Risk & impact management

Risk & Impact Management (Own Operation)

Fuji Electric
Innovating Energy Technology

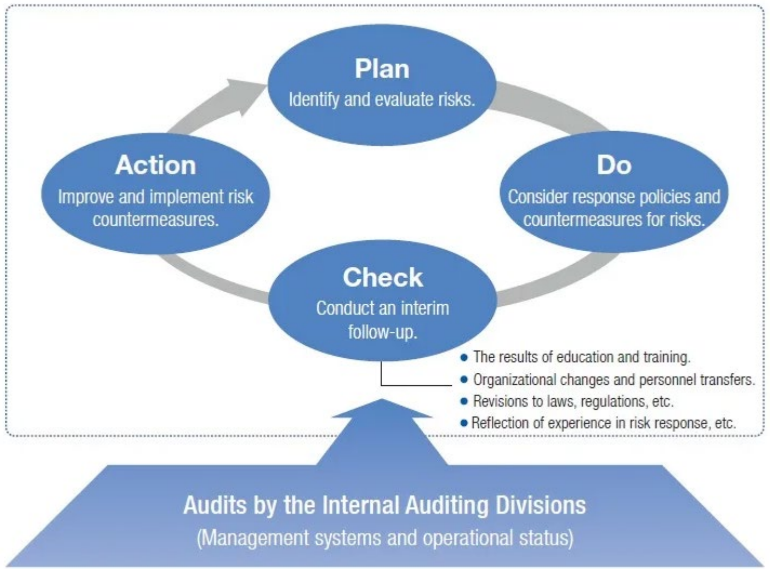
Fuji Electric systematically manages 'environmental risks,' including climate change and environmental pollution, on a company-wide basis in accordance with the 'Fuji Electric Risk Management Regulations.' By establishing a framework in which each Business Group manages domestic and overseas subsidiaries, we aim to prevent risks and minimize their impacts across the entire Group.

■ Risk Management Process (PDCA)

To identify and mitigate risks, we execute the following process each fiscal year:

1. **Beginning of Fiscal Year: Identify and evaluate risks (Plan/Do)**
   - Extract risks with a high impact on management
   - Assess the materiality of each risk and prioritize countermeasures
   - Formulate response policies and establish specific action plans for countermeasures
   - Develop and organize risk management frameworks
2. **Mid-Year: Conduct an interim follow-up (Check)**
   - Review progress and conduct intermediate assessments at the half-year mark
3. **End of Fiscal Year: Improve and implement risk countermeasures (Action)**
   - Conduct annual evaluations on the effectiveness of countermeasures
   - Formulate risk countermeasure proposals for the following fiscal year based on the evaluation results

Annual Risk Management Process



■ Addressing Human Rights and Labor Risks

Regarding risks related to "human rights and labor," we conduct a self-assessment based on international standards once every two years, covering all domestic and overseas business sites and consolidated subsidiaries. Evaluations are performed in accordance with the "Guidelines for Respecting the Human Rights of Employees," and corrective guidance is provided to any site where issues are identified. The evaluation results and the status of countermeasures from these processes are regularly reported to the Sustainability Committee.

Risk & Impact Management (Supply Chain)

Fuji Electric
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Risks related to "human rights" and the "environment," including "climate change" and "environmental pollution" within our supply chain, are managed in accordance with the "Fuji Electric's CSR Procurement Guidelines." We conduct an annual CSR assessment for our major suppliers to evaluate these risks (FY2025 results: 893 companies).

In addition to written evaluations, we initiated on-site audits through physical visits in fiscal 2024, targeting companies that deemed to require strengthened environmental initiatives (primarily small and medium-sized suppliers). In fiscal 2025, we conducted on-site audits for 24 companies to verify local workplace conditions. Simultaneously, we directly communicated our policies and initiatives regarding CSR—including environment and human rights—and requested their cooperation.

In 2026, we revised the "Biodiversity Action Guidelines" (see page 11). Based on this policy, across all of our business activities including our global supply chain, we will drive the understanding and management of our dependencies, impacts, risks, and opportunities related to natural capital, including biodiversity and ecosystems.

Fuji Electric's CSR Procurement Guidelines (Excerpt)

Environment

1. Environmental Permits and Reporting
2. Reduction in Energy Consumption and Greenhouse Gas Emissions
3. Emissions into the Atmosphere
4. Water Management
5. Effective Utilization of Resources and Waste Management
6. Management of Chemical Substances
7. Management of Chemical Substances Contained in Products

Human Rights and Labor

1. Prohibition of Forced Labor
2. Prohibition of Child Labor
3. Consideration for Young Workers
4. Consideration for Working Hours
5. Adequate Wages and Benefits
6. Prohibition of Inhumane Treatment
7. Prohibition of Discrimination
8. Workers' Right to Organize