Fuji Electric
Innovating Energy Technology

Introduction

Fuji Electric's Approach to Climate Change and Harmony with Nature

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The adoption of the Paris Agreement in 2015 marked a historic turning point, steering the world decisively toward a "decarbonized society." Since then, the responsibilities and roles that corporations must fulfill in addressing the urgent challenge of climate change have grown greater than ever before. For Fuji Electric, with our core business centered on energy and the environment, this global shift served as an opportunity to reaffirm the very purpose of our business operations. In response to this trend, we established our long-term environmental directive, "Environmental Vision 2050," in 2019, aiming to contribute to the realization of a sustainable society.

Global discussions have continued to accelerate since then. At COP26 in 2021 (the Glasgow Climate Pact), the international community agreed to pursue the "1.5°C target." Furthermore, following the IPCC Sixth Assessment Report, which concluded that global warming caused by human activities is "unequivocal," we upgraded the pillar of our vision from achieving a "low-carbon society" to achieving a "decarbonized society." In March 2022, we radically revised our Fiscal 2030 Goals, establishing a new reduction target for our entire supply chain and upwardly revising our reduction targets for greenhouse gas emissions from our own production activities to a more ambitious level. In December 2022, these targets were validated as aligned with the "1.5°C trajectory" by the Science Based Targets initiative (SBTi), an international organization. This underscores our determination not only to decarbonize our own operations but also to contribute to the decarbonization of society through our businesses, including our products and systems.

Concurrently, we have focused on high-transparency environmental disclosures. Since declaring our support for the TCFD (Task Force on Climate-related Financial Disclosures) in 2020, we have consistently disclosed information in line with the TCFD recommendations.

Meanwhile, global momentum toward achieving a nature-positive world has been accelerating, highlighted by the adoption of the Kunming-Montreal Global Biodiversity Framework in 2022. Target 15 of this framework demands that businesses assess and disclose their dependencies and impacts on biodiversity. Accordingly, based on the TNFD (Taskforce on Nature-related Financial Disclosures) framework, we evaluated our dependencies on natural capital, the impacts of our business activities on natural capital, and the associated business risks and opportunities, and subsequently disclosed this information in June 2025.

Through this process of evaluation and analysis, we have reaffirmed that the three pillars of our vision—"Achieve a Decarbonized Society," "Achieve a Recycling-Oriented Society," and "Achieve a Society that is in Harmony with Nature"—are deeply interdependent and intricately linked; for instance, the promotion of decarbonization contributes to nature restoration. Therefore, to provide our stakeholders with a more integrated and comprehensive understanding of the overall picture of Fuji Electric's sustainability management, we have compiled this report, which integrates the TCFD and TNFD frameworks.

Environmental Vision 2050

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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 to reduce the environmental impact to zero throughout the entire life cycle
Achieve a Society that is in Harmony with Nature	Aim for zero impact on the ecosystem through corporate activities that contribute to biodiversity

Fiscal 2030 Goals

We aim to achieve the following goals in order to limit the temperature increase to 1.5°C above pre-industrial levels.

- Greenhouse gas emissions throughout the supply chain (Scope 1+2+3) : Reduction of over 46% (compared to FY2019)
- Greenhouse gas emissions through production (Scope 1+2) : Reduction of over 46% (compared to FY2019)
- Contribution to CO_2 reduction in a society through our products : Over 59 million tons/year

We will promote a circular economy while complying with environmental regulations around the world.

- Transitioning to environmentally friendly products that comply with ecological design regulations
- Final waste disposal rate (including plastic waste) : Less than 0.5%

TCFD/TNFD Disclosure History

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Since declaring our support for the TCFD recommendations in June 2020, Fuji Electric has continuously disclosed information aligned with the TCFD framework. In June 2025, we released our inaugural disclosure in line with the TNFD recommendations.

Year	Major Global Trends	Our "Environmental Vision 2050"	History of Our TCFD and TNFD Disclosures
2015	Adoption of the Paris Agreement at COP21		
2017	Publication of recommendations by the TCFD		
2019		**Established "Environmental Vision 2050" (June)**	
2020			**TCFD** • Declared support for the TCFD Disclosed "Governance"
2021	Adoption of the Glasgow Climate Pact at COP26	**Revised "Environmental Vision 2050" (June)** • Declared commitment to "Realization of a Decarbonized Society"	• Disclosed "Risks and Opportunities" (under 2°C / 4°C scenarios) • Disclosed "Risk Management" and "Metrics and Targets"
2022	Adoption of the Kunming-Montreal Global Biodiversity Framework	**Revised Fiscal 2030 Goals (March)** • Established new GHG reduction targets for the entire supply chain • Upwardly revised GHG reduction targets for our own production activities	• Disclosed "Risks and Opportunities" (under 1.5°C / 4°C scenarios) and "Response Measures"
2023	Release of final recommendations by the TNFD		• Disclosed response measures and financial impacts for key risks
2024	Enforcement of the EU Ecodesign Regulation	**Revised "Environmental Vision 2050" (June)** • Declared commitment to "Zero Environmental Impact across the Entire Lifecycle" for the realization of a recycling-oriented society **Expanded Fiscal 2030 Goals (June)** • Explicitly integrated the promotion of a circular economy	• Reviewed and disclosed "Risks, Opportunities, Response Measures, and Financial Impacts" under the 1.5°C scenario
2025			• Reviewed and disclosed "Risks, Opportunities, Response Measures, and Financial Impacts" under the 1.5°C / 4°C scenarios **TNFD** • Disclosed "Governance," "Risks and Opportunities (Own Manufacturing)," "Risk and Impact Management," and "Metrics and Targets"
2026			• **Published the "TCFD/TNFD Disclosure Report"** • **Disclosed "Risks and Opportunities (Upstream Value Chain)" and associated "Response Measures"**