

BASIC POLICY FOR ENVIRONMENTAL PROTECTION

It has long been a fundamental policy of the Fuji Electric Group to run its operations in harmony with the environment. As a manufacturer of electric equipment, this stance has underpinned our efforts to develop products and technology to enable people to lead comfortable lives in symbiosis with their natural surroundings.

In 1992, we formulated the Basic Policies of the Fuji Electric Group on Environmental Protection. This policy rests on the concept of supplying ecologically sound products and technology that contribute to environmental preservation. Moreover, we endeavor to produce these products and technologies using environmentally friendly methods. By adhering to this policy, we strive to operate our businesses in a sustainable way, making effective use of finite resources.

ESTABLISHING AN ENVIRONMENTAL MANAGEMENT SYSTEM

The Fuji Electric Group led the industry by obtaining BS7750 certification for environmental management for its Suzuka Factory back in 1995. We followed this by obtaining ISO 14001 certification for all 10 of our domestic production bases in 1998. Currently, we are striving to reduce our environmental impact by adhering to these standards and actively implementing various environmental protection measures.

As of the end of the last fiscal year, 11 of our 24 manufacturing subsidiaries had obtained ISO 14001 certification. Plans call for the certification of the remaining manufacturing subsidiaries by March 2002. Furthermore, we are bolstering our green procurement activities with the aim of ensuring that more of the companies with whom we do business are ISO 14001 certified.

From hereon, we will also be enhancing our system for disclosing information concerning



environmental activities. As part of this initiative, we will be working toward obtaining certification for the new international standard for environmental performance evaluation, ISO 14031. At the same time, we will review our environmental performance on an ongoing and company-wide basis, and publicize our findings both within the Company and to the outside world.

The Fuji Electric Group intends to continue implementing exhaustive environmental preservation measures in accordance with international standards. In tandem with efforts to raise productivity, we will continue reducing our impact on the environment through a series of countermeasures designed to prevent global warming, reduce industrial waste, eliminate harmful chemical substances

and ensure the environmental soundness of all products.

PREVENTING GLOBAL WARMING

Cutting emissions of greenhouse gases, a process that encompasses energy conservation, is perhaps the single most important issue facing the global environment. Accordingly, we are putting in place measures to reduce emissions of carbon dioxide (CO₂), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

As electric power stations emit considerable amounts of CO₂, we are taking various steps to reduce energy consumption. We are reducing unit energy consumption by investing in energy-saving and highly efficient plant and equipment. During the fiscal year ended March 31, 2000, we



surpassed by far the requirement of reducing unit energy consumption by a minimum of 1% as stipulated in the Energy Conservation Act. On a non-consolidated basis, we reduced total energy consumption by 2,952t-C (in equivalent CO₂) compared with the previous year. This resulted in unit energy consumption of 8.93t-C per ¥100 million, a year-on-year decrease of 2.7%.

Regarding SF₆, primarily used as an insulating gas in switchgear, we are cutting emissions and reducing the overall amount we use by introducing gas recycling devices and making products more compact. HFCs and PFCs are used mainly in production processes and as coolants in products. We are keeping in step with industry-wide efforts to reduce their use by improving production processes and replacing them with alternatives. We also set targets for

cutting emissions of these greenhouse gases each fiscal year and actively work towards meeting them.

TECHNOLOGY TO PRESERVE THE ENVIRONMENT

The disposal of products containing lead is problematic as this element can contaminate soil and seep into groundwater, thereby putting public health at risk. This is the reason why we have developed two types of lead-free solder, high melting point and low melting point, which are now being used in some of our products. We are also making a positive contribution to environmental protection by supplying products that reduce environmental impact. One example in the field of energy conservation, where we already

have a strong track record, was the development and release of EcoPASSION, a new type of eco monitoring system that serves as a low-cost means of measuring electricity consumption. Based on the revised Energy Conservation Act, EcoPASSION measures the energy consumption of each facility, compiling data on a standard PC by means of a flexible wireless network. As such, it is a low-cost electricity management system that requires minimal installation work and contributes to environmental management and energy conservation.

DISCLOSURE OF ENVIRONMENTAL INFORMATION

The Fuji Electric Group actively discloses information on its current environmental policies, planned countermeasures and its environmental management structure. The aim is to keep local people, customers, business partners and all those who come into contact in some way with the Fuji Electric Group informed of specific environmental measures being implemented and results achieved. We also proactively disseminate information—by means of catalogs, newspaper and magazine advertising and environmental trade shows—to raise the profile of products and technologies that contribute to environmental preservation. The results of our efforts to preserve the environment during the last fiscal year will be published in the forthcoming *Environmental Report for the Fiscal Year Ended March 2000*.



Fuji Electric uses lead-free solder in the manufacturing process for power devices.