



Environment

[14. Environmental Management](#)

[20. Sustainable Product System](#)

[22. Disclosure Based on TCFD](#)

[24. Responding to Climate Change](#)

[26. Chemical Substance Management](#)

[29. Resource Circulation](#)

[33. Design for the Environment](#)

[36. Biodiversity Conservation](#)

[38. Water Resources Conservation](#)

[39. Contribution to Local Communities](#)





Environmental Management

Basic Approach

As a member of the Fujitsu Group, the Fujitsu General Group bases its actions on the shared management philosophy of the Fujitsu Group. Accordingly, we have formulated the "FUJITSU GENERAL Way" and the "Fujitsu General Group Environmental Policy" as our interpretation of Fujitsu Limited's "FUJITSU Way" and the "Fujitsu Group Environmental Policy" for the Fujitsu General Group. Employees of our Group endeavor to put these into practice in daily activities. In 2021, we also formulated our "Basic Policy of Sustainable Management," and established Medium- to Long-term Environmental Targets, aimed at achieving "harmonious coexistence with our planet," one of the core strategic themes of our Sustainable Management. In order to achieve these targets, we have been promoting environmental activities across the Fujitsu General Group as a whole, under our "Environmental Action Plan Stage X."

Medium- to Long-term Environmental Targets

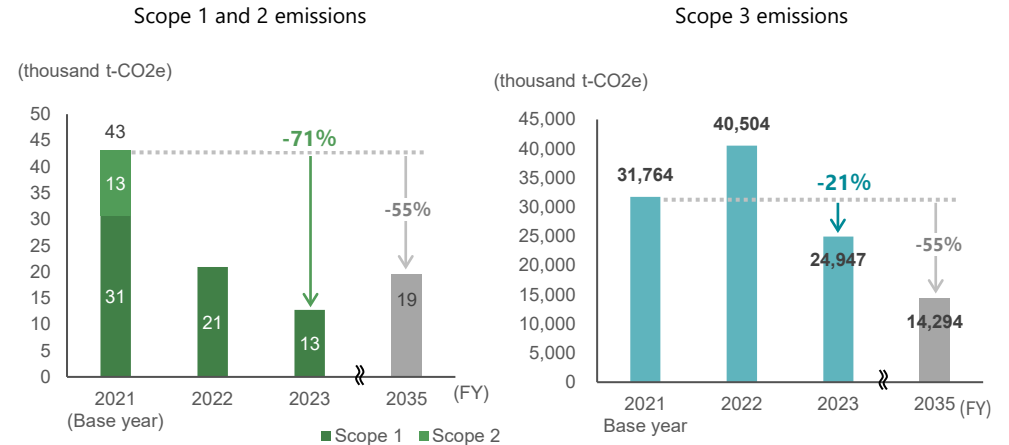
In 2016, we formulated our "Mid-term Environmental Action Plan," with FY2030 as the final target year, and made significant revisions to this plan in March 2021 and April 2022. However, in consideration of the UN recommendations, the Japanese government's goals, and recent social conditions, we have established a new long-term target with a target year of FY2050, and revised our medium-term targets with a view to achieving the long-term target. These targets were approved by the Board of Directors in August 2023. All employees are expected to embrace our medium- to long-term goals, contribute to the achievement of the Sustainable Development Goals (SDGs), and strive to reduce environmental impact while increasing our corporate value.

Medium- to Long-term Environmental Targets – Value chain as a whole (Scope 1, 2, and 3)

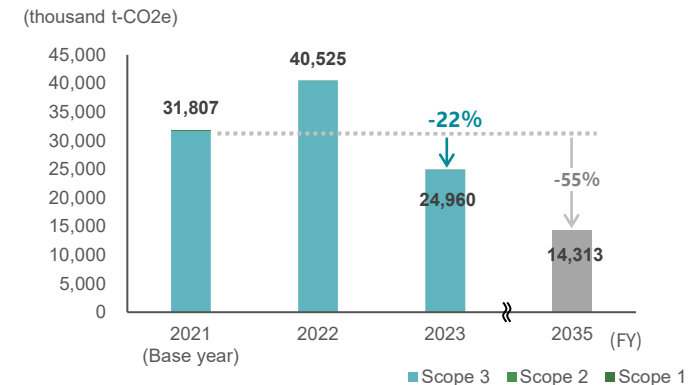
		Target		Initiatives
Long term	Achieve carbon neutrality	Target fiscal year	2050	
		Target	Carbon neutrality	
Medium term	Reduction of greenhouse gas emissions	Target fiscal year	FY2035	
		Target	55%	
		Base year	FY2021	

Medium- to Long-term Environmental Target performance

GHG emissions across the value chain as a whole were 24,960 thousand tons in FY2023. This is equivalent to a 22% decrease from FY2021, the base fiscal year. We will continue promoting initiatives to achieve our targets.



GHG emissions across the value chain as a whole (Scope 1, 2, and 3)



Environmental Management

Environmental Action Plan Stage X

The Fujitsu General Group has formulated the “Environmental Action Plan Stage X,” covering the three-year period from FY2023 to FY2025, and we are promoting activities under this plan as part of efforts to achieve our Medium-term Environmental Targets for FY2035.

Theme	Key Initiatives	Activity Indicator	FY2025 Target	FY2023 Target	As of FY2023	SDGs Related to Activities SDGs
Efforts to achieve carbon neutrality (Scope 1, 2, and 3)						
	Reduction of greenhouse gas emissions from business activities	Percentage of emissions from entire value chain: 0.05%				
	Thorough efforts to cut loss	Reduction in usage of LPG and LNG (vs. FY2021)	25% reduction	10% reduction	48.2% reduction	31.3% of Scope 1 emissions No.9,12,13
		Amount of reduction in fluorocarbons leaked (vs. FY2021)	60% reduction	55% reduction	81.2% reduction	26.2% of Scope 1 emissions No.9,12,13
	Expand use of decarbonized energy	Emissions from promotion of shift to HVs/EVs (vs. FY2021)	10% reduction	5% reduction	3.6% increase	31.4% of Scope 1 emissions No.9,12,13
	Reduction of greenhouse gas emissions from product use	Percentage of emissions from entire value chain: 96.08%				
	Change to highly energy efficient equipment	Shift to high-efficiency Inverter type air conditioners in the Middle East	Inverter ratio of 80%+	Inverter ratio of 40%+	Inverter ratio of 50%+	31.6% of Scope 3 emissions No.9,12,13
Contribution to a circular society						
	Promote elimination of plastics					
	Rate of elimination of plastics	Shift to bioplastics and biodegradable plastics for packaging materials	Australia EPS alternative conversion	Launch of WG	Launch of WG	No.8,9,11,12
	Reduction of plastics for packaging	Reduce plastic packaging materials by half	(TBC)	Consider reduction methods	Consider reduction methods	No.8,9,11,12
	Reduce waste loss					
	Effective use of resources	Rate of reduction in aluminum waste loss (vs. FY2021)	30% reduction	20% reduction	0.0% reduction	No.8,9,11,12
		Rate of reduction in copper waste loss (vs. FY2021)	40% reduction	30% reduction	0.0% reduction	No.8,9,11,12
	Take action against water risk					
	Effective use of resources	Reduction in water usage per production unit (vs. FY2021)	35% reduction	20% reduction	8.2% reduction	No.6,12
Coexistence with nature						
	Prevent air pollution					
	Chemical Substance Management	Reduction in methylnaphthalene atmospheric emissions	99.5% reduction	10% reduction	0.0% reduction	No.3,12
	Biodiversity Conservation					
	Promote efforts that contribute to a post-2020 biodiversity framework	Register biotope for OECM certification	Biota surveys for OECM certification	Prepare for OECM application	Survey current status	No.12,14,15

*Performance at FG Shanghai and FGCA



Environmental Management

Environmental Policy

Fujitsu General Group Environmental Policy

[Philosophy]

The Fujitsu General Group recognizes that global environmental protection is a vitally important business issue. We promote the sustainable development of society by contributing to creating a secure and comfortable society, and by providing people around the world with a future of prosperity and dreams. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will strive to safeguard a rich natural environment for future generations.

[Principles]

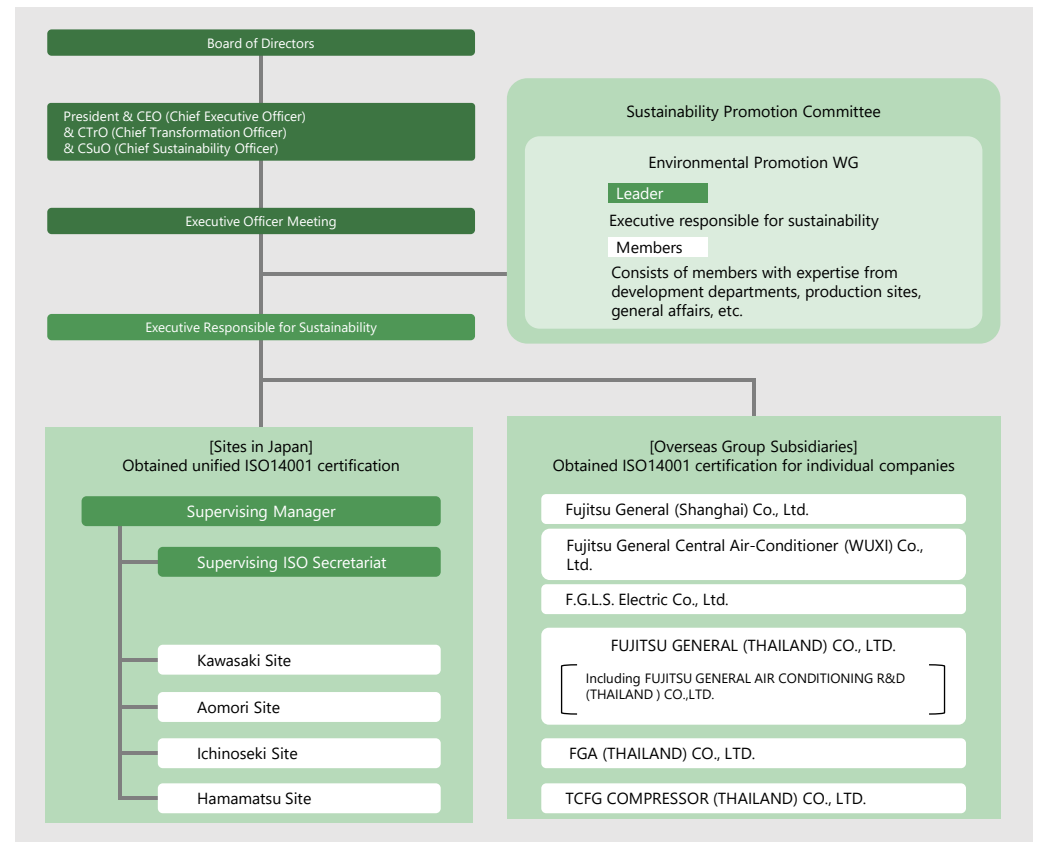
- We help customers and society reduce the environmental impact of their business activities and improve environmental efficiency by providing thorough and secure products and services through the pursuit of advanced technologies.
- We strive to reduce the environmental impact of our products throughout their entire lifecycle.
- We are committed to conserving energy and natural resources, and practice the 3Rs approach (reduce, reuse, recycle) to create best-of-breed eco-friendly products.
- We seek to reduce risks to human health and the environment from the use of chemical substances and waste.
- We disclose environment-related information on our business activities, products and services, and we utilize the resulting feedback to critique ourselves in order to further improve our environmental programs.
- We encourage our employees to work on global environmental conservation such as tackling climate change and the preservation of biodiversity through their business and civic activities to be role models in society.

Published: April 1, 2003
Revised: June 19, 2012*

*We confirm whether this policy requires changing every year.

Promotion Structure

The Fujitsu General Group has set up the "Environmental Promotion WG," led by the executive responsible for sustainability, under the Sustainability Promotion Committee. This Group deliberates issues related to the global environment, such as climate change and resource depletion, and manages countermeasures and the progress of our activities. In addition, the Fujitsu General Group has created an environmental management system (EMS) based on the international standard ISO14001, under which we promote environmental activities. We have obtained unified third-party certification for all sites in Japan, and individual third-party certification for each company for Group subsidiaries overseas.





Environmental Management

Environmental Management System

Creation and operation of environmental management system

The environmental management system (EMS) of the Fujitsu General Group consists of a single unified third-party certification for Fujitsu General and Group companies in Japan, and individual third-party certifications for production subsidiaries outside Japan. In each case, we have identified “significant environmental aspects,” “compliance obligations,” and “risks and opportunities” related to the activities of the respective organizations, and we have set environmental targets and formulated action plans that take these factors into consideration. We assess whether environmental targets have been achieved as a result of our actions on a regular basis.

In FY2023, we continued to review the EMS system to make it more advanced and worked to deepen understanding in each organization by enhancing awareness education and other measures, aiming to promote its establishment and steady operation. In addition, for overseas factories that have acquired individual certifications, we have begun efforts to strengthen the governance of the Headquarters regarding legal compliance.

As for matters pointed out in internal audits and external inspections, we are working to correct them, and by horizontally spreading examples throughout the company, we are striving to deter the occurrence of similar mistakes.

For details of the sites to which certification applies, please refer to the “Fujitsu General Group List of Organizations with ISO14001 Certification.” We have obtained certification at 90% of Fujitsu General Group sites in Japan and overseas.* (20 business offices have obtained certification)

*Sites where certification must be obtained for the operation of businesses

Fujitsu General Group List of Organizations with ISO14001 Certification

Region	Company Name		ISO14001		
			Third-party Certification Institutions	Year of Obtaining Certification	
				Unified Certification	Individual Certification
Japan	Fujitsu General Limited	Headquarters Sales and Service Offices	Bureau Veritas Japan Co., Ltd.	2008	Headquarters: 1999 Sales: 2004 (additional) Services: 1999
		Aomori Office			1998
		Hamamatsu Office			1999
		Matsubara Office			-
	Fujitsu General Electronics Limited	1998			
	Fujitsu General OS Technology Limited	-			
	Fujitsu General EMC Laboratory Limited	-			
	Fuji Eco Cycle Co., Ltd.	-			
	Fujitsu General Laboratories Limited	-			
	Fujitsu General Residential Equipment Ltd.	-			
Fujitsu General Field Sales Limited	-				
Fujitsu General Heartware Ltd.	-				
Seiwakai Ltd.	-				
China	Fujitsu General (Shanghai) Co., Ltd.		Bureau Veritas Certification	-	1998
	Fujitsu General Central Air-Conditioner (WUXI) Co., Ltd.		CVC Certification & Testing Co., Ltd.	-	2006
	F.G.L.S. Electric Co., Ltd.		China Quality Certification Centre Co., Ltd.	-	2005
Asia	FUJITSU GENERAL (THAILAND) CO.,LTD.		TÜV Rheinland Cert GmbH	-	1999
	FGA (THAILAND) CO.,LTD.			-	2002
	FUJITSU GENERAL AIR CONDITIONING R&D (THAILAND) CO.,LTD.			-	2013
	TCFG COMPRESSOR (THAILAND) CO.,LTD.			-	2013



Environmental Management

Environmental Management System

FY2023 audit results (internal)

The ISO14001: 2015 standard requires that corporations contribute to environmental consideration and conservation through their primary business operations. In FY2023, we conducted internal audits with a focus on measures to address points of concern in past audits and our understanding of assessment tables for environmental aspects, whose format was revised this fiscal year. There were no findings of nonconformance related to compliance with laws and regulations at sites in Japan for which unified certification has been obtained.

Classification	Number of Findings/Improvements
Nonconformance related to the risk of divergence from environmental laws and regulations, etc.	1
Nonconformance related to other environmental risks	13

FY2023 audit results (external)

In August 2023, renewal (recertification) inspections were conducted based on the ISO14001 standard for sites in Japan that have obtained unified certification. In the inspections, there were findings of nonconformance concerning areas such as insufficient management of storage amounts of chemical substances subject to the Fire Service Act and an insufficient response to amendments to the Act on Rational Use and Proper Management of Fluorocarbons. Accordingly, we implemented corrective actions and rolled them out to related departments in a horizontal manner. The departments subject to audit and the ISO Secretariat cooperated to consider and implement countermeasures, and renew certifications. We also maintained certifications of overseas production subsidiaries certified individually through external audits based on their respective schedules.

Classification	Number of Findings/Improvements
Nonconformance related to the risk of divergence from environmental laws and regulations, etc.	3
Nonconformance related to other environmental risks	7

Environmental education/Enlightenment activities

The Fujitsu General Group conducts systematic environmental education and enlightenment activities to promote enhanced environmental awareness among all employees and active efforts related to the environment.

	New Employees	General Employees	Management Employees	Senior Management
Environmental education	New employee training		Newly appointed manager training	
	Business-based education (as necessary)			
	Internal auditor education			
Enlightenment	Environment Month, lectures, seminars, etc.			

• Environmental education

The Fujitsu General Group conducts education for different levels of employees aimed at enhancing environmental literacy. In FY2023, we provided education on an “outline of the environmental activities” of the Fujitsu General Group for new employees and newly appointed managers. We also conducted training and education aimed at developing new internal auditors under ISO14001.

• Enlightenment activities

The Fujitsu General Group conducts activities to enhance environmental enlightenment among employees. In FY2023, we conducted e-learning on the theme of “Sustainability Lecture –Companies and ESG–.” We also continued to engage in environmental and social contribution activities, in which we collected the caps of empty PET bottles and empty contact lenses containers, and donated them to welfare organizations that perform recycling.



Environmental Management

Initiatives Related to Pollution

Air pollution prevention activities

In order to prevent air pollution, we regularly measure quantities of NOx, SOx, and other types of smoke and maintain and improve facilities that emit such smoke at Fujitsu General Group business sites and plants with facilities that emit smoke.

At Fujitsu General Central Air-Conditioner (WUXI) Co., Ltd., in FY2023, we updated processing equipment for volatile oil used in heat exchanger manufacturing to be more efficient, and reduced VOC emissions concentration from 50mg/m³ to 0.3mg/m³, while also improving the smell. We also established internal regulations in response to the Act on Rational Use and Proper Management of Fluorocarbons, and are endeavoring to appropriately manage commercial air conditioners and refrigeration and freezing equipment and ascertain amounts of fluorocarbons leaked.

Soil pollution prevention activities

To prevent soil and groundwater pollution, the Fujitsu General Group regularly measures soil and groundwater to ensure strict compliance with laws, regulations, ordinances, and other water discharge standards in regions where business sites and plants are located.

At the Headquarters in Kawasaki, we performed soil surveys based on ordinances when constructing the "Innovation & Communication Center," which was completed in June 2019. As a result of this survey, we found that standard values for groundwater were exceeded in some parts of the lot. Accordingly, we used bioremediation to clean the lot and we also perform annual monitoring. Going forward, we will continuously observe and monitor progress at the observation well.

Noise pollution and vibration prevention activities

To prevent noise pollution and vibration, Fujitsu General Group's home appliance recycling company (Fuji Eco Cycle Co., Ltd.) and production companies are implementing noise prevention measures at facilities that may be the source of noise pollution on an ongoing basis. We ensure strict compliance with laws, regulations, ordinances, and other standards by regularly measuring noise and vibration levels.

At F.G.L.S. Electric Co., Ltd., stamping presses used to process stator cores and rotor cores, which are motor components, emit noise, but we have taken measures to prevent noise pollution by installing sound insulation walls around these facilities.

Water quality pollution prevention activities

In order to conserve water quality in surrounding waters, Fujitsu General Group's home appliance recycling company (Fuji Eco Cycle Co., Ltd.) and production companies comply with effluent standards such as laws and ordinances of each country and measure pH, COD, SS,* etc. on a regular basis for appropriate management.

At Fujitsu General (Thailand) Co., Ltd. (FGT), we process water used in plants onsite with chemical and biological processing equipment. Processed wastewater is discharged from the central wastewater processing system of the Industrial Estate Authority of Thailand (IEAT), thereby thoroughly ensuring appropriate wastewater processing.

At TCFG Compressor (Thailand) Co., Ltd. (TCFG), we have also adopted a carbon filter tank in our wastewater processing system, through which we effectively process waste oil prior to discharge.



Chemical wastewater processing facilities (FGT)



Oil skimmer and carbon filter tank used in wastewater processing systems (TCFG)

*Suspended substances (fine particles of insoluble solids with a particle diameter of less than 2mm suspended in the water)



Sustainable Product System



Sustainable Product System

The Fujitsu General Group internally certifies each of the Group’s strategic products and services that are expected to solve social issues and contribute to a sustainable society as a Sustainable Product. We also internally certify each such product that is recognized as contributing to sustainable development to a certain degree through innovative technologies and services and that allow our Group to pursue business growth as a Sustainable Product Gold.

We will promote the development and sale of Sustainable Product to contribute further to sustainability by continuing to resolve social issues, and we intend to move ahead with Sustainable Management.

Information About Products Certified As “Sustainable Products”

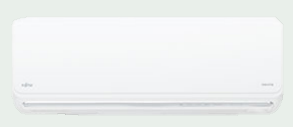

1. ATW (air-to-water: heat pump*1 hot water heating system)

Certification	“Sustainable Product Gold”	
Key point of certification	Contribution to reducing CO ₂ emissions	
SDGs contributed to		
Contribution to solving issues	<p>Unlike conventional radiators and underfloor heating systems, ATW (heat pump*1 hot water heating system) does not use fossil fuels as it produces hot water using a heat pump system that extracts heat from the atmosphere and circulates it through pipes to heat the house. For this reason, it is an environmentally friendly and energy-efficient hot water heating equipment, in recent years, subsidies for construction have been developed by the French government and other countries in line with their decarbonization policies.</p> <p>The conversion from gas boilers to ATW is expected to result in a reduction in CO₂ emissions equivalent to 146,000 tons in FY2023.*2</p>	



*1 Heat pump-type: This is technology that effectively utilizes renewable energy, namely air heat from solar heat, by accumulating heat from the air and supplying it indoors, and it is expected to spread further in the future.

*2 Assessed for the time of product usage.

2. Japanese market: “Gokudan nocria” air conditioners for cold areas

Certification	“Sustainable Product Gold”	
Key point of certification	Contribution to reducing CO ₂ emissions	
SDGs contributed to		
Contribution to solving issues	<p>In recent years, the demand for air conditioners in cold climates has continued to grow due to progress in the high degree of airtightness and thermal insulation of houses, advanced safety of temperature control through indoor-outdoor heat exchange without combustion, and increasing demand for cooling in the summer. Furthermore, replacing fossil fuel-based heating equipment is expected to reduce GHG emissions, and its future growth is anticipated from the perspective of the SDGs as sustainable heating that contributes to the realization of a sustainable society.</p>	

3. Indian market: Cooling only inverter air conditioners

Certification	Sustainable Product	
Key point of certification	Easing tight supply and demand for electricity	
SDGs contributed to		
Contribution to solving issues	<p>As a cooling-only inverter air conditioner for India, this product is more cost-effective than conventional products while adapting to the local environment. Therefore, it can contribute to alleviating the power supply and demand pressures by reducing power consumption at the time of use by helping to replace constant-speed*3 air conditioners.</p>	

*3 Constant-speed air conditioner: Air conditioners that are controlled by repeatedly turning on and off the compressor at a constant revolution based on the set temperature. It takes time to reach the set temperature, causing temperature irregularities.



Sustainable Product System

Information About Products Certified As "Sustainable Products" (Cont.)

4. Cómodo gear™






Certification	Sustainable Product	
Key point of certification	Adaptation to climate change	
SDGs contributed to	  	
Contribution to solving issues	<p>We offer "Cómodo gear" wearable devices.*1 By wearing these devices, users can efficiently cool or heat their body. We will focus on "user-oriented" product and service development and, by enhancing user satisfaction, contribute to solving the social issue of "heat" as a heatstroke countermeasure, one area of adaptation to climate change.</p>	

5. AEROSHIELD

Certification	Sustainable Product	
Key point of certification	Providing clean air	
SDGs contributed to	 	
Contribution to solving issues	<p>In collaboration with Japan Textile Products Quality and Technology Center, Aeroshield Co., Ltd. has confirmed that more than 99% of the new coronavirus (Delta strain) floating in an enclosed space of 1 cubic meter can be inactivated in one minute using "n-UV Technology," the industry's first horizontal ultraviolet irradiation technology. This technology, which is owned by Aeroshield Co., Ltd., inactivates viruses and bacteria by horizontally irradiating ultraviolet rays in a habitable space.</p>	

*1 This is not a medical device intended to prevent heat stroke.

6. Small GaN (Gallium Nitride) power modules

Certification	"Sustainable Product Gold"	
Key point of certification	Easing tight supply and demand for electricity	
SDGs contributed to	   	
Contribution to solving issues	<p>Fujitsu General Electronics Limited (hereinafter referred to as "FGEL") developed a pioneering product within the industry in June 2021, a small GaN module" incorporating a high-voltage GaN-FET chip made by Transphorm of the United States together with a drive circuit. The GaN modules developed and announced by FGEL are attracting attention from the market as it can reduce the design burden on customers by incorporating peripheral circuits such as drive circuits and can easily improve efficiency. By using this GaN module, it is expected to contribute to the realization of highly efficient and energy-saving products that take advantage of the features of GaN in many fields such as power supply-related products, industrial equipment and in-vehicle equipment.</p>	

*2 GaN-FET chip: GaN (gallium nitride), FET (Field Effect Transistor)



Disclosure Based on TCFD

Disclosure of Climate Change-related Information

The Fujitsu General Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will disclose material information related to climate change in accordance with these recommendations.

Governance

In the Fujitsu General Group, the President is appointed Chief Sustainability Officer (CSuO), and we have established the "Sustainability Promotion Committee," chaired by the President, as a forum for solving issues related to Sustainable Management, including climate change, in a cross-organizational manner. We have also established the "Environmental Promotion WG (Working Group)" as a subordinate organization for deliberating climate change and other environmental issues specific to organizations.

Important management issues, including climate change, are deliberated and decided on at the Board of Directors meetings held once a month or on an ad hoc basis when necessary. The Executive Officer Meeting, which consists of all Corporate Vice Presidents, meets three times a month in principle to deliberate and decide on specific important issues related to business execution, and seeks approval from the Board of Directors on particularly important matters.

For information on our Sustainable Management Promotion Structure, please see page 8.

Strategy

The Fujitsu General Group promotes "Sustainable Management," and one pillar of our core strategic themes is "harmonious coexistence with our planet (Planet)." As part of these efforts, we consider climate change to be an important theme for medium- to long-term risks and opportunities. In the Air Conditioner Business, which is vulnerable to the impact of climate change, we have identified and assessed climate-related risks and opportunities from a long-term perspective through 2050, and considered strategic measures to prepare for risks and contribute to opportunities. Details of risks and opportunities that we have identified and related measures are shown in the table on the right.

We have also provided details of our scenario analysis on the following page.

Risks: Impact on business and likelihood of occurrence

		Risk Item	Risks	Likelihood of Occurrence	Financial Impact Level	Timing of Impact Materialization	Countermeasure
Transition	Policy and legal	Increased pricing of GHG emissions	Increased cost burden in procuring raw materials and manufacturing products due to carbon tax, introduction of emissions trading, etc.	2	1	Long term	<ul style="list-style-type: none"> Early reduction of Scope 1 and 2 emissions (early achievement of carbon neutrality) Collect information on laws and regulations and respond to them as soon as possible
		Tightening of refrigerant regulations	Loss of sales opportunities if unable to comply with refrigerant regulations	3	3	Long term	<ul style="list-style-type: none"> Development of air conditioners using refrigerants with low global warming potential
		Tight supply and demand for electricity	Possibility that electricity use will increase in emerging countries, causing electricity shortages and making it difficult to expand sales of air conditioners	3	2	Long term	<ul style="list-style-type: none"> Develop air conditioners that do not use power sources derived from fossil fuels Early development of air conditioners that comply with energy conservation regulations
Physical	Market	Increased cost of raw materials	Possibility of higher raw material prices or difficulty in obtaining raw materials due to changes in supply-demand balance or changes in materials toward fossil fuel-free	2	2	Medium term	<ul style="list-style-type: none"> Promote design toward the realization of a circular economy
		Damage to production bases	Possibility of inundation of our plants due to disasters such as typhoons and floods, resulting in damage to production facilities, etc. and suspension of operations, or suspension of parts supply due to inability of suppliers to operate	2	2	Medium term	<ul style="list-style-type: none"> Strengthening of BCP measures
		Rising mean temperatures	Possibility of increased heat stress and infectious diseases leading to decreased worker productivity and accidents	1	1	Medium term	<ul style="list-style-type: none"> Improve worker productivity and prevent accidents by strengthening the air conditioning system in the facility Strengthen health and safety Pandemic preparedness

Likelihood of occurrence

Level	1	2	3
Definition	Occurs very rarely	Moderate	Occurs frequently

Financial impact level

Level	1	2	3
Estimated impact (financial)	High	Very high	Extremely high

Opportunity

Opportunity Item	Opportunity	Timing of impact Materialization	
Products and Services	Tighter regulations on the use of fossil fuels	Stricter regulations on the use of fossil fuels have increased the need for heat pump heaters, leading to higher sales	Medium term
	Increase in demand for air conditioners due to rising temperatures	In response to growing demand for air conditioners due to rising temperatures, research and development of air conditioners for high outdoor temperatures and sales expansion	Medium term
	Strengthening of regulations on energy conservation	Expand sales by doing research and development of air conditioners with high energy efficiency in response to tighter energy conservation regulations	Long term



Disclosure Based on TCFD

Strategy (Cont.)

• **Details of scenario analysis**

With reference to the climate change scenarios of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), the Fujitsu General Group has assessed long-term impact through 2050 in the Air Conditioner Business, which is vulnerable to the impact of climate change, based on scenario analysis for a less than 2°C increase in temperate, and an increase of 3°C to 4°C or more.

• **Scenario used**

Physical climate scenario: IPCC RCP 2.6, IPCC RCP 6.0

Transition climate scenario: IEA SDS, IEA STEPS

• **Result of estimation of potential financial impact of physical risk**

The Fujitsu General Group produces air conditioners in Thailand and China. We calculated the impact of a one-month suspension of plant operations in the event of severe and frequent abnormal weather, such as cyclones or floods. As a result, we estimated the impact to be 234 hundred million yen, equivalent to air conditioner sales in FY2023 of 2,805 hundred million yen divided by 12.

• **Impact of transition risk**

ATW, one of the products offered by the Fujitsu General Group, is clearly positioned as a main method of decarbonization by institutions in Europe. In France, the first ATW market in Europe, we have taken steps to further strengthen our position, and as a result, ATW sales to the European market have grown by approximately 20% on average since 2007.

Risk Management

The Fujitsu General Group classifies various changes in the external environment associated with climate change into "transition risk" and "physical risk" as exemplified by the TCFD recommendations, and evaluates the financial impact and probability in three levels to identify significant risks and opportunities.

In addition, at the Group we strive to prevent and mitigate risks that could significantly impact our business by conducting risk assessments related to compliance, crisis management, human resources, labor, safety & health management, environment, IT security, and information management, amongst others. The process is overseen by the Compliance/Risk Management Committee.

Process for identification of climate-related risks and opportunities, consideration of actions, and implementation management

<p>① Information collection</p> <ul style="list-style-type: none"> Organize risks and opportunities based on TCFD recommended disclosure items, considering external information and reports. Obtain objective forwardlooking information and identify impact on the Group. 	<p>② Identify risks and opportunities</p> <ul style="list-style-type: none"> Estimate the business impact (financial impact) of climate change and identify highimpact risks and opportunities. 	<p>③ Consider and determine actions</p> <ul style="list-style-type: none"> The Sustainability Division plays a central role in discussing and developing actions for the identified risks and opportunities with related divisions. Risks, opportunities, and actions are reported to the CSuO and the Board of Directors. 	<p>④ Execution and management of initiatives</p> <ul style="list-style-type: none"> The Compliance/Risk Management Committee promotes activities to reduce risks.
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Risk Management System

To promptly identify risks that may adversely affect the Fujitsu General Group as it develops its business globally and to implement countermeasures in a timely manner, risk assessments are conducted to confirm the appropriateness of risk evaluation and risk management by our Company's divisions and Group companies. The Compliance/Risk Management Committee selects priority issues to be addressed while promoting activities to reduce risk. The Committee reports its annual activities to the Board of Directors.

Metrics and Targets

The Fujitsu General Group has established a specific plan to implement climate change measures, which are the highest-priority action items according to the Group's environmental policy and the results of materiality analysis. The plan includes a medium-term target of reducing greenhouse gas emissions throughout the Group's entire value chain by 55% by FY2035 (compared to FY2021) and a long-term target of achieving carbon neutrality throughout the Group's entire value chain by FY2050. All employees are expected to embrace our goals, contribute to the achievement of the Sustainable Development Goals (SDGs), and strive to reduce environmental impact while increasing our corporate value.

Medium to long-term environmental targets

1. Long-term target: Achieve carbon neutrality throughout the Group's entire value chain (Scope 1, 2, and 3) by FY2050.
2. Medium-term target: Reduce greenhouse gas emissions throughout the Group's entire value chain (Scope 1, 2, and 3) by 55% by FY2035 (compared to FY2021).



■ Responding to Climate Change

Basic Approach

The Fujitsu General Group believes that reducing greenhouse gas emissions in all business areas is important to curb climate change caused by global warming. We will promote the reduction of greenhouse gas emissions by improving the energy efficiency of products used by our customers. In addition, by expanding the use of renewable energy sources such as solar power generation, we aim to completely eliminate greenhouse gas emissions from our business activities.

Initiatives to Reduce Energy Usage and Greenhouse Gas Emissions from Business Activities

The Fujitsu General Group aims to achieve net zero greenhouse gas emissions from business activities across the Group as a whole by FY2050. We are promoting initiatives including expanding the use of renewable energy and revising the day-to-day work processes of each employee to reduce waste, while also rolling out initiatives that have resulted in improvements to other businesses. In FY2023, CO₂ emissions were down by approximately 71% compared with FY2021.

Improve transportation efficiency

The Fujitsu General Group is working to improve product and component transportation efficiency. Since FY2023, we have been working to reduce the number of containers when transporting products and components overseas by increasing shipping container load factors, thereby reducing shipping transportation and truck transportation after arrival. Since FY2021, we have been continuously shifting to joint loading of components and products, as part of efforts to enhance transportation efficiency.

Regarding transportation within Japan, at our Aomori Office, where we manufacture air conditioner fan motors and other products, we have been shifting from trucks to rail for the transport of products to customers since FY2022. In FY2023, we completed a modal shift for three customers, successfully cutting CO₂ emissions by approximately 162 tons.

Conversion to renewable energy

The Fujitsu General Group promotes the utilization of renewable energy for electricity used in business activities. After introducing solar power generation systems at Fuji Eco Cycle Co., Ltd. in 2017, we introduced them at seven sites in Japan and overseas through FY2022.* In FY2023, we introduced new solar power generation systems at our Matsubara Office in Japan, and expanded such systems at Fujitsu General (Thailand) Co., Ltd. overseas. Our initiatives include the operation of solar power generation systems, switching to options for electricity generated from renewable energy, and the procurement of renewable energy electricity certificates. Through such initiatives, we successfully switched to 100% renewable energy for all electricity used in FY2023, cutting CO₂ emissions by 40,625 tons.

We will continue considering expanding the installation of solar power generation systems as we promote our shift to renewable energy.



Solar panels on the roof of our Matsubara Office (operation from January 2024)

Reducing electricity usage at air conditioner assessment and testing facilities

We consume large amounts of electricity at laboratories for assessing air conditioner performance because we change temperature conditions inside and outside rooms to measure cooling and heating performance. Following successful examples at our Kawasaki laboratory, we have optimized the time spent on preparatory operation to prepare for testing at Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd. (our air conditioner development site in Thailand) and Fujitsu General (Shanghai) Co., Ltd. (our air conditioner development site in China).

In FY2023, testing facility usage time increased as we developed more products with better energy-efficiency performance. Accordingly, electricity consumption increased by approximately 20-30% compared with prior to these activities at the aforementioned two overseas development sites, but we will continue measures to reduce electricity usage.

*We also introduced such systems at TCFG Compressor (Thailand) Co., Ltd., which came under the scope of consolidation on July 28, 2023, at the same time.



■ Responding to Climate Change

Initiatives to Reduce Energy Usage and Greenhouse Gas Emissions from Business Activities (Cont.)

Increasing efficiency of business travel

The Fujitsu General Group is actively working to reduce the number of business trips by adopting and utilizing IT, thereby reducing our environmental impact. In FY2018, we introduced Office365 for all employees at sites in Japan and on overseas assignments, and we are effectively leveraging the benefits of video conferencing, such as screen sharing. We will continue working to improve the efficiency of business travel by effectively choosing between face-to-face meetings and remote meetings.

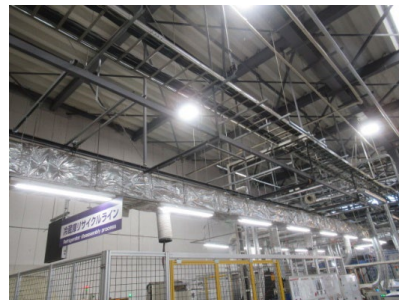
Initiatives at each plant

• Fuji Eco Cycle Co., Ltd.

At Fuji Eco Cycle Co., Ltd., we have been actively implementing energy conservation measures, including installing 1,888 solar panels in 2017 to generate approximately 30% of electricity used in the plant as a whole as a pioneer even within the Fujitsu General Group. In FY2023, we converted lights in all buildings in the plant to LEDs. We have also promoted better energy efficiency through revisions to processes and efficiency improvements at facilities, including attaching inverters to conveyor equipment, converting motors used in crushing and sorting equipment to high-efficiency types, and converting v-belts used in horizontal hydroextractors in plastic sorting equipment into energy-efficient types.



Solar panels
(Operation from December 2017)



LED lighting

• Fujitsu General (Thailand) Co., Ltd.

At Fujitsu General (Thailand) Co., Ltd., in FY2023, we used cameras to conduct an air leak inspection, resulting in a reduction in electricity usage of approximately 270MWh. We also implemented measures to cut energy losses, including converting to high-efficiency cooling towers (inverter type) and energy-efficient fans and timer switch-based operation of air handling units (automatic switch off when not in use). We also focus on actively introducing renewable energy, including installing solar street lamps, which generate solar power, and increasing solar panels.



Camera-based air leak inspection



Solar street lamps



Chemical Substance Management

Basic Approach

The Fujitsu General Group is committed to reducing the use and emissions of chemical substances and preventing pollution associated with its products and factory operations. Furthermore, we take utmost care in the selection and management of designated chemical substances in accordance with applicable laws and regulations in order to reduce the environmental impact of the chemicals included in our products.

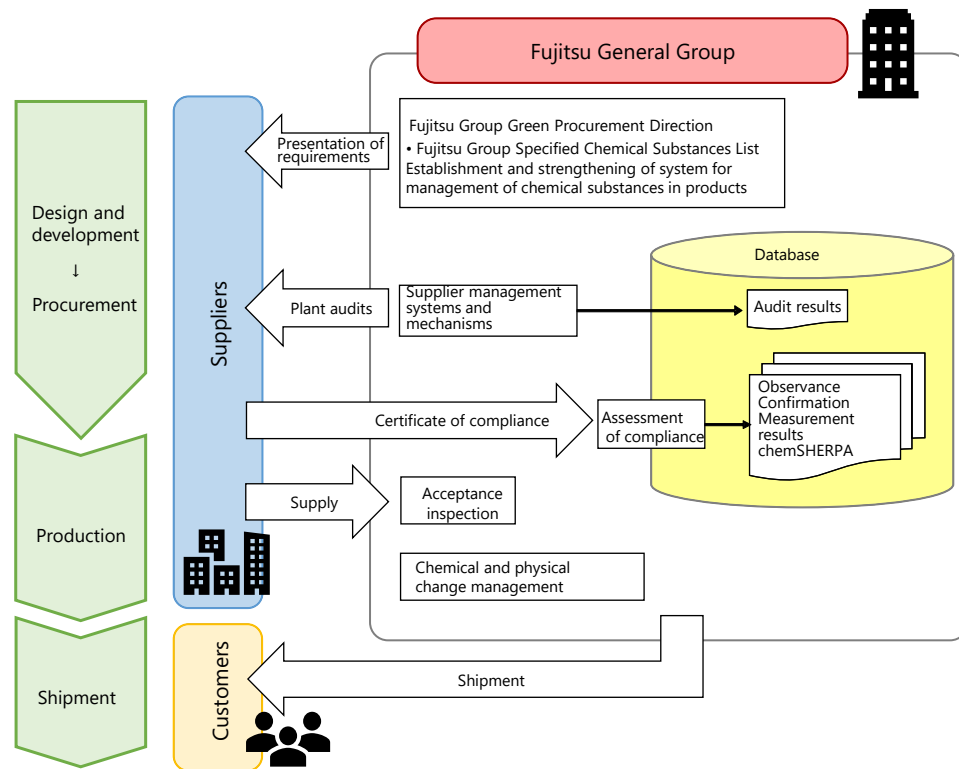
Management of Chemical Substances Contained in Products

In order to reduce the environmental impact of chemical substances in products as much as possible, the Fujitsu General Group requests that suppliers of raw materials and components used in production appropriately manage chemical substance content in accordance with the specified chemical substances list in the "Fujitsu Group Green Procurement Direction." Suppliers also submit information about chemical substance content (chemSHERPA*), which we utilize for various forms of regulatory compliance in our internal management systems. Laws and regulations concerning chemical substances in products in Europe, which began with the European RoHS Directive and REACH Regulation, are becoming stronger, such as the continuous increase in substances subject to regulation and applicable countries. Accordingly, the Fujitsu General Group is working with our business partners to strengthen related management systems.

Management of chemical substances specified by the Fujitsu Group

- We have ascertained systems for managing chemical substances in products of business partners, and we are working with them to strengthen such management.
- Business partners submit information on chemical substances in products supplied (Observance Confirmation, chemSHERPA, and results of measurement).
- We measure the content of substances restricted by RoHS as part of acceptance inspections at production plants.
- We identify and manage chemical and physical changes occurring during production processes.

*chemSHERPA: An abbreviation for Chemical information SHaring and Exchange under Reporting PARTnership in supply chain



Management flow of chemical substances contained in products



Chemical Substance Management

Management of Chemical Substances Contained in Products (Cont.)

Obtaining information on chemical substances contained in products

At the Fujitsu General Group, in order to prevent the inclusion of hazardous chemical substances in products and materials, we ask suppliers to provide us with information on chemical substances contained in parts and materials. The information transmission method is in accordance with "chemSHERPA," which is the industry standard scheme. We also hold explanatory meetings with suppliers in China, Thailand, and other countries in advance for their cooperation.



Explanatory meeting for suppliers at Fujitsu General (Shanghai) Co., Ltd.



Explanatory meeting for suppliers at Fujitsu General (Thailand) Co., Ltd.

Establishment of Chemical Substances Management System (CMS)

To ensure compliance with laws and regulations specific to the chemicals in our products, we ask our suppliers to establish a CMS based on the "Guidelines for the chemical substances in products" of JAMP.*1

The Fujitsu General Group auditors visit suppliers to check the status of CMS design and operation to provide support for raising the level as necessary.

*1 JAMP: An abbreviation for Joint Article Management Promotion-consortium

Management of Chemical Substances in Business Activities

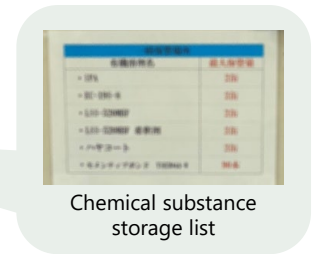
The Fujitsu General Group works to ensure thorough management of key chemical substances*2 used in production. Business sites where there are chemical substances have chemical substance storage facilities and manage inflows and outflows, thereby ensuring appropriate storage. Environmental operation procedures and chemical substance storage lists are also kept and displayed near chemical substance storage facilities, ensuring that chemical substances are managed in accordance with laws and regulations.



Chemical substance storage



Environmental operation procedures*3



Chemical substance storage list

Chemical substance management at Fujitsu General Electronics Limited

*2 Key chemical substances: 26 substances identified by the Fujitsu General Group by evaluating their toxicity and usage. (As of March 2024)

*3 Environmental operation procedures: Environmental operation procedures that summarize the Safety Data Sheet (SDS).



Chemical Substance Management

Management of Chemical Substances in Business Activities (Cont.)

Activities for chemical substance pollution prevention

To prevent pollution by chemical substance, the procedure to prevent the diffusion at the time of leakage is checked periodically. Also, the equipment using polychlorinated biphenyl which was used in the factory premises in the past and the parts containing polychlorinated biphenyl used for the collected products are stored properly in the special storage warehouse of the Headquarters until destruction treatment is carried out.

Harmful substance reduction activities

In line with expansion of the scope of chemical substances subject to the Industrial Safety and Health Act, Fuji Eco Cycle Co., Ltd. has changed paints used for plant floors, external facility coatings, etc., to ones with lower risk levels.

Fujitsu General (Thailand) Co., Ltd. is also focusing on reducing harmful substances by changing the products used for cleaning ovens, expander machines, hairpin machines, and other production machines from chemical products to organic products.

Measures to address persistent organic pollutants

To ensure occupational safety and protect employee health, Fujitsu General Electronics Limited measures the wind speed of local ventilation equipment every month, and changes filters based on the results of inspections.

Measurements of the working environment by external contractors are also conducted twice a year, in which solvent concentrations and other factors concerning the production environment are measured and assessed. Through these initiatives, we are working to limit and prevent harm to employee health.



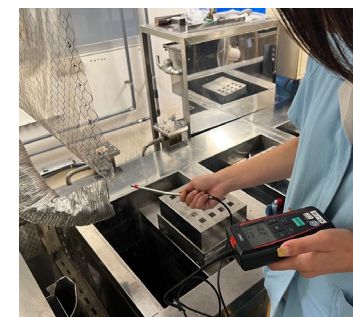
Training to handle lubricating oil leakage accidents at the Aomori Business Office



Inside the polychlorinated biphenyl storage warehouse at the Headquarters in Kawasaki



Filter change work



Wind speed measurement



Resource Circulation

Basic Approach

The Fujitsu General Group contributes to a sustainable society by effectively utilizing limited resources.

To reduce the risk of depletion of various resources and contribute to the sustainable development of society, we consider waste to be a precious resource, and ensure thorough sorting, collection, and processing of it, while also reducing raw material waste loss from product production processes, reducing the usage of raw materials in products, and promoting recycling initiatives for used products, as well as the batteries and packaging materials used in products.

Initiatives to Conserve Resources

Reducing raw material usage

In order to promote sustainable consumption, the Fujitsu General Group works to reduce waste. As part of our waste reduction efforts, we are focusing on waste loss reduction for aluminum and copper materials, which are raw materials that we use large amounts of, in our Environmental Action Plan Stage X.

• Reduce aluminum waste loss

In FY2023, we reduced aluminum waste by 42.1%*1 compared with FY2021, through measures such as reducing waste from errors by revising temperature settings and processes when managing aluminum, and reducing offcuts by revising material dimensions.

• Reduce steel waste loss

In FY2023, we reduced steel waste by 48.9%*1 compared with FY2021, through measures such as reducing waste from errors by renewing old facilities and reducing usage per unit with the introduction of a new facility.

*1 Performance at FG Shanghai and FGCA

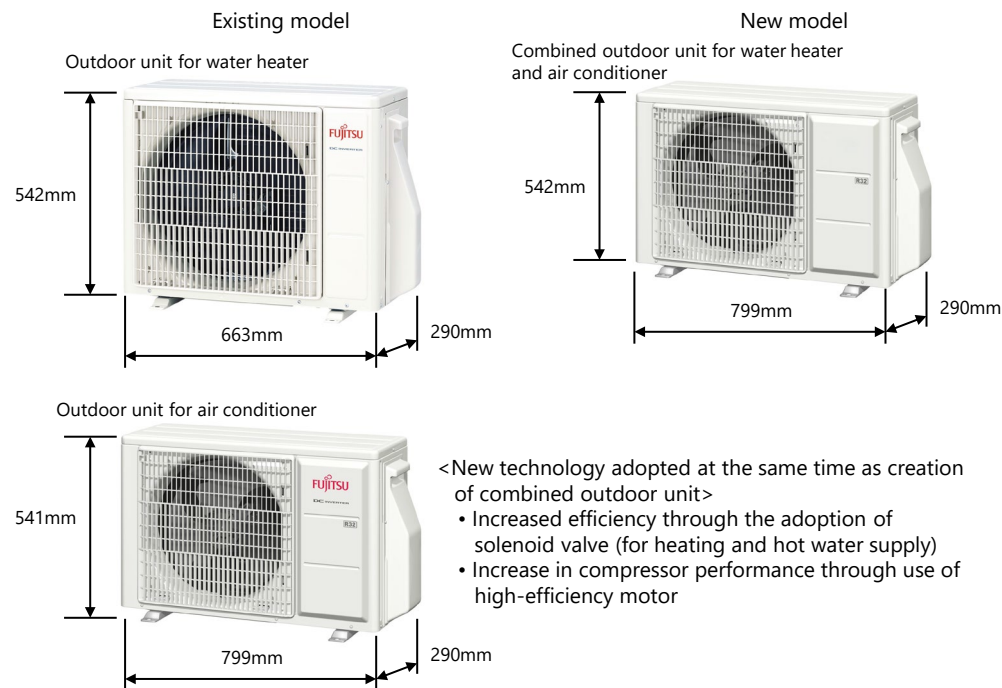
Promoting resource-saving design

The Fujitsu General Group places importance on the effective use of resources for the products the Group offers by developing a resource-saving design (including downsizing and weight reduction) and by reducing the number of parts needed, all being given consideration during the product design stage.

• Example: Increased resource efficiency through 3S*2 project development

(WOXS034KQC2, WSXG07KMCA, etc.)

Previously, two outdoor units were required, one for the water heater and the other for the air conditioner, but by combining these outdoor units, the water heater and the air conditioner can be used with a single outdoor unit. By combining these units, we are able to save resources, refrigerant, and installation space equivalent to one outdoor unit.



*2 3S: Products that provide three services: cooling, heating, and hot water supply, with a single outdoor unit (jointly developed with Groupe Atlantic)



Resource Circulation

Product Recycling

Countries around the world are creating legal frameworks related to recycling, such as the Basel Convention, and developing collection and recycling systems, in order to prevent pollution from harmful substances in products leaking into the environment and effectively utilize resources. In addition to used products, batteries and packaging materials used in products are also subject to regulation in the EU and many countries. Accordingly, the Fujitsu General Group ensures that local sales companies comply with requirements in their respective countries, based on the "Extended Producer Responsibility (EPR)" approach, and contributes to local product collection and recycling by enrollment in collection and recycling schemes. To promote product collection and recycling, we also provide explanations and create marks on products to increase awareness of waste sorting among end users.

Initiatives in Japan

• Basic stance of Fujitsu General

In order to fulfill our obligations as a manufacturer in accordance with the "Act on Recycling of Specified Kinds of Home Appliances (Home Appliance Recycling Act)," enacted in April 2001, we established "Fuji Eco Cycle Co., Ltd. (Hamamatsu, Shizuoka)" as a home appliance recycling plant subsidiary. This subsidiary has contributed to the creation of a circular society by focusing on the recycling of used home appliances since the enactment of the aforementioned law (air conditioners, TVs (CRT and flat screen), refrigerators and freezers, and washing machines and dryers).

We also cooperated with industry peers Sony Corporation, Sharp Corporation, Hitachi Global Life Solutions, Inc., and Mitsubishi Electric Corporation to build an efficient recycling system in which we mutually use state-of-the-art environmentally friendly facilities. The details are as follows.

Recycling philosophy of the five company group

The conversion to a circular society is being promoted by halting the existing trend of mass production, mass consumption, and mass waste, and encouraging the effective use of resources in a way that looks toward the future. As part of this, the five company group will work to build a highly efficient recycling system in pursuit of cost and convenience improvements.

Specifically, this refers to the following.

- Social contribution through the recycling business
- Creation of a recycling network at minimum cost
- Convenience for distributors and local governments
- Innovation in recycling technology
- Promotion of easily recyclable product design
- Stable operation and continuous management of recycling plants

• Turning used TV back cabinets into materials

Fuji Eco Cycle Co., Ltd. which is engaged in the home appliance recycling business in the Fujitsu General Group, has contributed to the reduction of waste as well as the reduction of selection energy when recycling them into raw materials by sorting and collecting the back cabinets of mainly LCD TVs with raw materials such as PS^{(*)1} and PC+ABS^{(*)2}.



Removal of foreign substances (labels, metals, etc.) from cabinets



Crushing using a specialized crusher



Crushed plastics (shipping state)

*1 PS: Polystyrene

*2 PC+ABS: Polycarbonate + Mixture of acrylonitrile, butadiene and styrene

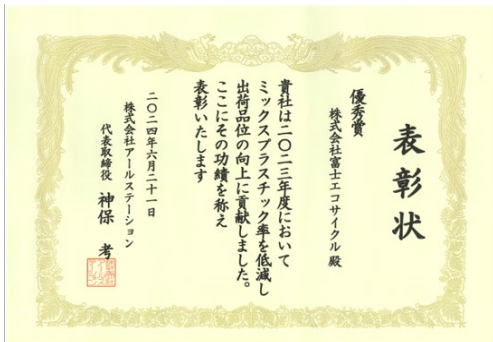
Resource Circulation

Product Recycling (Cont.)

• **Award for introduction of wet plastic sorting facility**

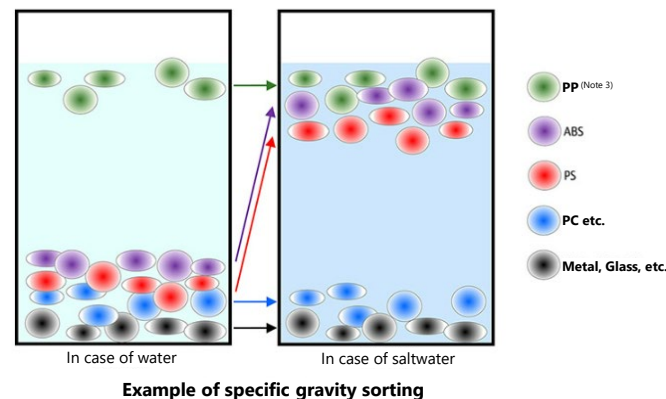
In 2023, Fuji Eco Cycle Co., Ltd. introduced a new wet plastic sorting facility. At this facility, mixed plastic scrap, created by crushing and sorting waste home appliances and removing metal, is placed in a water tank. We use a technology that sorts plastics by material using differences in weight, then we can further sort polypropylene, which floats, into white and other colors using a color sorting machine.

Through this initiative, Fuji Eco Cycle Co., Ltd. has achieved top-class performance within the B group of home appliance recyclers for promoting its aim of conversion to raw materials. In recognition of its results, it received an award from Rstation Co., Ltd., which manages the scheme.



• **Effective use of saltwater from used washing machines**

At Fuji Eco Cycle Co., Ltd. saltwater used in the balancer of washing machines used to be disposed of after dilution and neutralization, but now we've switched to can be effectively used by creating a scheme that allows it to be used as a specific gravity liquid for sorting plastics and other materials.



Initiatives in Europe

The Fujitsu General Group ensures that local sales companies and agents, which act as the main pillar of our sales structure in each country, comply with the requirements set forth in national laws and regulations, based on the "Extended Producer Responsibility (EPR)" approach, and contributes to local product collection and recycling by enrollment in collection and recycling schemes.



Resource Circulation

Initiatives to Reduce Waste

The Fujitsu General Group works to ensure thorough sorting, collection, and disposal in line with waste disposal rules in each country and region, while also engaging in initiatives to reduce waste as much as possible.

FGA (Thailand) Co., Ltd., a motor production company in Thailand, previously disposed of components used when initially setting molding machines to mold wound coil components with unsaturated polyester resin (BMC). To reduce this waste, we now make use of wound coil components extracted for quality inspections (including for destructive tests), which were previously put to waste.

In FY2023, waste generated per unit of production increased by 3% at overseas production subsidiaries compared with the previous fiscal year, and decreased by 1% at production sites in Japan.



Winding assembly parts



Wound coil component after BMC shaping

Office initiatives

At sites in Japan, we are promoting activities to support recycling by sorting and collecting unneeded PET bottle caps and empty disposable cases for contact lenses, which are types of waste familiar in everyday life.

• Eco cap activity

Since FY2010, we have been working with local collection businesses to collect PET bottle caps. The collected caps are recycled, reducing waste and also contributing to reducing CO₂ because they are not incinerated as waste. Revenue generated from their sale for recycling is also used for vaccine support in developing countries and other initiatives.



• Participation in eyecity eco project (<https://www.eyecity.jp/eco/>)

Since FY2022, we have been participating in the "eyecity eco project" sponsored by HOYA CORPORATION, under which we collect used empty cases for contact lenses. The collected empty cases are recycled at designated recycling plants, reducing waste and contributing to reducing CO₂ in a similar manner to the eco cap activity. Revenue generated from their sale for recycling is donated to the Japan Eye Bank Association.





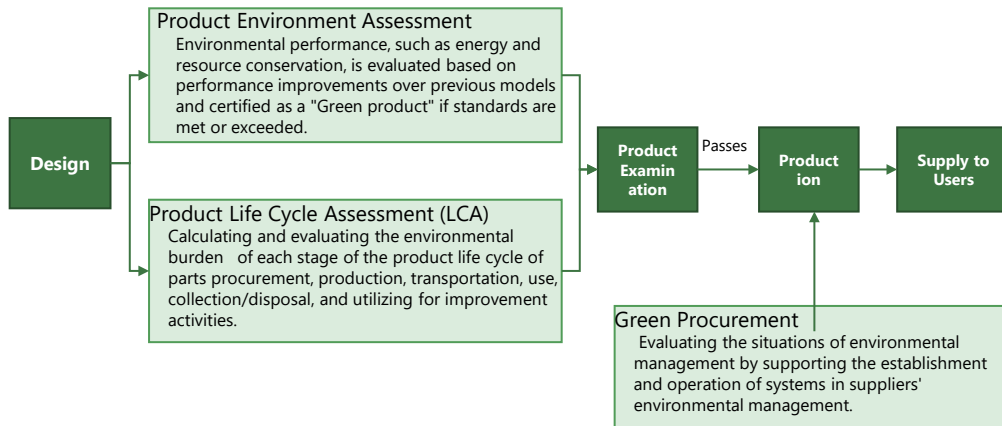
Design for the Environment

Basic Approach

The Fujitsu General Group focuses on environmentally friendly product design through assessments (in advance) concerning the "prevention of environmental pollution" and "reduction of environmental impact" throughout product life cycles.

Environmental Assessment System

As the influence and risk on the environment of products are related to the various work process of the Fujitsu General Group, we are implementing the assessment covering the whole value chain.

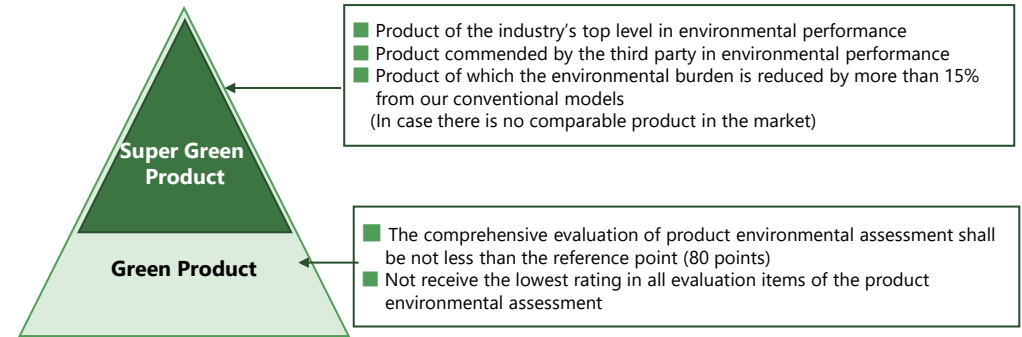


Standard and evaluation of product environment assessment

A product with a total environmental assessment score of more than the standard score (80 points) and a product that does not have a minimum rating for all evaluation items is defined as a "Green Product."

Among them, the products with the top level* of environmental performance are designated as "Super Green Products."

*1 Top-level: First place, or jointly shared first place, or narrowly behind first place (as of March 2024).



Key Assessment Items			
(1)	Weight reduction and resource-saving	(7)	Promotion of long-term use
(2)	Recycling	(8)	Safety and environmental conservation
(3)	Energy-saving	(9)	Packaging
(4)	Easier separation and sorting	(10)	Information disclosure
(5)	Easier collection and transportation	(11)	LCA
(6)	Use of recycled resources		



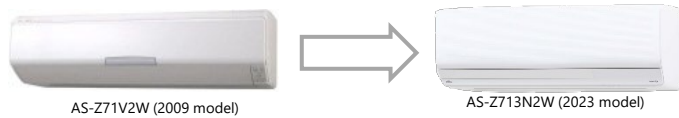
Design for the Environment

Environmental Assessment System (Cont.)

Product Life Cycle Assessment (LCA)

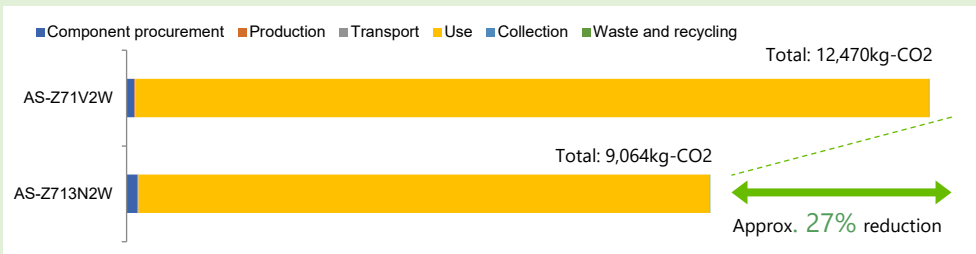
We are working to reduce the environmental load at each stage by evaluating the environmental load in the product life cycle at the time of design using Fujitsu General's original automatic calculation system.

Example of calculation of environmental impact over product life cycle
("nocria®" Z series air conditioner with cooling capacity of 7.1kW)



Example of calculation of environmental impact over product life cycle

"nocria®" Z series air conditioner with cooling capacity of 7.1kW (comparison of AS-Z71V2W (2009 model) and AS-Z713N2W (2023 model))



*1 The evaluation is based on international standards (ISO 14040 series).



Design for the Environment

Initiatives to Reduce CO₂ Emissions from Products During Their Use

The Fujitsu General Group believes that developing products with better energy efficiency and products with better heating performance that enable consumers to replace heating equipment that uses fossil fuel, and providing these products to customers, will contribute to reducing emissions of greenhouse gases and the achievement of a sustainable society.

Pursuit of energy efficiency

As a result of efforts to enhance energy efficiency in newly developed products, we successfully reduced CO₂ emissions from the use of air conditioners developed and sold in FY2023 by 21.9% compared with FY2021. Going forward, we will continue developing products with better energy efficiency and thus contribute to reducing greenhouse gas emissions.

Enhancing heating performance

We will develop products with stronger heating performance, which quickly provide customers with a comfortable space even in cold areas, and thereby encourage the replacement of equipment that uses fossil fuels. In this way, we will reduce greenhouse gas emissions compared with using fossil fuels, and contribute to measures to prevent climate change.

- Example: Strengthening heating performance in low external temperatures (ASEH09KHCBN, AOEH09KHCBN, etc.)

We strengthened heating performance when external temperatures are low and expanded the scope of heating operation by increasing the compressor air volume and reducing the pressure drop. This facilitates high heating performance, even when the external temperature is low.



Environmental Labels

These are the main environmental labels displayed by the Fujitsu General Group.

• Type II Environmental Label (ISO14021): Self-declaration

- China Green Product (CGP) mark
There are two types of CGP mark, a self-declaration type and a nationally promoted voluntary certification type. Fujitsu General has selected the self-declaration type, and we have registered on an official service platform.



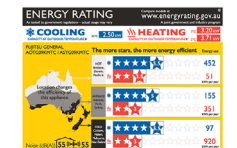
• Other environmental labels

- International ENERGY STAR Program
ENERGY STAR certification is awarded to products that satisfy strict energy efficiency guidelines set forth by the U.S. Department of Energy. By selecting ENERGY STAR-certified cooling and heating equipment and taking measures to optimize its performance, consumers can make their homes more comfortable while saving energy.



- Energy label/energy efficiency label
The Fujitsu General Group develops products that conform to energy efficiency laws, regulations, and standards in each region and country, such as the European Ecodesign Directive (ErP)* and the Act on Rationalization of Energy Use and Shift to Non-fossil Energy of Japan.

In order to provide users with information on energy efficiency, energy consumption, and other matters, we also comply with labeling standards for energy-related products in each region and country, and display marks on product labels, catalogs, etc.



*Ecodesign Directive (ErP): European Directive 2009/125/EC on Energy-Related Products



Biodiversity Conservation

Fujitsu General Group Biodiversity Action Principles

In order to specifically tackle biodiversity under the Fujitsu Group common philosophy, we rearranged the "Fujitsu Group Biodiversity Conduct Guidelines" of Fujitsu Limited for Fujitsu General and formulated the "Fujitsu General Biodiversity Action Principles" in 2012.

Fujitsu General Group Biodiversity Action Principles

Recognizing that corporate activities benefit from the riches of the Earth's biodiversity while at the same time impacting it, the Fujitsu General Group strives for a sustainable, prosperous global society. At the same time, the company endeavors to harness its technological and creative capabilities as a global company to pursue, together with society, an optimal relationship between nature and humankind.

[Fujitsu General's Approach]

1. Pursuing the Conservation of Biodiversity and the Sustainable Use of Natural Resources in Business Activities

The Fujitsu General Group will work to conserve biodiversity and utilize natural resources in a sustainable manner. It will accomplish this by analyzing and evaluating the company's impact on biodiversity at every stage of its business activities, and by working to reduce its impact on biodiversity throughout the entire lifecycle of its products and services.

2. Contributing to Building a Society which Ensures the Conservation of Biodiversity and the Sustainable Use of Natural Resources

The Fujitsu General Group will strive to contribute to its customers' and society's initiatives to conserve biodiversity and utilize natural resources in a sustainable way. It will accomplish this by offering its technologies, the knowledge it has acquired with its own in-house biodiversity initiatives, as well as through its own environmental contributions to society.

[Priority Measures]

1. Manufacturing in consideration for biodiversity

The Fujitsu General Group will strive to develop products from which the impact on biodiversity in the product life cycle will be reduced.

2. Contributing to the Promotion of Biodiversity Throughout Society

Recognizing the importance of training a future generation that will work to promote biodiversity conservation and the sustainable use of natural resources throughout society as a whole, the Fujitsu General Group will promote a better public understanding of the importance of biodiversity.

3. Global Initiatives

The Fujitsu General Group will increase each employee's awareness of biodiversity, as well as pursue global biodiversity initiatives.

Established in September 2012



Biodiversity Conservation

Conservation of Rare Species

Tanakia lanceolata (slender bitterling) and pronodularia japonensis (a freshwater mussel) conservation activities

At our Hamamatsu Business Office, we have been continuously maintaining the biotope that we opened on green land at that site in FY2012. Within the biotope, we conserve *Tanakia lanceolata* (slender bitterling) and *Pronodularia japonensis* (a freshwater mussel), which are egg-laying mollusks, which are rare species designated as critically endangered*1 on the Shizuoka Prefecture Red List, and we have confirmed that these species are currently naturally reproducing. There are many other animals and plants inhabiting and growing in the biotope, including *Oryzias latipes* (Japanese rice fish) (vulnerable), *Pelophylax nigromaculatus* (black spotted pond frog) (near threatened), *Appasus japonicus* (ferocious water bug) (requires attention), *Sparganium fallax* (bur-reed) (vulnerable), and *Brasenia schreberi* (water shield) (near threatened).

We promote initiatives to conserve regional biodiversity, such as working to create an environment capable of attracting native species that inhabit the area around our business office by thinning out overgrown plants and controlling invasive species. As a result, the number of species of creatures seen in the biotope is increasing every year, including *Rhythemis fuliginosa* (butterfly dragonfly) and *Hebius vibakari* (Japanese keelback).

Since 2019, as part of Hamamatsu City's ESD model program for environmental education, students of Inoya Elementary School in Hamamatsu City have been developing a biotope while conducting *Tanakia lanceolata* (slender bitterling) conservation activities. To support these activities, we regularly donate *Tanakia lanceolata*, which have increased within our biotope.

Calanthe discolor conservation activities

With the guidance of an NPO, the Headquarters in Kawasaki is also involved in the conservation and propagation of *Calanthe discolor*, a rare plant designated as Near Threatened by the Ministry of the Environment and Kanagawa Red List. In FY2020, we divided the plants and the number of their pots was increased to ten from five. In FY2021, five plants were returned to their original habitat, the Midorigaoka Cemetery Valley, Kawasaki City. In FY2022, we divided the plants again from 5 to 10, returned one to Midorigaoka Cemetery, and transplanted three to Shimosakunobe Elementary School. In April 2023, one plant was transferred to Takatsu High School. We will continue our conservation and propagation activities with the remaining five plants and also hope to expand the circle of division further.



Calanthe discolor root separation work

Complete image of the biotope at the Hamamatsu Office and *Tanakia lanceolata* (slender bitterling), *Pronodularia japonensis* (a freshwater mussel), and other species under conservation



Tanakia lanceolata (slender bitterling)



Prunella vulgaris (heal-all)



Pelophylax nigromaculatus (black spotted pond frog)



Rhythemis fuliginosa (butterfly dragonfly)



Lanius bucephalus (bull-headed shrike)



Pronodularia japonensis (a freshwater mussel)



Hebius vibakari (Japanese keelback)



Biotope

*1 Critically endangered: Category for species with a very high risk of extinction in the wild in the very near future.



Water Resources Conservation

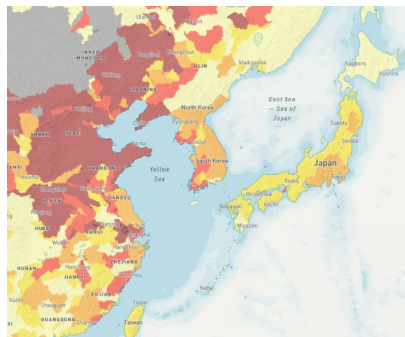
Basic Approach

Water, essential for daily living, is at risk of depletion worldwide due to climate change, deforestation, and population growth. Although there is no process that uses significant quantities of water in the Fujitsu General Group's business activities, we are still making efforts to reduce water usage in our daily activities as much as possible.

Take Action Against Water Risk

To assess potential water risk from the impact of our business activities, the Fujitsu General Group assesses water risk at 10 key production and development sites. These sites make up 98% of the total water usage of the Group. For the primary assessment, we use "Aqeduct," a water risk assessment tool provided by the World Resources Institute (WRI), to assess baseline water stress at each site. Any sites classified as "Extremely High (>80%)" in this assessment are judged to be high risk sites.

Through this assessment, we identified one site out of ten as a high risk site, with a classification of "Extremely High (>80%). In the future, we will conduct more detailed surveys and continuous monitoring, focusing mainly on the high risk site identified.

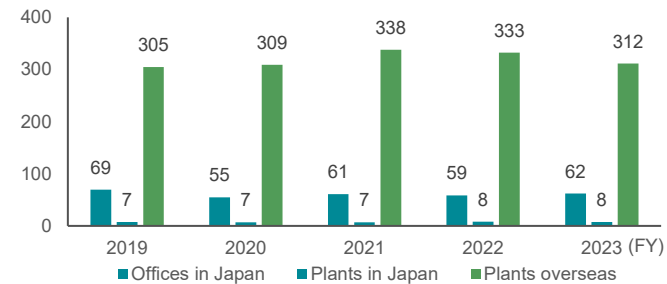


Example of Aqeduct survey

Initiatives to Reduce Water Usage

In order to reduce water usage in our business activities, the Fujitsu General Group engages in initiatives such as installing motion sensors at restroom sinks, reusing water leaked from pumps, and using rainwater. In FY2023, water usage increased by 6% compared with the previous fiscal year across office sites in Japan, but fell by 4% at production sites in Japan, and 6% at overseas production sites. In line with a fall in production volume, water usage per unit of production increased by 12% across office sites in Japan, 15% at production sites in Japan, and 45% at overseas production sites.

Trends in water usage



Initiatives at plants

At TCFG Compressor (Thailand) Co., Ltd., we have introduced a water purification system (RO&EDI system), and we reuse concentrated water generated from our RO system, which is usually put to waste, as water for cleaning toilets. We have also installed oil skimmer systems on painting and cleaning lines, and we effectively remove oil generated during work processes. Through these systems, the accumulation of oil in chemical tanks is prevented, which reduces the amount of water needed to clean tanks.



Contribution to Local Communities

Promote Community Coexistence

Water Quality Conservation Activities

The Fujitsu General Group participates in local activities to preserve water quality around our business sites. At Fujitsu General (Thailand) Co., Ltd., employees' representatives participated in water quality improvement activities at the industrial park to which they belong in March 2024 and injected fermented water around the industrial park.



Regional beautification activities

At Fujitsu General business sites (Kawasaki, Matsubara, Hamamatsu, and Aomori) and Fujitsu General Electronics Limited, we regularly perform cleaning activities in the areas around business sites and work to enhance awareness of the beautification of the surrounding area, as part of our efforts to contribute to local communities.

Afforestation activities

The Fujitsu General Group focuses on the sustainable conservation of the natural environment through afforestation and satoyama (traditional Japanese rural landscape) activities. At Fujitsu General (Thailand) Co., Ltd. (FGT), we planted mangroves and cleaned the coast at the Thai navy base in Sattahip City, to mark World Environment Day in June 2023. We conducted these activities as part of our natural environment protection activities under the scope of FGT's social contribution activities (FGT Smile Project).

