

Our Initiatives for the Environmental Vision 2050

February 29, 2024

Fuji Electric., LTD

- Evolution of Environmental Initiatives
- Promotion of the Environmental Vision 2050
 - Key Trends for Environmental Issues
 - Challenges in Achieving FY2030 Goals of the Environmental Vision
- Achieve a Decarbonized Society
 - Reduce GHG emissions throughout the supply chain
 - Reduce GHG Emissions during Production
 - Initiatives to Reduce GHG Emissions during Production
 - Contribution to CO₂ Emissions reductions in society through our Products
- Reviewing Goals to Achieve a Recycling-Oriented Society and a Society that Is in Harmony with Nature
- Transition to Environmentally Friendly Products
- Our Initiative for CSR procurement
 - Self-Assessment of CSR Procurement
 - Business Partner CSR On-site Audits

Evolution of Environmental Initiatives

Main Initiatives

1992 Basic Environmental Protection Policy

2009 Environmental Vision 2020

1. Stop Global Warming
 - Reduce CO₂ emissions during production
 - Reduce society's CO₂ emissions through our products
2. Create a recycling-oriented society
3. Meet our corporate social responsibilities

2019 Environmental Vision 2050 (achieve a low-carbon society)

1. Achieve a low-carbon society
 - Reduce GHG emissions throughout the supply chain by 80% or greater
2. Achieve a recycling-oriented society
3. Achieve a society in harmony with nature

2020 Support for the TCFD

2021 Revised Environmental Vision 2050 (achieve a decarbonized society)

1. Achieve a decarbonized society
 - Achieve carbon neutrality throughout the supply chain
2. Achieve a recycling-oriented society
3. Achieve a society in harmony with nature

2022 Environmental Vision 2050 Revised FY2030 goals (1.5°C level)

External evaluation, etc.

2022 SBT validation obtained



2023 Certified as an “A List Company” by CDP for 5th consecutive year

Promotion of Environmental Vision 2050

Environmental Vision 2050

We aim to contribute to the achievement of a decarbonized society, a recycling-oriented society, and a society that is in harmony with nature by expanding the use of Fuji Electric's innovative clean energy technologies and energy-saving products.

Achieve a Decarbonized Society

Target carbon neutrality across the supply chain

Achieve a Recycling-Oriented Society

Promote green supply chains and 3R activities to reduce the environmental impact to zero

Achieve a Society that is in Harmony with Nature

Aim for zero influence on the ecosystem by corporate activities contributing to biodiversity

FY2030 Target

To suppress the temperature rise to 1.5°C above pre-industrial levels, we aim to achieve the following goals.

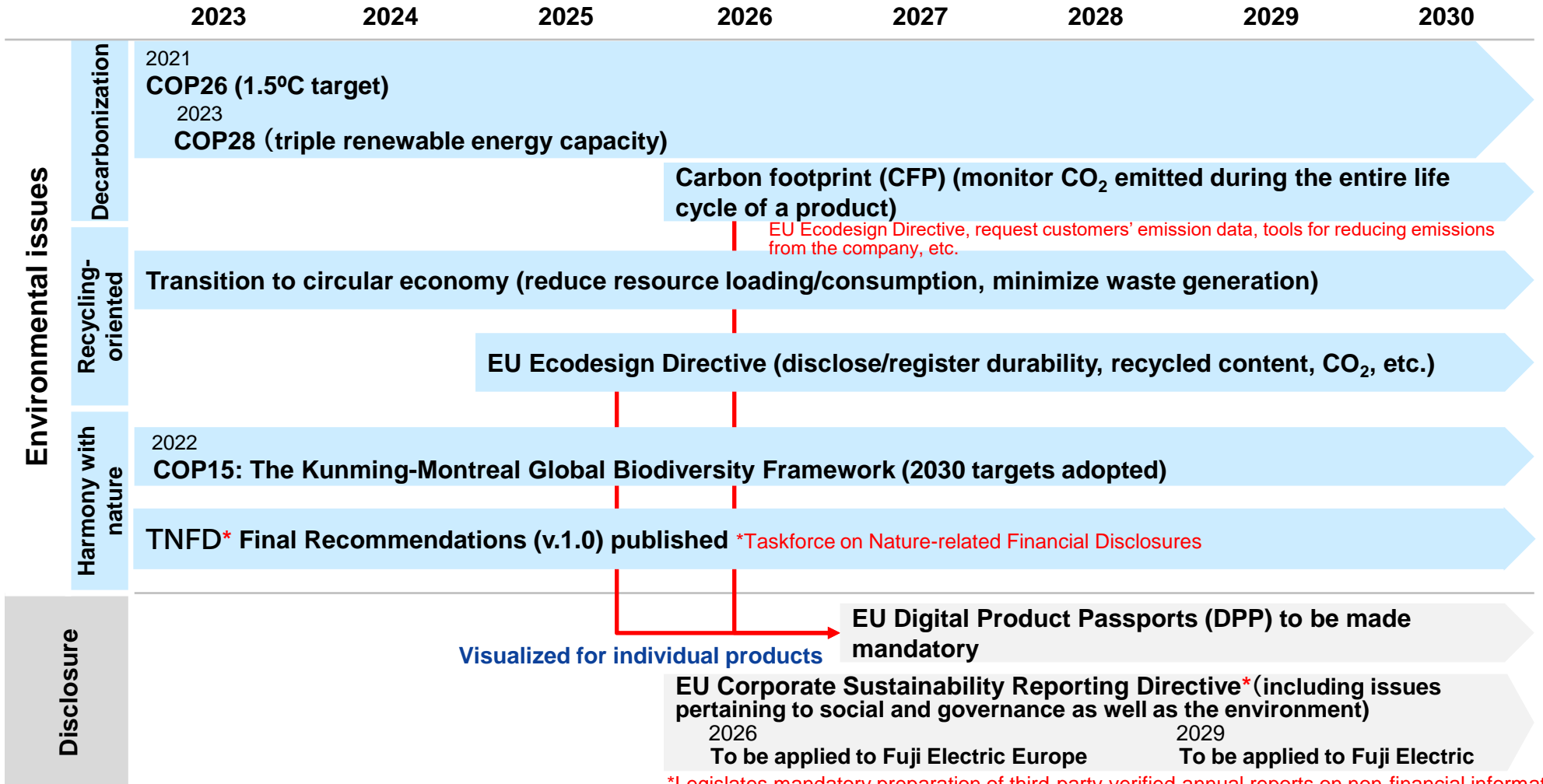
- Reduce GHG emissions throughout the supply chain by over 46% [from FY2019]
- Reduce GHG emissions in production by over 46% [from FY2019]*
- Contribute to reducing society's CO₂ emissions through our products by over 59M tons per year

- **Minimize environmental impact during production**
 - Ratio of waste sent to landfills: Below 1.0%
 - Water consumption per unit of sales: 1,800 m³ /¥100 million or less

- **Reduce chemicals that involve environmental deterioration during production**
 - Volatile organic compound emissions: 1,694 tons or less

Key Trends for Environmental Issues

- Vital to ensure by-product traceability (environment, resources) throughout the supply chain
- Disclosure of sustainability reports stipulated by law (applied to environment themes first)



**Legislates mandatory preparation of third-party-verified annual reports on non-financial information*

Challenges in Achieving FY2030 Target of the Environmental Vision

Environmental Vision FY2030 Targets

De-carbonized Society	Reduce GHG emissions in production by over 46% [from FY2019]
	Reduce GHG emissions throughout the supply chain by over 46% [from FY2019]
	Contribute to reducing society's CO ₂ emissions through our products by over 59M tons per year
Recycling-Oriented Society	Ratio of waste sent to landfills: Below 1.0%
	Water consumption per unit of sales: 1,800 m ³ /¥100 million or less
Society that is in Harmony with Nature	Volatile organic compound emissions: 1,694 tons or less

Changes in the Environment

- Increased demand for renewable energy products and concerns over short supply
 - Request for products produced with renewable energy
 - CFP: Customer requirements for data on CO₂ emitted from products
 - Visualize CO₂ emissions while using products
 - Establish international standards on reduction amounts
-
- DPP made a requirement by the EU Ecodesign Directive (Digital product passport)
 - Global Biodiversity Framework (TNFD)
 - Transition from 3R to CE (Circular Economy)
 - The Plastic Resource Circulation Act

Challenges Fuji Electric Must Address

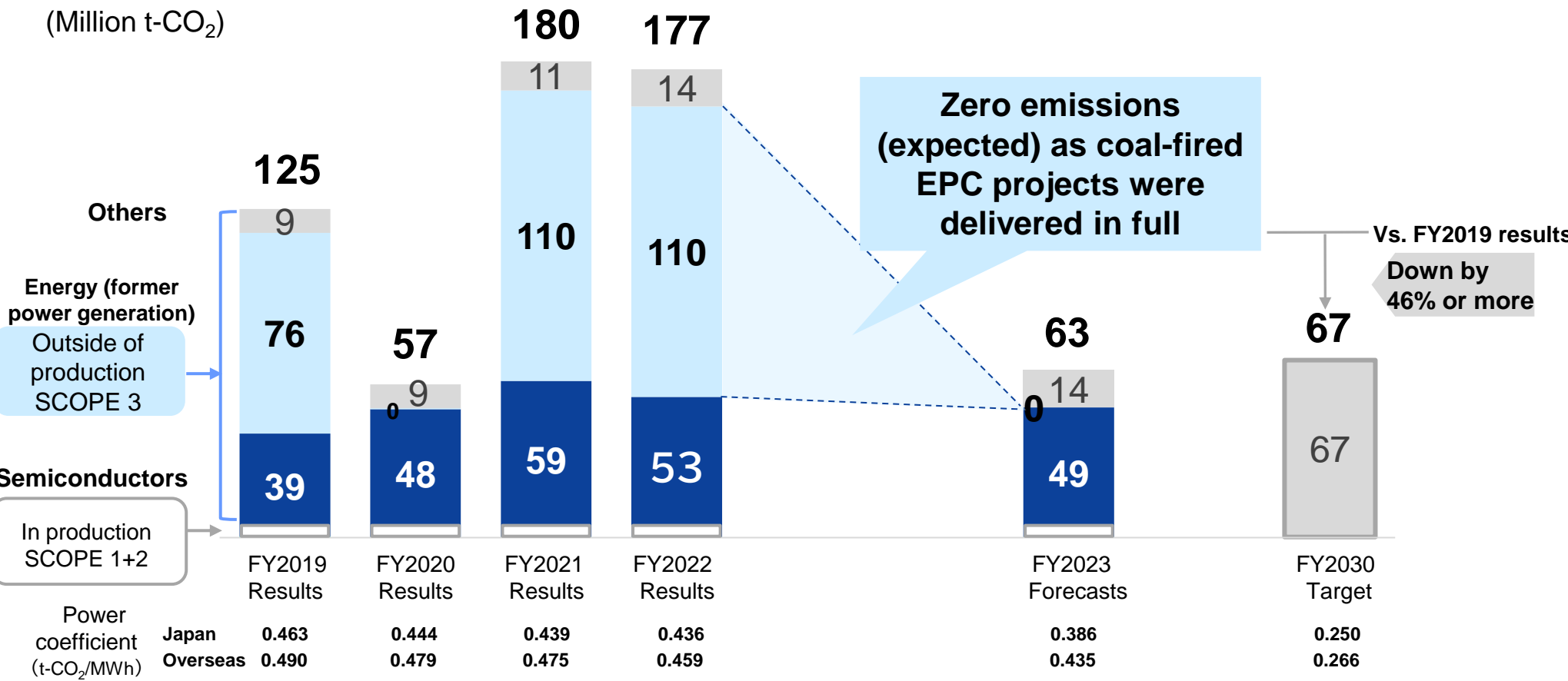
- **Expand procurement of renewable energy (long-term contracts)**
- **Visualize CO₂ emissions while using products, provide other environment-related product information**
 - Respond to the move to stipulate the reduction amount in IEC standards
 - Calculate CFP for each product
 - Support DPP
- **Switch to environmentally friendly products**
 - Formulate evaluation criteria
 - Support biodiversity

Review FY2030 Target of the Environmental Vision

Reduce GHG Emissions throughout the Supply Chain

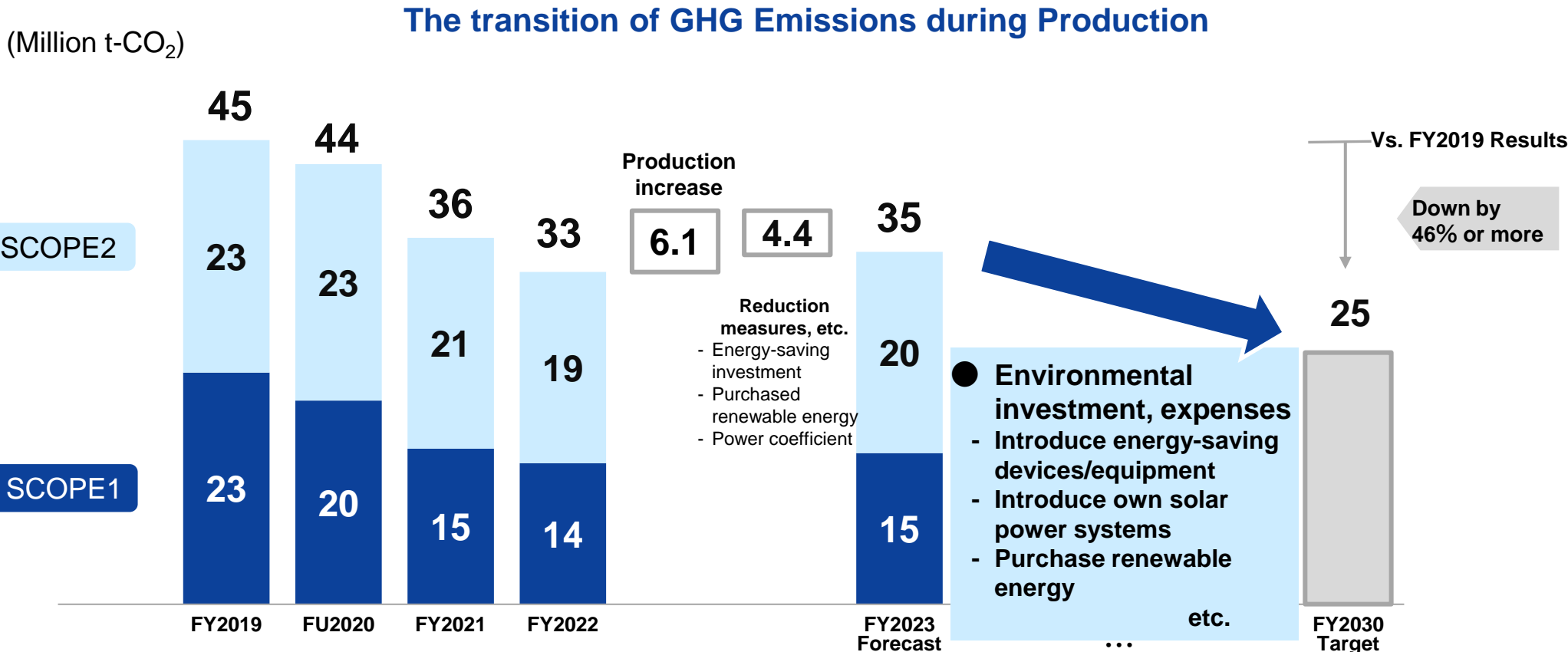
- FY2030 Target to be achieved after FY2023
- Re-verification scheduled based on the new Medium-Term Management Plan

GHG Emissions throughout the Supply Chain



Reduce GHG Emissions during Production

- GHG emissions increased as production increased
- Promoting introduction of own solar power systems, extraction of energy-saving effects when replacing equipment, and expansion of renewable energy purchasing



Initiatives to Reduce GHG Emissions during Production

Promoting the introduction of solar power systems to production bases

[Introduced in FY2022]

Suzuka Factory



[Introduced in FY2023]

Tokyo Factory



The Philippines

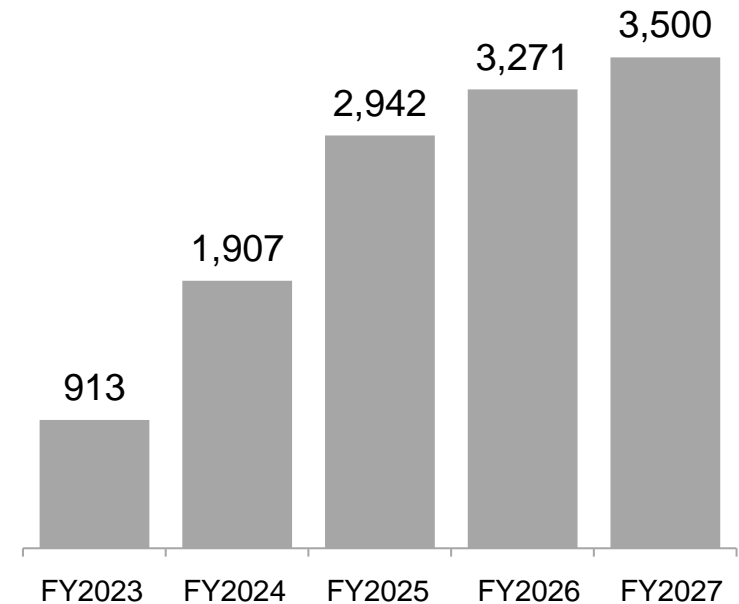


[FY2024]

**Chiba Factory, Kobe Factory, Mie Factory,
Fukiage Factory, and Otawara Factory
To be introduced by the end of FY2027**

Electricity generated by solar power systems

(10,000 kwh)

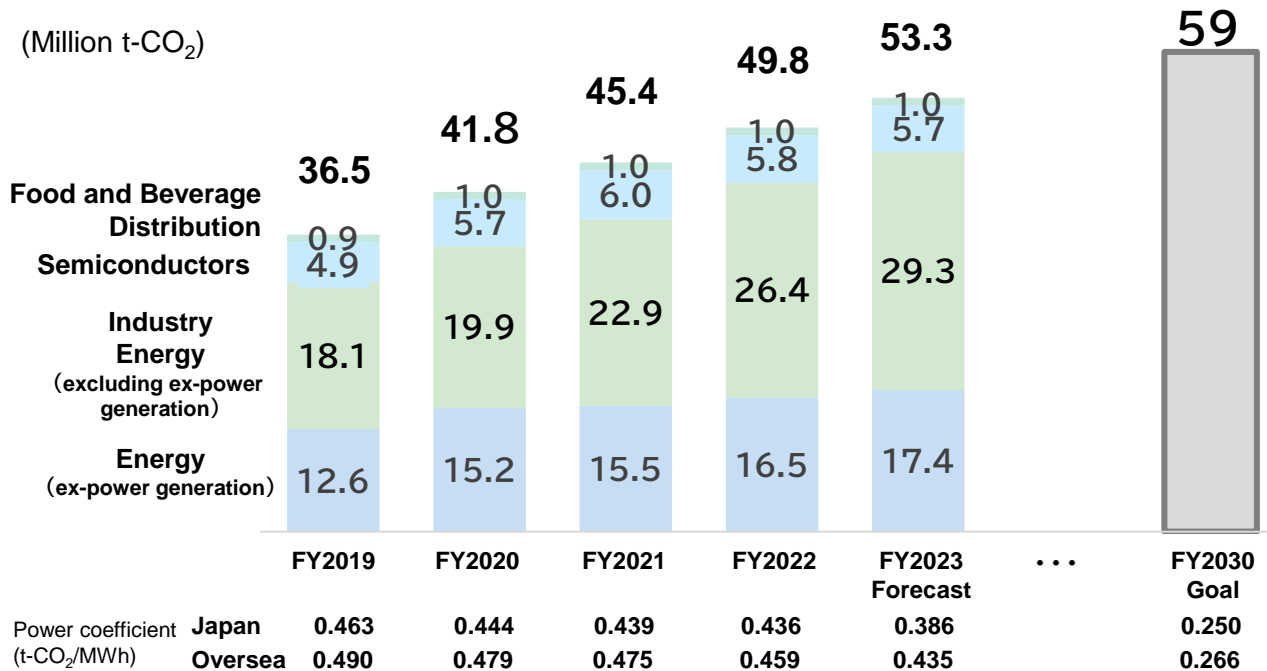


Contribution to CO₂ Emissions reductions in society through our Products

- Contributing to reduction of society's CO₂ emissions with renewable energy products, power electronics systems, and power semiconductors
- Will review the reduction amount calculation method based on the new international standards (IEC63372)

Amount of CO₂ Emissions reduction in society through Our Products

< Main products that contributed to reduction of Society's CO₂ emissions in FY2023 >



- Energy**
Renewable energy (geothermal, hydro, wind)
- Industry**
Power electronics with next-generation power semiconductors (inverters, UPSs, etc.)
- Semiconductor**
7th-generation IGBT power semiconductors
- Food & Beverage**
Energy-saving vending machines

Reduction of Society's CO₂ Emissions by Products: Complying with the Guidelines for Assessing the Contribution of Products to Avoid Greenhouse Gas Emissions, Ministry of Economy, Trade and Industry

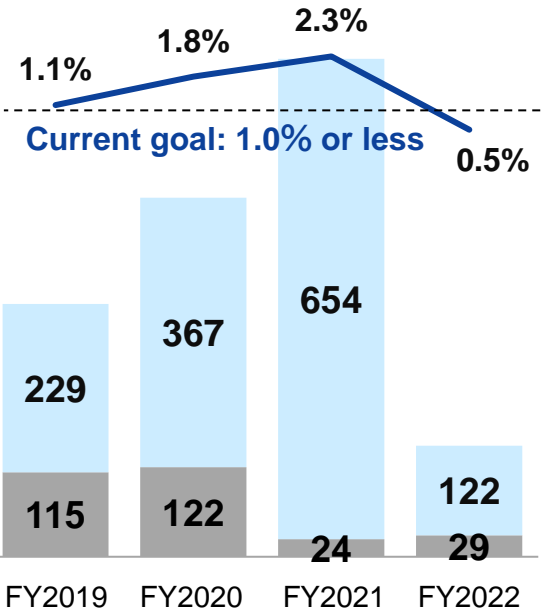
• CO₂ emissions to be curbed through the use of our products =
 (Emissions from existing products – Emissions from new products) x Number of units in service in the current year

- Aiming to develop products that do not degrade the environment across their life cycle
- Setting new target with the review of the FY2030 Target and the new plastics law in mind

● Achieving a recycling-oriented society

Waste sent to landfills

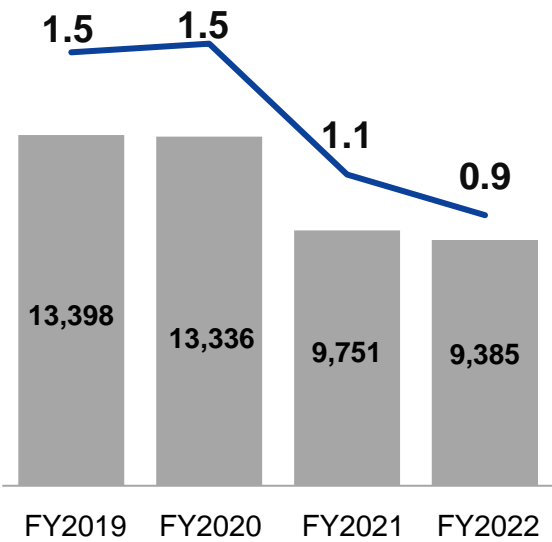
Enhancing waste sorting at overseas bases to improve the ratio



Water consumption per unit of sales

Consuming water effectively and increasing the recycling ratio

Current Target: 1,800 m³/¥100 million or less

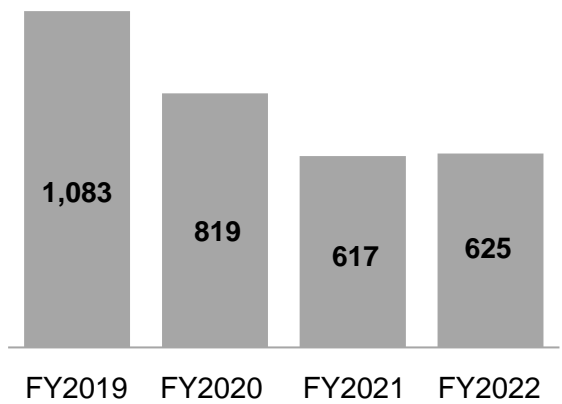


● Achieving a society that is in harmony with nature

Volatile organic compound emissions

Promoting recovery/replacement of solvents, etc.

Current Target: 1,694 tons or less



■ Japan (t) ■ Overseas (t) — Ratio of waste sent to landfills

■ Water consumption (1,000 m³) — Water consumption per unit of sales (1,000 m³/¥100 million)

■ Volatile organic compound emissions (t)

Transition to Environmentally Friendly Products

● Building a system for developing products that take resource circulation into consideration (~FY2026)

● Reflecting international and other standards on product planning/evaluation

Achieve a Decarbonized Society	Energy saving	Products' energy consumption/efficiency
Achieve a Recycling-Oriented Society	Reduce	Resource usage of products, resource efficiency
	Recycle	Recyclability of products and materials
	Use over a long term	Products' durability/reliability and maintainability/repairability
	Chemical substances	Existence of substances of concern in products
	Information provision	Whether or not hazardous substances are used
	Waste	Waste expected to be generated from products
	LCA	Monitoring of environmental load (CFP), potential of reduction
	Packing materials	Volume reduction, simplification, reuse, and recycling of packing materials
Achieve a Society that is in Harmony with Nature	Biodiversity	Environmentally friendly product materials (certified/recycled materials)

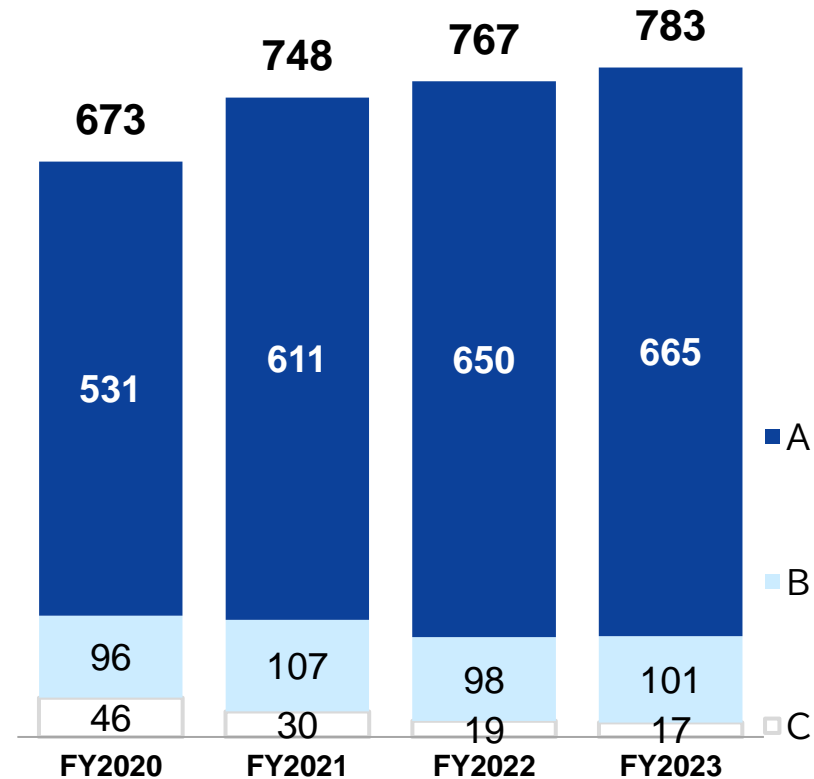
Our Initiatives for CSR Procurement

Self-Assessment of CSR Procurement

● Reduce CSR risks in the supply chain by periodically monitoring the status of customers' CSR initiatives and collaborating with them to improve issues

CSR procurement self-assessment results

(Unit:
No. of company)



● Self-assessment of CSR procurement

- Scope: Customers who account for over 80% of annual purchases
- Frequency: Once a year
- Items: 9 items in accordance with our CSR Procurement Guidelines
- Method: Self-inspection by customers
 Customers with low evaluation may be asked to be interviewed for improvement

Score	Rating	Descriptions
5.0-4.0	A	Social responsibility recognized as an organization and specific actions are taken
3.9-3.0	B	Social responsibility recognized as an organization and actions considered
2.9-2.0	C	Social responsibility recognized as an organization
1.9-0.0	D	Social responsibility needs to be recognized as an organization to start improvements

CSR On-site Audits for Business Partners

● Conducting CSR on-site audits for business partners, in tandem with a third-party certification institution

● CSR on-site audits for Business Partners in FY2023

- Scope : Two business partners of varying sizes (one large enterprise and one SME)
- Methodology: 1) Of the nine CSR self-assessment requirements (100 questions), check evidence for key requirements and requirements with low scores
2) Confirm their agreement regarding improvement of issues thus identified

● Initiatives for FY2024

- Auditing the **17 suppliers** ranked C in CSR procurement self-assessment
- Training auditors at each base in order to expand the scope of audits

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