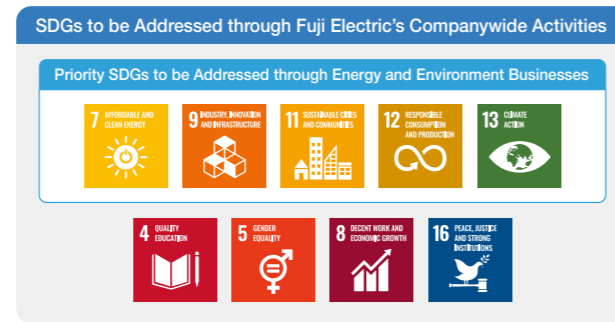


Promote Material Initiatives for Management

Fuji Electric aims to develop its activities in regard to the Sustainable Development Goals (SDGs) set out by the international community and create a decarbonized society by putting its corporate philosophy and management policies into practice. The ongoing reinforcement of our operating foundations is vital in working to resolve social and environmental issues and create customer value through our energy and environment businesses. As part of these efforts, we have set out material issues and goals related to the environment, society, and governance (ESG), and are working toward resolving them.

SDGs to Be Addressed through Companywide Activities

Assessing the link between the value created by the four businesses advanced by our five segments (clean energy, stable energy supply, energy saving, and automation) and contributions to the accomplishment of the SDGs, Fuji Electric selected five priority goals. Furthermore, four additional goals were designated as priorities in relation to the reinforcement of operating foundations to be pursued through overall corporate activities, making for a total of nine goals.



Material Initiatives for Management

We have defined our key issues (materialities) for management with an aim to improve long-term corporate value. These are the promotion of our energy and environment businesses that contribute to the creation of a sustainable society, as well as the promotion of ESG material initiatives to reinforce our operating foundations, and relevant activities are being advanced globally. We

have organized the ESG material initiatives based on the Fuji Electric Code of Conduct, which serves as a guide for the Company's foundation and how we, along with all our employees, should act in order to put our corporate philosophy and management policies into practice and fulfill our social responsibility.

- Promote energy and environment businesses that contribute to the creation of a sustainable society
- Promote ESG material initiatives to reinforce our operating foundations
 - Environment (E): Create a decarbonized society (reduce society's CO₂ emissions and greenhouse gas emissions during production by providing energy-saving products)
 - Society (S): Respect human rights, encourage employees' success, promote workstyle reforms, and create a supply chain that underpins a sustainable society
 - Governance (G): Improve the effectiveness of corporate governance, promote compliance, and enhance risk management

Details of the Fuji Electric Code of Conduct can be found on our website. <https://www.fujielectric.com/company/conduct.html>

System for Promoting Material Initiatives for Management

The SDGs Promotion Committee consists of executive officers responsible for the business, sales, and corporate divisions. It deliberates and evaluates policies and measures regarding issues related to the environment, human rights, the encouragement of employees' success, and the creation of a sustainable supply chain, as well as manages the progress toward their implementation. The Compliance Promotion Committee deliberates on the status of compliance execution and planning. The details of what is deliberated at these committees are regularly reported to the Executive Committee and the Board of Directors.



*Refer to the compliance promotion system (page 41).

Material Issues for Management and Major Initiatives

Field	Material Issues	Major Initiatives	Major Initiatives in FY2020	Relevant SDGs	Reference Page(s)
Businesses	Promote energy and environment businesses	Expand power electronics systems and semiconductor businesses	<ul style="list-style-type: none"> ▶ Power electronics systems: Created competitive components (global transformers, etc.), received consecutive orders for comprehensive electrical equipment systems for data centers, continually improved partnership strategies to expand overseas businesses ▶ Semiconductors: Enhanced production capacity, increased sales of power semiconductors for electrified vehicles (xEVs) 		Power electronics systems P45-48 Semiconductors P49-50
		<ul style="list-style-type: none"> ■ Reduce society's CO₂ emissions by providing energy-saving products ■ Reduce greenhouse gas emissions during production 	<ul style="list-style-type: none"> ▶ Revised the Fuji Electric Environmental Vision 2050 in our aim toward decarbonization ▶ Declared support for the TCFD; analyzed risks and opportunities ▶ Increased the reduction of CO₂ emissions through our products (contributed to a reduction of 41.78 million tons in FY2020) ▶ Reduced greenhouse gas emissions during production (emissions totaled 440,000 tons in FY2020) 		Environment P21-24
E (Environment)	Realize a decarbonized society	Implement human rights due diligence	<ul style="list-style-type: none"> ▶ Implemented human rights due diligence (at all 133 operating sites and domestic and overseas affiliate companies; 65 in Japan and 68 overseas) ▶ Provided human rights training (raising awareness of human rights, harassment prevention) 		
		<ul style="list-style-type: none"> ■ Promote active participation of female employees ■ Promote active participation of employees over 60 ■ Broaden scope of duties performed by differently abled employees ■ Advance workstyle reforms ■ Promote work-life balance 	<ul style="list-style-type: none"> ▶ Stepped up hiring of women (percentage of women hired as of April 2021: 20%) ▶ Increased the number of female employees in supervisory positions (300 as of June 2021) ▶ Introduced the Senior Task System ▶ Established the Employment Guidelines for Employees over 65 ▶ Increased employment of differently abled people (2.92% as of June 2021) ▶ Established a more diverse work system ▶ Continued fostering a workplace environment that supports employees who are raising children or caring for family in need of assistance 		Human resources P25-26
		<ul style="list-style-type: none"> ■ Practice fair and equitable procurement ■ Practice sustainable procurement together with business partners 	<ul style="list-style-type: none"> ▶ Implemented self-assessment of CSR procurement 		Sustainable procurement P27-28
S (Society)	Respect for human rights	<ul style="list-style-type: none"> ■ Improve transparency and supervisory function of management 	<ul style="list-style-type: none"> ▶ Continued third-party evaluation of the effectiveness of the Board of Directors and incorporated this evaluation into operations ▶ Partially reduced cross-shareholding 		Corporate governance P29-40
		<ul style="list-style-type: none"> ■ Ensure effective implementation of the Fuji Electric Compliance Program 	<ul style="list-style-type: none"> ▶ Established, revised, and abolished internal rules, and conducted oversight, audit, and education ▶ Implemented compliance education ▶ Thoroughly implemented the Business Ethics Whistle-Blowing Systems 		Compliance P41-42
		<ul style="list-style-type: none"> ■ Reinforce business continuity capabilities ■ Improve product quality ■ Strengthen information security 	<ul style="list-style-type: none"> ▶ Established a BCP for procurement ▶ Strengthened countermeasures against cyber attacks ▶ Established countermeasures against the spread of COVID-19 		Risk management P43-44
G (Governance)	Promote compliance	<ul style="list-style-type: none"> ■ Improve transparency and supervisory function of management 	<ul style="list-style-type: none"> ▶ Continued third-party evaluation of the effectiveness of the Board of Directors and incorporated this evaluation into operations ▶ Partially reduced cross-shareholding 		Corporate governance P29-40
		<ul style="list-style-type: none"> ■ Ensure effective implementation of the Fuji Electric Compliance Program 	<ul style="list-style-type: none"> ▶ Established, revised, and abolished internal rules, and conducted oversight, audit, and education ▶ Implemented compliance education ▶ Thoroughly implemented the Business Ethics Whistle-Blowing Systems 		Compliance P41-42
		<ul style="list-style-type: none"> ■ Reinforce business continuity capabilities ■ Improve product quality ■ Strengthen information security 	<ul style="list-style-type: none"> ▶ Established a BCP for procurement ▶ Strengthened countermeasures against cyber attacks ▶ Established countermeasures against the spread of COVID-19 		Risk management P43-44
G (Governance)	Enhanced risk management	<ul style="list-style-type: none"> ■ Improve transparency and supervisory function of management 	<ul style="list-style-type: none"> ▶ Continued third-party evaluation of the effectiveness of the Board of Directors and incorporated this evaluation into operations ▶ Partially reduced cross-shareholding 		Corporate governance P29-40
		<ul style="list-style-type: none"> ■ Ensure effective implementation of the Fuji Electric Compliance Program 	<ul style="list-style-type: none"> ▶ Established, revised, and abolished internal rules, and conducted oversight, audit, and education ▶ Implemented compliance education ▶ Thoroughly implemented the Business Ethics Whistle-Blowing Systems 		Compliance P41-42
		<ul style="list-style-type: none"> ■ Reinforce business continuity capabilities ■ Improve product quality ■ Strengthen information security 	<ul style="list-style-type: none"> ▶ Established a BCP for procurement ▶ Strengthened countermeasures against cyber attacks ▶ Established countermeasures against the spread of COVID-19 		Risk management P43-44

Details on ESG (environment, society, and governance) can be found on our website. <https://www.fujielectric.com/company/csr/index.html>