volume of industrial waste is on the rise. A major factor is the increased size of packing materials to accommodate larger liquid crystal display panels, procured externally.

Since Group companies in Germany were added to the scope of calculations in fiscal 2016, there is no continuity between data for this year and that for fiscal 2015 and earlier.

Discharge of Industrial Waste and Recycling Rate



### Appropriate Management of Chemical Substances

We closely manage kerosene and organic solvents in compliance with regulations such as the Fire Service Act and the Industrial Safety and Health Act. We do not use any substances subject to the PRTR Law\*.

\* Pollutant Release and Transfer Register: Regulation governing the monitoring and promotion of efforts to more effectively manage the release of controlled substances into the environment.

### Collection and Recycling of Used Products

The EIZO Group has been collecting and recycling used products in compliance with environmental laws and regulations in each of the countries where it operates.

#### Japan

##### Collection of Used EIZO Products from Homes

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, EIZO established its Product Collection and Recycling System for free collection of monitors for home use.

##### Collection of Used EIZO Products from Corporate Users

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, we have been collecting and recycling used products for business use under our Product Collection and Recycling System.

End-of-Life EIZO Monitors (for Home Use) Collected in FY2016		
	CRT Monitors	LCD Monitors
Volume in weight (kg)	11,461	9,289
Quantity (units)	464	1,327
Recycled volume (kg)	9,243	8,113
Recycling ratio (%)	81	87

End-of-Life EIZO Monitors (for Business Use) Collected in FY2016		
	CRT Monitors	LCD Monitors
Volume in weight (kg)	642	1,827
Quantity (units)	26	261
Recycled volume (kg)	474	1,399
Recycling ratio (%)	74	77

#### Europe

The European WEEE Directive went into effect in August 2005 toward reducing environmental impact through promotion of the 3R's of reduce, reuse and recycle for discarded electrical and electronic equipment. EIZO has complied with the directive by establishing a collection and recycling system for applicable products sold in Europe.

#### United States

EPEAT Standards require the provision of collection services for used electric/electronic equipment based on "Plug-In to eCycling Guidelines for Materials Management" issued by the United States Environmental Protection Agency (EPA). EIZO has met this requirement by establishing a collection and recycling system for applicable products sold in the United States.