



Environmental Report

2021

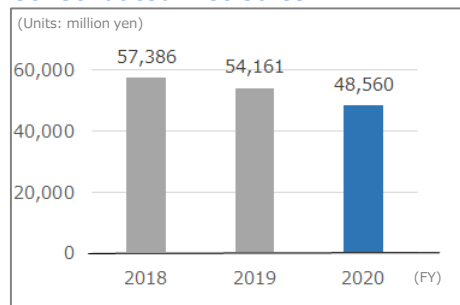
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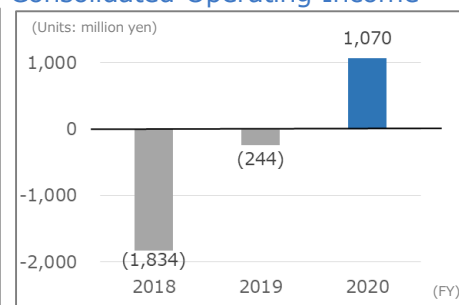
Corporate Profile (as of March 31, 2021)

Name	SMK Corporation
Established	April 3, 1925
Primary Businesses	Manufacturing and sales of electronic components for use in electrical equipment, communications equipment, electronic equipment, industrial machinery, IT equipment and other applications.
Capital	7,996 million yen
Number of Employees	5,407 (in the Group)
Head office	5-5, Togoshi 6-chome, Shinagawa-ku, Tokyo 142-8511, Japan TEL: +81-3-3785-1111 FAX: 81-3-3785-1068 URL: https://www.smk.co.jp/
Major Products	High-frequency coaxial connectors / FPC-to-board connectors / Board-to-board connectors / Jacks / Remote controls / Switches / Wireless modules / Camera modules / Resistive touch panels / Capacitive touch panels

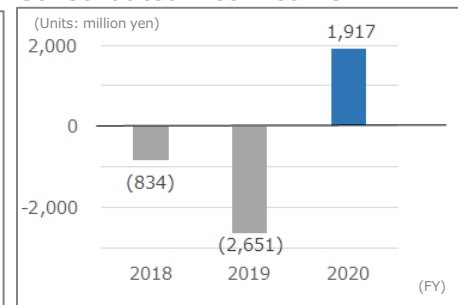
Consolidated Net Sales



Consolidated Operating Income



Consolidated Net Income



About this Report

Reporting period FY2020 (April 1, 2020 – March 31, 2021)

Scope of calculations SMK Corporation (seven sites in Japan) and consolidated subsidiaries (three in Japan and 16 overseas)

CO₂ emissions

- The amount of CO₂ emissions from power purchased domestically is calculated by the conversion factor publicized by the "Electric Power Council for a Low Carbon Society."
- The amount of CO₂ emissions from power purchased internationally is calculated by the conversion factor publicized by the IEA (International Energy Agency) for emissions from FY 2005 to FY 2011 and by DEFRA (Department for Environment Food & Rural Affairs) for emissions from FY 2012.
- The amount of CO₂ emissions from fuel is calculated by the conversion factor publicized by the Department of Environment.
- Previous years results have been amended by updating the CO₂ conversion factor.

Access to corporate information

Our website discloses data profiling our company, IR information, product descriptions, and past environmental reports. <https://www.smk.co.jp/>

CSR information : <https://www.smk.co.jp/csr/>



Environmental Management

SMK Environmental Charter

1. Basic Philosophy

The SMK Group pursues environmental conservation as well as economic development by integrating its current technological strengths and creating advanced technology. As a good corporate citizen, every one of us will contribute to the promotion of sustainable global development.

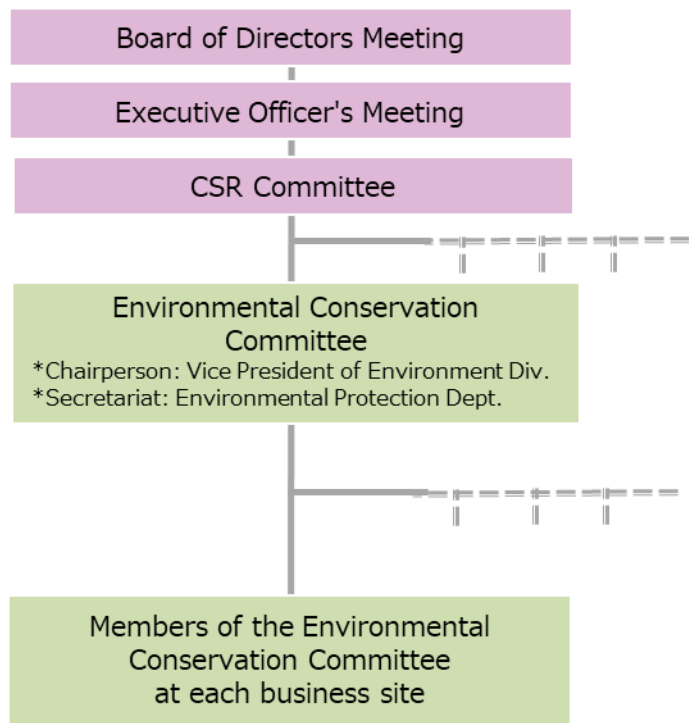
2. Action Guidelines

- (1) Develop environmentally friendly products
- (2) Reduce waste by using everything to its fullest extent
- (3) Preserve natural resources and saving of energy
- (4) Encourage 3R (reduce, reuse, and recycle)
- (5) Realize waste-free procurement and manufacturing

Organization to Promote Environmental Conservation

In SMK, the Group policies, targets, and initiatives related to environmental conservation are deliberated upon and determined by the Environmental conservation Committee, which is chaired by the Vice President of the Environment Division. Major items are subject to deliberation and determination at the Executive Officer’s Meeting. Upon determination, they are deployed at all Japan and overseas works. At each business site, the Local Environmental Conservation Committee decides local policies, targets, and initiatives in accordance with the Group policies, targets, and initiatives taking locally specific issues into consideration and puts them into practice.

Organizational Structure for Environmental Conservation

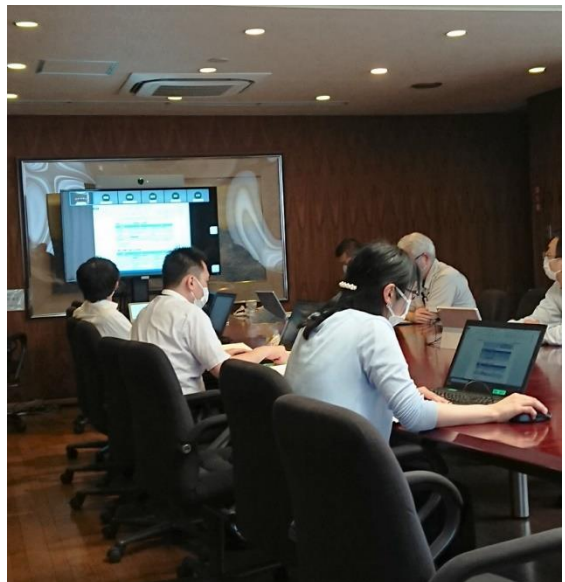


Environmental Management Systems

SMK has an ISO 14001-based environmental management system in place in all its production facilities, domestic and overseas.

Since fiscal 2007, in addition to individual activities at each site, we have been setting targets and themes to be shared by all members of the SMK Group, reinforcing linkage among our sites, and working to strengthen group-wide systemic arrangements.

SMK's environmental conservation activities are not limited to our Group. The Green Procurement Guidelines that we published in 2004 also make demands on our business partners. Specifically, we request our business partners to pledge not to use any environmental hazardous substances prohibited by SMK, and to put in place ISO 14001-based systems. We visit business partners who have not obtained ISO 14001 certification to check on the status of their environmental conservation activities, and to suggest any necessary improvements.



Environmental Conversation Committee (Head Office)

FY2020 Environmental Conservation Activities

Preventing Global Warming

The target for the total amount of CO₂ emissions could not be achieved, but this amount was slightly lower than the previous financial year as a result of energy-saving improvements. CO₂ emission per unit of production value increased.

Conserving Biodiversity

With a view to preventing the spread of COVID-19, we have postponed our yearly environment course for local elementary schoolchildren.

Effective Use of Resources

As a result of promoting industrial waste-reduction activities in production work processes, total industrial waste discharge reduced and industrial waste discharge per unit of production was the same level as the previous financial year,

but the targets for both indices could not be achieved.

The target for the landfill disposal amount was achieved by promoting recycling overseas.

Effective Responses for the Management of Environment-related Substances

We greatly improved the environment-related substance management system by adding new features.

Strengthening Eco-friendly Design Approach

System specifications and an operation plan were formulated for product assessment and eco-product integration. Actual activities will be conducted in 2021 in line with the integration policy.

Self-assessment A: attained B: insufficiently-attained C: not attained

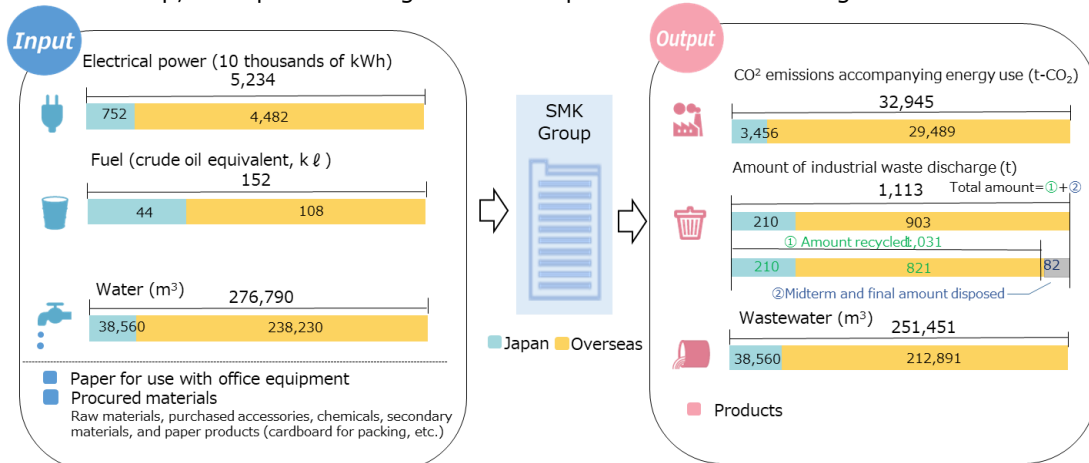
Nature of initiative	FY2020		Self assessment
	Target	Achievement	
Preventing global warming	CO ₂ emissions per unit of production value*1: 1% increase relative to FY2019. Estimated: 0.66t-CO ₂ /million yen	7% increase (0.70t-CO ₂ /million yen)	C
	Total CO ₂ emissions: 9% reduction relative to FY2019. Target: 30,140t-CO ₂	1% reduction (32,945t-CO ₂)	B
Preserving biodiversity	Creating awareness regarding preservation of biodiversity	Canceled an environmental lecture to prevent the spread of COVID-19.	C
Effective use of resources	Industrial waste discharge per unit of production value*2 3% reduction relative to FY2019. Target: 0.023t/million yen	100% relative to FY2019 (0.024t/million yen)	B
	Total industrial waste discharge amount: Reduction of 13% relative to FY2019. Target: 1,042t	7% reduction (1,113t)	B
	Landfill waste amount: Reduction of 15% relative to FY2019. Target: 88t	16% reduction (87t)	A
Effective responses for the management of environment-related substances	Register BOM information and efficient administration of the system to support EU-REACH directives	Improved substance information by adding new functions to the management system	A
Strengthening eco-friendly design	Enhancement of product assessments	Operation plan was formulated for product assessment and eco-product integration	B

*1: CO₂ emissions per unit of production value = CO₂ emissions divided by production value

*2: Industrial waste discharge per unit of production value = industrial waste discharge divided by production value

Material Balance

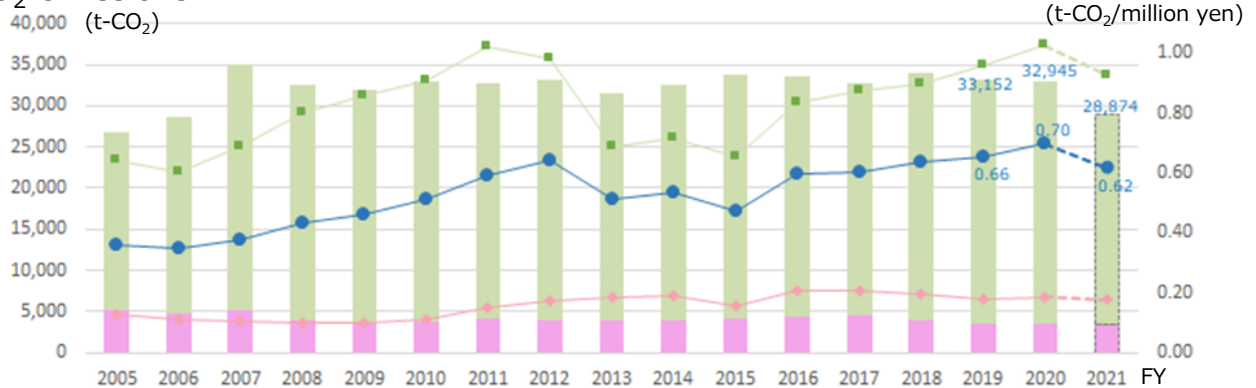
At SMK, we work to track, analyze, and reduce the material balance (environment footprint) of each process throughout the Group, from product design and development to manufacturing and sales.



Energy and Resource Saving Results

SMK aims to improve efficiency of its energy usage as an important management policy to help prevent global warming. We are also working to reduce the discharge of industrial waste and achieve zero emissions (i.e. zero landfill waste) by using out resources more effectively.

CO₂ emissions



CO₂ emissions

Blue figures : SMK Group

Overseas

Japan

CO₂ emissions per unit of production value

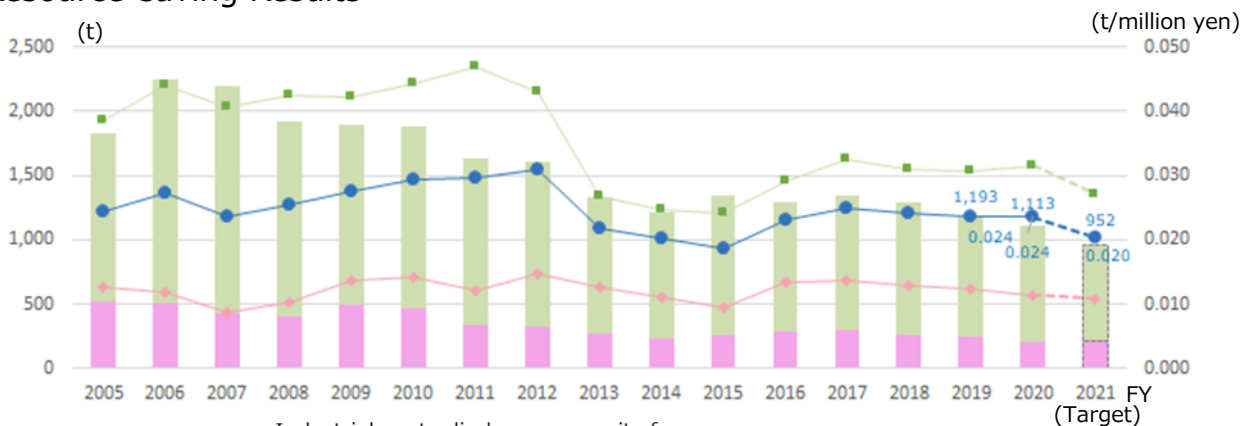
SMK Group

Overseas

Japan

	Year on Year		
	Japan	Overseas	Overall SMK Group
CO ₂ emissions per unit of production value	104%	107%	107%
CO ₂ emissions	97%	100%	99%

Resource-saving Results



Industrial waste discharge

Blue figures : SMK Group

Overseas

Japan

Industrial waste discharge per unit of production value

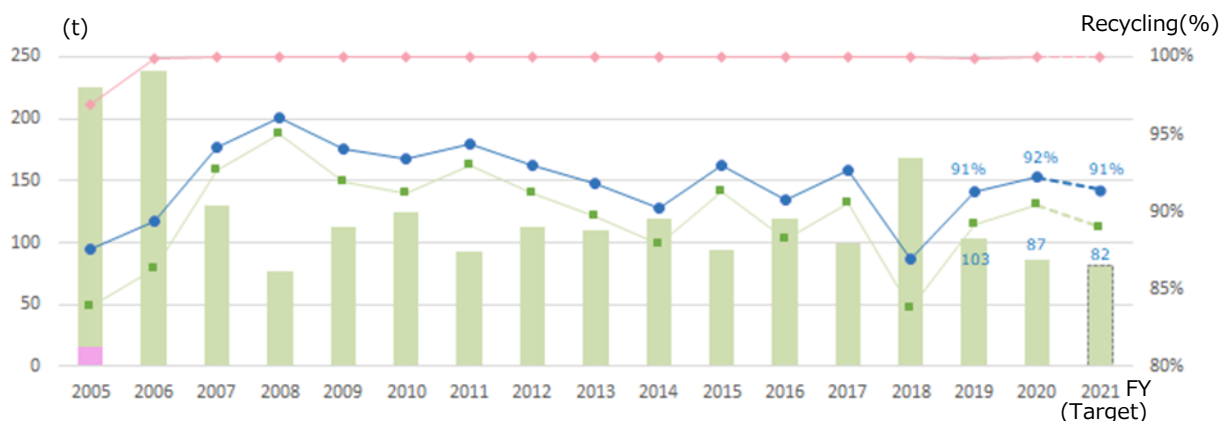
SMK Group

Overseas

Japan

	Year on Year		
	Japan	Overseas	Overall SMK Group
Industrial waste discharge per unit of production value	92%	102%	100%
Overall industrial waste discharge amount	86%	95%	93%

Amount of landfill waste and recycling rate



Landfill waste amount

Blue figures : SMK Group

Overseas

Japan

Recycling rate

SMK Group

Overseas

Japan

	Year on Year		
	Japan	Overseas	Overall SMK Group
Landfill waste amount	-	84%	84%

Environmental Accounting

Environmental Preservation Costs and Benefits

(Units: million yen)

Category	Major Activities	Environmental Preservation Costs				Economic Benefits		Environmental Preservation Benefits (Quantity)		
		Investments		Expenses		Amount	YoY	Consumption/ Output Savings	YoY	
		Amount	YoY	Amount	YoY					
Business area costs	Pollution prevention	5.3	-	34.6	87%	0	-	Use of Environmentally Hazardous Substances 16.9t	61%	
	Global environmental preservation	17.9	127%	53.8	93%	18.8	84%	CO ₂ emissions per unit of production value: -0.043t-CO ₂ /million yen	195%	
	Resource circulation	0	-	24.0	97%	119.9	84%	Landfill waste amount: 165t Industrial waste discharge per unit of production value: -0.0000 t/million yen (approx.)	25%	
	Sub-total	-		23.3	165%	112.4	92%	138.7	84%	-
Upstream / downstream	Green procurement, etc.	0	-	0.7	247%	0	-	-	-	
Administration	X-ray fluorescence spectrometer replacement, activities which aim to guarantee eliminating the use of environmentally hazardous substances in products, environmental management promotion, etc.	0.6	30%	148.6	88%	0	-	-	-	
R&D	Development of environmentally friendly products, etc	0	-	6.7	64%	0	-	-	-	
Social activity	Initiatives to expand green areas in local communities and at works, etc.	0	-	6.5	65%	0	-	-	-	
Environmental damage	-	0	-	0	-	0	-	-	-	
Total	-	23.9	148%	274.8	88%	138.7	84%	-	-	

Environmental conservation costs:

As to environmental conservation costs for FY 2020, investment went up a lot compared to the previous year and costs went down slightly.

Investment went up a lot because a compressor central control device was installed and air conditioning equipment was renewed as energy-saving measures.

Economic Benefits:

The economic effect in FY 2020 was lower than the previous year.

The main reason being the reduced economic effect caused by profit on sales of waste and reuse of production facilities.

Environmental Conservation Benefits (Reduction of waste):

As The effect of environmental conservation was that the amount of used environmentally hazardous substances and the amount of waste landfill disposal was reduced as a result of improvement activities.

Production CO₂ output was much worse, but the production waste consumption rate was about the same as the previous year.

Actual results of Power Generation at photovoltaic power systems

Photovoltaic power systems owned by SMK and subsidiaries generated 1.28 million kWh of electricity in FY2020. The CO₂ reduction effect was 404 t- CO₂.



Ibaraki Prefecture



Gunma Prefecture



Philippines Factory

Environmental Conservation Activity Reports

Yearly donation of school chairs made from scrap wood (SMK Philippines plant) and holding an environmental workshop for children (Head office etc.) activities have been conducted continuously, but they were curtailed in FY 2020 due to the spread of COVID-19. Despite this, we got to work on activities that could be implemented while taking anti-infection measures. While the situation still shows no signs of abating, we cannot stop activities that promote harmony between people and the environment. To prevent previously cultivated activities framework knowledge, we will work hard to find ways to make a social contribution to with-COVID and post-COVID society.

Flower Planting Activity

As a member of the Shinagawa CSR Promotion Association, SMK participated in the Shinagawa Hanakaido flower planting project. A project managed by an NPO, Shinagawa Hanakaido nurtures rape blossoms and Mexican asters which grow along a 2 kilometer stretch of the Katsushima Canal dyke, which makes the area rich in nature and contributes to the creation of a society which is in harmony with nature.

Seed-planting by all participating companies in unison was cancelled in FY 2020, but each company coordinated their schedules to plant the seeds independently, and the beautiful flower-strewn coastal road was enjoyed just like any other year.



Head Office



Tree-Planting activities

The SMK Philippines plant has been conducting tree-planting activities locally for over 10 years. In 2020, it participated in tree-planting activities sponsored by a local environment protection group, when it planted 200 banana and molave saplings.



SMK
Electronics
(Phils.)
Corporation

Environmental Conservation Activity Reports

Effective Utilization of Resources

Recycling second-hand goods

In December 2020, environmental public interest activities were conducted. Second-hand clothes, PET bottles, and used paper were collected as part of recycling promotion activities. A total of about 30 kg of second-hand goods were collected and we contributed to recycling activities in Dongguan City.



SMK China (Dongguan) Factory

Collecting PET bottle caps

At its various bases throughout the country, the SMK Group has been participating in PET bottle cap collection activities conducted by local welfare groups.

At the SMK Mexico plant, special containers were put out and 150kg worth of caps were collected in 2 months. These were then sent to a local welfare group.

The objective of this group's activities is to support children in Mexico fighting illnesses, and to contribute to the provision of healthcare and food.



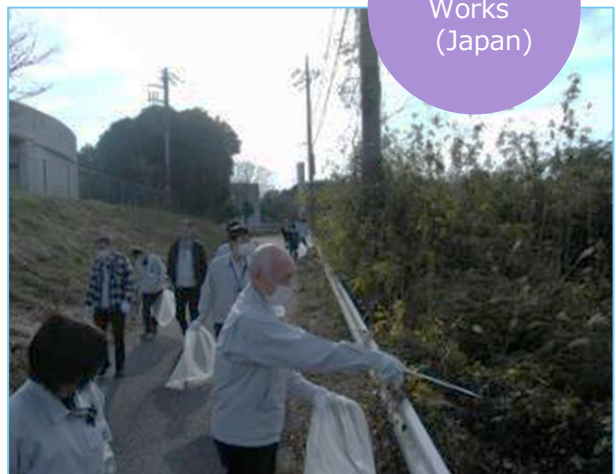
SMK Electronica S.A. de C.V.

Cleanup activities

SMK Group is actively engaged in community cleanup activities.



Toyama Works (Japan)



Hitachi Works (Japan)

The social contribution activities of the SMK Group are shown in our website. Please take a look.

