Carbon Reduction Plan 2026

This CRP was developed according to the central government guidelines of PPN 006

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NIHON KOHDEN

Commitment to achieving net zero

Nihon Kohden UK Ltd. is committed to achieving net zero emissions by 2050.

Carbon Emissions Report

Baseline emissions footprint

Baseline Year: 2023 (Jan – Dec)	
At our baseline year Nihon Kohden UK Ltd was not independently ISO:9001 accredited. We recognise that our calculation for transportation of goods (esp. upstream) assumed a constant per-pallet weight that led to a very significant overstatement of our Scope 3 emissions. From 2024 we will utilise a 'CO2e per/kg of goods shipped' calculation.	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	2.768
Scope 2	3.110
Scope 3	244.175
Total Emissions	248.728

Current emissions footprint

Reporting Year: 2025 (Jan – Dec)	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	14.17
Scope 2	2.71
Scope 3 (Purchased Goods and Services Capital Goods Fuel- and Energy-Related Activities Waste Generated in Operations Business Travel Employee Commuting)	425.38
Total Emissions	442.25

The increase in emissions is due to a higher data quality and business growth.

Carbon Reduction Strategy

Here we would like to share an outline of the successes in this last calendar year:

- Corporate Office with EPC rating C.
- Data quality improvement; we have improved our data collection and analysis.
- We have continued to transition to a fully electric fleet.
- We have improved supply chain efficiencies to decrease the number of shipments and the associated carbon footprint.
- We are encouraging cycling to work through the Cycle-to-work scheme.
- We are reviewing all processes to lower Carbon Footprints such as reducing printing to essential prints only, merging shipments, reducing waste.

Our Strategy for the next calendar year:

- Data quality improvement; continue to improve data quality and analysis.
- Continue transition to a fully electric fleet.
- Continue reviewing supply chain efficiencies by working with business partners in the UK, making fewer but higher volume deliveries and working with the NHS to improve the carbon footprint of product deliveries and rollout.
- Continue to encourage cycling to work through the Cycle-to-work scheme.
- Continue to review all processes to lower Carbon Footprints such as reducing printing to a minimum, merging shipments and reducing waste.
- Working with our landlord to have solar panels installed for fully renewable energy.

The following sections outline the Global Environmental Policy of our parent company.

Global Environmental Policy

Based on its Management Philosophy and the Environmental Philosophy, Nihon Kohden will continuously improve its environmental management systems to enhance its environmental performance.

The environmental policies are as follows:

1. Provide environmentally friendly products
   In carrying out development, manufacturing, marketing, after-sales service, and support for medical electronic devices, we provide environmentally friendly products and services.
   We contribute to reduction of greenhouse gas emissions and to sustainable use of limited resources by realizing energy and resource savings and eliminating the use of hazardous substances throughout the product life cycle.

2. Promote energy conservation and reduction of waste in business activities
   In all of our business activities, we continually work together with our supply chain to introduce low-carbon and high-efficiency technologies, and improvement activities, strive to promote energy conservation, reduce waste through the 3R's of reduce/reuse/recycle, reduce greenhouse gas emissions over the medium- to long-term, and prevent environmental pollution.

3. Comply with environmental laws, regulations, ordinances, and agreements
   In all of our business activities, we comply with all laws, regulations, ordinances, and agreements that concern the environment in Japan and overseas and carry out our responsibilities to stakeholders such as responding to issues such as climate change, water resource protection and conservation of biodiversity as a global company.

4. Promote environmental education
   In regard to environmental issues, we promote appropriate education and educational activities to deepen the insight of our employees and stakeholders and enable individual productivity improvements to be linked to environmental improvement activities.

Established: April 1, 2017

Medium- to Long-term Environmental Targets: The entire Nihon Kohden Group

Nihon Kohden has set “Realize carbon neutrality” and “Promote circular economy” as one of material issues for sustainability in its Three-year Business Plan and is strengthening its efforts to achieve this goal. In conjunction with the Japanese Government’s declaration that it will pursue carbon neutrality by 2050, we have set environmental targets for FY2050, FY2035, FY2030, and FY2025. We are working to reduce greenhouse gas emissions and minimize our environmental impact, aiming to achieve carbon neutrality by 2050.

Environmental Target for FY2050	We aim at zero greenhouse gas emissions throughout the entire product life cycle (carbon neutrality by 2050) by reducing greenhouse gas emissions from business activities, providing environmentally friendly products, and cooperating with business partners in the supply chain.
Environmental Target for FY2035	We will set environmental targets for FY2035 based on SBT*1 and take action to achieve them with the aim of realizing carbon neutrality by 2050. (These targets will be revised when the target values based on SBT are finalized*2.) (Based on Japan’s NDC*3, we aim at reducing by 60% in FY2035 and 73% in FY2040, compared to FY2013, respectively.)
Environmental Target for FY2030	As a response to water resource protection, we will set and achieve water usage reduction targets in our business activities while promoting water recycling and circulation. To achieve a nature-positive approach, we will evaluate the impact of our business and corporate activities on biodiversity, promote initiatives that consider biodiversity conservation and sustainable use of resources, and disclose nature-related information based on the TNFD*4 recommendations.[1]

*1 Science Based Targets are greenhouse gas emissions reduction targets set by each company for 5 to 10 years in the future in line with the levels sought under the Paris Agreement.
*2 The Company plans to set SBT in FY2026.
*3 NDC (Nationally Determined Contribution): Ambitious greenhouse gas reduction targets set by countries, aligned with the global 1.5°C target and a linear pathway to net-zero by 2050.
*4 The Taskforce on Nature-related Financial Disclosures is an international framework for assessing and reporting the impacts and dependencies of corporate economic activities on the natural environment and biodiversity.

Environmental Targets for FY2025

Enhance production efficiency and reduce environmental impact by implementing the reform of our profit structure

Reduce environmental impact, including energy use, CO2 emissions, and waste emissions generated throughout the product life cycle (Scope 1, 2, and 3*), by setting specific targets in line with the operations of each site and division and raising productivity.

Reduce environmental impact and prevent pollution in our business activities

2-1. Promote the development of environmentally friendly products and achieve targets based on product assessment plans and evaluation tables for all newly developed products.

2-2. Reduce CO2 emissions in production processes by enhancing manufacturing quality, particularly through lower defect rates. (Target values are based on environmental targets at the Tomioka and Kawamoto sites.)

2-3. Manage water usage linked to production volume to reduce the volume of water consumed in the production process. (Tomioka site)

Continuously reduce energy consumption and CO2 emissions in our business activities to realize carbon neutrality

In consideration of the increase due to growth in sales, production, and site reorganization, reduce the energy usage on a per unit basis by 2.6% and the CO2 emissions on a per unit basis by 2.1%, year-on-year.

Promote circular economy

Promote the 3R's of reduce/reuse/recycle and achieve the following: In consideration of the increase in sales, production, and site reorganization, limit the year-on-year increase in total waste emissions to 6.3%, limit the year-on-year rise in waste emissions on a per unit basis to 0.8%, and achieve a recycling rate of 95.3% or more.

Established: April 1, 2025