

# Harmonious Coexistence with Our Planet



Harmonious Coexistence with Our Planet

- 59 Environmental Vision
- 65 Environmental Management
- 66 Activities
- 69 Disclosure of Climate Change Information  
– Disclosure based on TCFD

# Environmental Vision

## Topic 1

### Progress in Mid-Term Environmental Action Plan FY2025 Toward Carbon Neutrality

#### Policy

The Fujitsu General Group believes that reducing greenhouse gas emissions in all business areas is important to curb climate change caused by global warming. To reduce our own environmental impact by expanding the use of renewable energy sources such as solar power generation, we aim to completely eliminate greenhouse gas emissions from our business activities by FY2025.




In addition, we will reduce greenhouse gas emissions through management of greenhouse gas emissions in the supply chain of our Group's business activities and by improving the energy efficiency of products used by customers.

#### Action, Next Approach

In March 2021, the Fujitsu General Group formulated and announced the Basic Policy on Sustainable Management. The promotion of Sustainable Management is based on a medium- to long-term perspective and promises the realization of a sustainable society for future children and society, and we will pursue the growth of our Group business by accelerating the implementation of Sustainable Management. In order to realize a sustainable society, "Harmonious Coexistence with Our Planet" is essential, and one part of that is to take Responding to Climate Change.

#### ■ Newly formulated Mid-Term Environmental Action Plan

The Fujitsu General Group formulated "Mid-Term Environmental Action Plan" in 2016 with the final target year of 2030. However, in order to further actively contribute to the realization of a sustainable society, we made a major review of the Mid-Term Environmental Action Plan in March 2021. Furthermore, in April 2022, we have moved up the target year for achieving carbon neutrality to FY2025. All employees will share the goals to be achieved in the medium term and aim to realize both reduction of environmental impact and enhancement of corporate value while helping to achieve the SDGs.

Medium-Term Environmental Plan: Target and Measure		
	Target	Measure
 Reduction of Our Own Environmental Impact	<b>Achieve carbon neutrality by FY2025</b>  [Old Target] Greenhouse gas emissions from our Group's business activities: Completely eliminate by FY2030	1. Renewable energy conversion: Existing plants (by FY2023) 2. Renewable energy conversion: All Group companies (by FY2025) → Achieved 1 and 2 ahead of schedule (April 2022) 3. Shift to use of renewable energy for all other energy used (by FY2025)
 Through Our Supply Network	Reduction of 30% for total greenhouse gas emissions through our supply Network by FY2035 (vs. FY2018)	• Promotion of green electricity use by our suppliers • Reduction of material consumption and product weight
 For our Customers and Society	Reduce greenhouse gas emissions from the use of our products. Reduction of 30% by FY2030 (vs. FY2013)	• Replace constant-speed A/C with inverter A/C (India and Middle East) • Enhance energy efficiency



### Reduction of Our Own Environmental Impact (Achieving Carbon Neutrality in FY2025)

At Fujitsu General Group, we have been promoting environmental activities since 1993 when we formulated our environmental policy, and environmental activities have become deeply rooted in our company. In addition, for the purpose of further advancing the environmental activities by linking the environment and management, we have been promoting the "Company-wide Akasuri Campaign" since 2016 to reduce environmental impact and wasteful costs.

Through these activities, we have been able to drastically reduce the amount of electricity used in our business activities, and realized 100% renewable energy for the electricity used in our Company's business from April 2022, three years earlier than originally planned.

In order to reduce energy consumption for the purchase of renewable energy certificates, working groups will be formed in Japan and in Thailand and China, where our production bases are located, to share action plans and issues, and to confirm progress, while reducing cost increases. The goal is to achieve carbon neutrality in greenhouse gas emissions in business activities by FY2025, including those coming from other than electricity.

#### Measures toward Carbon Neutrality

Measure	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
<b>1. Electricity</b>						
(1) Installation of solar power generation systems at each site						
(2) Shift to renewable energy power menu (utilities)						
(3) Procurement of renewable energy power certificates						
(4) Pursuit of energy-saving production equipment and building accessories						
<div style="border: 1px solid black; padding: 5px; display: inline-block;">                         Complete in 2022, 3 years ahead of schedule                          (Solar expansion is available as needed.)                     </div>						
<b>2. Production equipment and building accessories (Gas, Fuel)</b>						
(1) Electrification of equipment (Furnaces, boilers, welding, etc.)						
(2) Fuel conversion of equipment (such as hybridization with electricity)						
(3) Measures against CFC leakage during production						
<b>3. Mobile vehicles (Gasoline and diesel)</b>						
(1) Shift to EVs for sales vehicles (phased hybrid)						
(2) Shift to EVs for pickup and drop-off vehicles (gradual shift to hybrid vehicles)						
(3) Forklift (EV)						
<b>4. Carbon credit purchases</b>						
Items that can not be technically resolved are targeted						

## Environmental Vision



### Through Supply Network and Products Sold (Scope 3\*1)

Fujitsu General Group has been promoting activities with the goal of becoming carbon neutral in terms of GHG emissions in its own business activities; however, including the supply chain, a large amount of GHG emissions are generated in Scope 3.

Therefore, our Company Group has set the goal of reducing GHG emissions not only in our own business activities but also in Scope 3.

#### Actions upstream of the supply chain -30% reduction by FY2035 (vs. FY2018)

In Scope 3, GHG emissions in the supply chain, excluding those from product use, are dominated by the manufacture of parts and materials used in products. Therefore, our main measure is to reduce GHG emissions at our suppliers, aiming to reduce GHG emissions by 30% from the FY2018 level by FY2035.

##### ■ Initiatives

- STEP 1** Calculate GHG emissions in upstream processes of supply chains based on the input-output table: Completed in FY2020
- STEP 2** Re-calculate using more accurate coefficients based on statistical data and accumulated data (data surveyed and collected by industry associations): Completed in FY2021
- STEP 3** Selection of suppliers with high GHG emissions: Completed in June 2022
- STEP 4** Visit the suppliers selected in Step 3 to conduct joint planning for GHG emission reduction and implementation of initiatives to achieve the target: Planned for October 2022 or later

#### Actions downstream of the supply chain - Reduction of 30% by FY2030 (vs. FY2013) for GHG emissions from the use of our products sold

Since GHG emissions from product use are the highest in Scope 3, we will reduce GHG emissions from them by 30% from the FY2013 level by FY2030 by promoting the following initiatives.

##### ■ Initiatives

- Provide air conditioners with superior energy saving capabilities from the design stage
- Switch from constant-speed air conditioners to high-efficiency inverter air conditioners
- Develop products that use natural energy and waste heat to promote reductions in greenhouse gas emissions

\*1 GHG emissions from other companies related to our Group's business activities and from the use of the products we sold.

## Fujitsu General Group Environmental Policy

### Philosophy

The Fujitsu General Group recognizes that global environmental protection is a vitally important business issue. We promote the sustainable development of society by contributing to creating a secure and comfortable society, and by providing people around the world with a future of prosperity and dreams. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will strive to safeguard a rich natural environment for future generations.

### Code of Conduct

- We help customers and society reduce the environmental impact of their business activities and improve environmental efficiency by providing thorough and secure products and services through the pursuit of advanced technologies.
- We strive to reduce the environmental impact of our products throughout their entire lifecycle.
- We are committed to conserving energy and natural resources, and practice the 3Rs approach (reduce, reuse, recycle) to create best-of-breed eco-friendly products.
- We seek to reduce risks to human health and the environment from the use of chemical substances and waste.
- We disclose environment-related information on our business activities, products and services, and we utilize the resulting feedback to critique ourselves in order to further improve our environmental programs.
- We encourage our employees to work on global environmental conservation such as tackling climate change and the preservation of biodiversity through their business and civic activities to be role models in society.

# Environmental Vision

## Environmental Action Plan Stage IX (FY2019–FY2022)

To ensure we meet the goals of the Mid-Term Environmental Action Plan by FY2030 the Fujitsu General Group established its Environmental Action Plan Stage IX for FY2019 to FY2022, which the Group is now actively pursuing.


	Pillar Initiative	Theme	Key Initiatives	Activity Indicator	Target by FY2022	FY2021 Performance	Related SDGs	
Activities for Customers and Society	Resource Recycling	Effective Use of Resources	Enhance product competitiveness	Conversion rate to standardized outdoor units	≥ 90%	81%		
	Chemical Substances Management	Promote Procurement of Materials with Low Environmental Impact	Strengthen supply chain management system	Promote EMS at all overseas suppliers (construction rate of Level II or higher) *EMS: Environmental Management System	≥ 90%	95%		
				Promote CMS at all suppliers (construction rate of Rank B or higher) *CMS: Chemical substances Management System	100%	99.6%		
Activities for Reducing Our Own Environmental Impact	Responding to Climate Change	Pursue Energy Use Efficiency	Thoroughly eliminate waste	Improvement rate of electricity use efficiency at production sites (per unit of production vs. FY2013)	≥ 15% reduction	Domestic: 16% reduction Overseas: 18% increase		
				Improvement rate of gas use efficiency at production sites (per unit of production vs. FY2013)	Domestic: 60% reduction Overseas: 15% reduction	Domestic: 47% reduction Overseas: 24% increase		
				Reduction rate of electricity used for evaluation and testing facilities at overseas development sites (vs. FY2018)	≥ 30% reduction	32% reduction		
				Reduce transfer of products between warehouses (Domestic)	Reduction rate of CO <sub>2</sub> emissions in transport between warehouses (50% reduction vs. FY2013)	4.2%	8.8%	
				Improve product transportation efficiency (Domestic)	Reduce logistics CO <sub>2</sub> emissions per unit sold (15% reduction vs. FY2013)	1.91 (t-CO <sub>2</sub> /1,000 units)	1.93 (t-CO <sub>2</sub> /1,000 units)	
				Expand use of renewable energy	Renewable energy utilization rate	≥ 5% of power consumption	67%	
	Resource Recycling	Rationalize Resource Use	Thoroughly eliminate waste	Reduce aluminum material waste loss	Reduce waste to 75% of total purchased amount (vs. FY2016)	43% reduction		
				Reduce copper material waste loss	Reduce waste to 67% of total purchased amount (vs. FY2016)	59% reduction		
				Reduce water consumption at production sites (reduction rate of water consumption per production volume)	Domestic: ≥ 20% reduction (vs. FY2013) Overseas: ≥ 6% reduction (vs. FY2013)	Domestic: 21% reduction Overseas: 3% reduction		
				Improvement of waste recycling rate at production sites (recycling rate in total amount of waste generated)	≥ 99%	Domestic: 93% Overseas: 95%		
				Reduction rate of total waste generated by production sites (per unit of production vs. FY2013)	≥ 20% reduction	Domestic: 10% increase Overseas: 4% increase		
Pursue disassembly and sorting capabilities (increase value of priced goods)	Mixed recovery item ratio ≤ 22%	23%						
Pursue recycling (turning waste into valuable resources)	Reduce 3 recovery items shipped as waste per year (total of 9 items for the entire period)	Reduction: 0 (reduction of 5 items in total for the entire period)						

# Environmental Management

## Environmental Management Promotion Structure

The Fujitsu General Group established the Company-wide AKASURI Committee<sup>\*1</sup>, chaired by the President, as a forum for resolving cross-organizational issues related to environmental management. The Group also established the Environmental Promotion Committee chaired by the General Manager of Environment Administration Division as a forum for discussing intra-organizational environmental issues. Furthermore, the Group has developed an environmental management system based on ISO14001, which is the international standard for the environment, to promote environmental management. Within the Group, companies in Japan have obtained an integrated authentication issued by third parties. The entire Group works in unison to promote environmental management. Overseas manufacturers have established environmental management systems for each plant, and each plant has acquired third-party certification to promote environmental management.

Please visit our website for more information.  
Environmental Management  
<https://www.fujitsu-general.com/global/environment/management/governance.html>



## Green Procurement

The Fujitsu General Group aims to create products that enrich the quality of life while remaining conscious of the need to protect the global environment. To this end, we are carrying out eco-friendly activities from the process of material procurement together with our suppliers.


### Procurement activities based on Green Procurement Standards

The Fujitsu General Group is promoting green procurement activities in cooperation with Fujitsu Group companies. We support procurement from those suppliers who meet our requirements of green procurement based on the "Fujitsu Group Green Procurement Standards" shared within the Fujitsu Group. We also monitor the environmental management systems, CO<sub>2</sub> emission reduction, water resource conservation, and biodiversity conservation efforts of our suppliers through conducting the Fujitsu Group's common environmental survey while encouraging our suppliers to promote eco-friendly initiatives.

#### Green Procurement requirements for suppliers

Category	Suppliers of Components <sup>*2</sup>	Other Suppliers
(1) Establishment of Environmental Management System (EMS)	○	○
(2) Compliance with Fujitsu Group regulations for designated chemical substances	○	-
(3) Establishment of a Chemical Substances Management System (CMS) for chemical substances contained in products	○	-
(4) CO <sub>2</sub> emission control / reduction initiatives	○	○
(5) Biodiversity conservation initiatives	○	○
(6) Water resource conservation initiatives	○	○

Please visit our website for more information.  
Green Procurement  
<https://www.fujitsu-general.com/global/environment/management/ems.html>



<sup>\*1</sup> Company-wide activities to build a foundation to support the reduction of environmental impact and increased profitability.  
<sup>\*2</sup> Suppliers supplying components of Fujitsu Group products or OEM/ODM (Original Design Manufacturing) products, etc.

# Our Activities – Responding to Climate Change

## Basic Approach

The Fujitsu General Group believes that reducing greenhouse gas emissions in all business areas is important to curb climate change caused by global warming. We will promote the reduction of greenhouse gas emissions by improving the energy efficiency of products used by our customers.

In addition, by expanding the use of renewable energy sources such as solar power generation, we aim to achieve completely eliminate greenhouse gas emissions from our business activities by FY2025.


## Key Initiatives

### Reducing greenhouse gas emissions during product use

The Fujitsu General Group believes that by developing and supplying products with improved energy efficiency, we can reduce greenhouse gas emission levels and contribute to achieving a sustainable society.

#### ■ Pursuing energy efficiency


As a result of our efforts to improve the energy efficiency of newly developed products, CO<sub>2</sub> emissions from air conditioners developed and sold in FY2021 during product use were reduced by 45.3% compared with FY2013. We will continue to develop products with even greater energy efficiency to contribute to the reduction of greenhouse gas emissions.




**Case**

Achievement of the industry's top level<sup>\*1</sup> of energy efficiency (wall-mounted air conditioners for North America)  
(Model names: ASUH18LMAS / AOUH18LMAS1, ASUH24LMAS / AOUH24LMAS1)


By adopting a high-efficiency compressor and optimizing the compressor exclusion volume, both 18-inch and 24-inch models achieved the industry's top level of energy efficiency (SEER 21.1/22.5) and were awarded Energy Star Most Efficient 2022<sup>\*2</sup>.




18-inch indoor unit




24-inch indoor unit



Outdoor unit



Optimization of exclusion volume with high-efficiency compressor



ENERGY STAR  
www.energystar.gov

<sup>\*1</sup> First place, jointly shared first place, or narrowly behind first place (as of March 2022).  
<sup>\*2</sup> Standards recognized by the U.S. Environmental Protection Agency (EPA) as high-efficiency products.



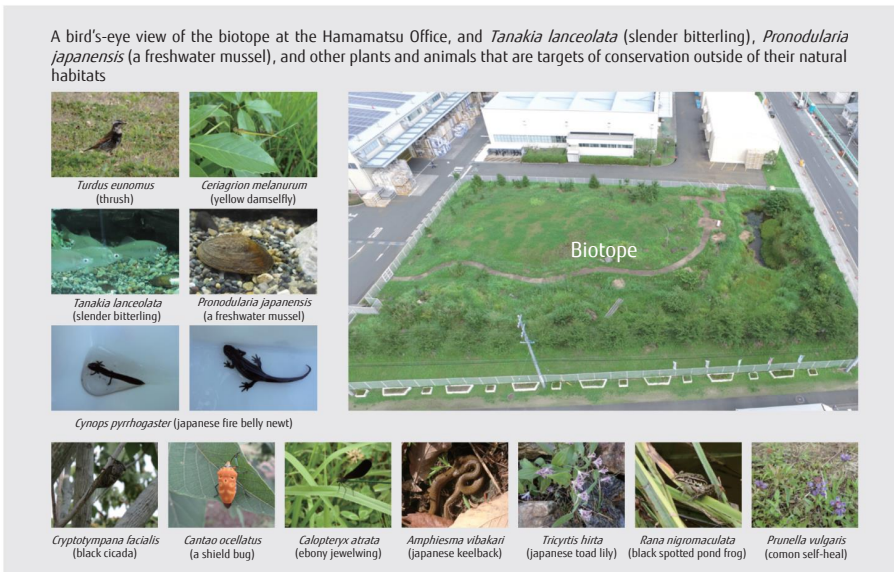
## Our Activities – Other initiatives

### Biodiversity Conservation

#### Creating a network of ecosystems by developing a biotope

The Hamamatsu Business Office maintains a biotope that it created in the green space on its premises in FY2012. Conservation of the rare species of *Tanakia lanceolata* (slender bitterling) and *Pronodularia japonensis* (a freshwater mussel), both of which are listed as Endangered Species I A Type\*1 in the Red Data Book of Shizuoka Prefecture, has been achieved inside the biotope, and their natural breeding has been confirmed at present. Many other plants and animals live and grow here, including *Oryzias latipes* (Japanese rice fish, endangered species II), *Rana nigromaculata* (black spotted pond frog, semi-endangered species), *Prunella vulgaris* (common self-heal), and *Tricyrtis hirta* (Japanese toad lily). In addition, the overgrown plants are thinned out and non-native species removed to create an environment that can attract native species living around our business site. As a result, the number of species found in the biotope, such as *Calopteryx atrata* (ebony jewelwing) and *Amphiesma vibakari* (Japanese keelback, a snake), is increasing year by year. In FY2021, we were able to see larva and adult *Cynops pyrrhogaster* (Japanese fire belly newt, semi-endangered species), and confirmed that they are breeding in the biotope.

We will continue to maintain the site to help develop a network of ecosystems around it and conserve rare species outside their habitats.



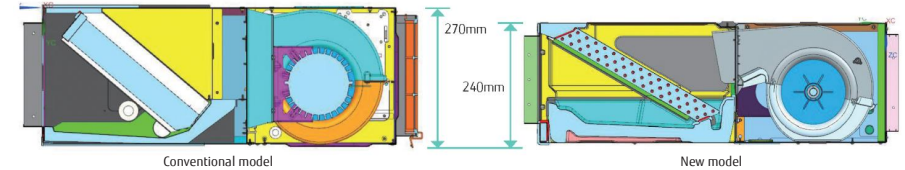
\*1 Category for species with a very high risk of extinction in the wild in the very near future.

### Efficient Use of Natural Resources

#### Product development for easier installation/maintenance and resource saving

##### ■ Medium static pressure duct air conditioner for Australia (ARTH24KMTAP)

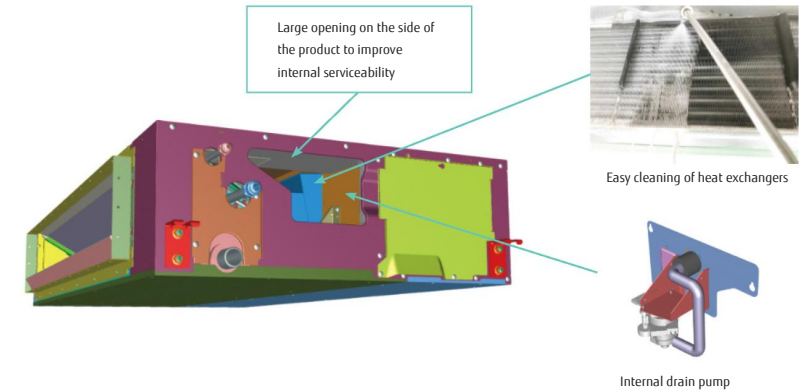
- 1) By reviewing the shape of an indoor-unit heat exchanger and blower fan, installation and maintenance have become easier even in a narrow space behind the ceiling.



- 2) By reducing the product size and redesigning the packaging, we have succeeded in saving resources.

- Product weight: reduced by approximately 16% (from 38 to 32 kg)
- Weight of packaging materials: reduced by approximately 17% (from 6 to 5 kg)

- 3) Large maintenance openings located on both sides of the product make it possible to clean the heat exchanger and water tray behind the ceiling, something that was difficult to do with conventional models. Conventional models sometimes require replacement of the drain pump for drainage due to clogging caused by dirt inside the product, but by preventing clogging before it occurs, the risk of the need for parts replacement is reduced, contributing to more efficient use of resources.



# Disclosure of Climate Change Information [Summary version]\*1

## – Disclosure based on TCFD

In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), announced recommendations for companies to understand and disclose the risks and opportunities posed by climate change. The Fujitsu General Group has endorsed the TCFD in 2020 and shall disclose key information related to climate change in line with the TCFD recommendations.

### Governance

In April 2021, through discussions at the Board of Directors, we formulated and announced the basic policy and core strategic themes of sustainable management. In addition, important management issues are discussed at the Management Committee (held twice a month in principle) attended by Corporate Vice Presidents (Corporate First Senior Vice Presidents and above), as well as at meetings of the Board of Directors, held once a month or on an ad hoc basis when necessary. The Corporate Executive Meeting, which consists of all Corporate Vice Presidents, meets three times a month in principle to deliberate and decide on specific important issues related to business execution, and seek approval from the Board of Directors on particularly important matters. The Environmental Promotion Committee meets four times a year to check the progress and results of the policies and measures in the Mid-term Environmental Action Plan and the Environmental Action Plan Stage IX, and to promote further improvements and new initiatives.

### Strategy

#### Impact and countermeasures of climate-related risks and opportunities in the air conditioner business of Fujitsu General Group

Regarding the business risks related to climate change, we examined the following two scenarios according to the TCFD classification: (1) "Risks related to the transition to a low-carbon economy" which will mainly occur in the course of the 2°C scenario, and (2) "Risks related to the physical impacts of climate change" which will occur when the 4°C scenario is reached due to the failure to reduce global CO<sub>2</sub> emissions. We also consider the business opportunities and compile strategic initiatives to prepare for risks and take advantage of opportunities.

■ Risk: Business impact and probability [Examples of major risk items\*1]

	Risk Item	Risk	Probability	Financial Impact	Action
Transition	Policy and Legal Risks	Tightening of refrigerant regulations	Extremely high	Extremely high impact	• Development of air conditioners using refrigerants with low global warming potential
		Tight supply and demand for electricity	Extremely high	Fairly high impact	• Development of air conditioners that do not use power sources derived from fossil fuels • Early development of air conditioners that comply with energy conservation regulations

\*1 This report provides a summary version of climate change-related disclosures.

### Risk Management

The Fujitsu General Group classifies various changes in the external environment associated with climate change into "transition risk" and "physical risk" as exemplified by the TCFD recommendations, and evaluates the financial impact and probability in three levels to identify significant risks and opportunities. In addition, at the Group we strive to prevent and mitigate risks that could significantly impact our business by conducting risk assessments related to compliance, crisis management, human resources, labor, safety & health management, the environment, IT security, and information management, amongst others. The process is overseen by the Compliance & Risk Management Committee.

#### Process for identification of climate-related risks and opportunities, consideration of actions, and implementation management



### Risk Management System

In order to promptly identify risks that may adversely affect the Fujitsu General Group, whether at home or overseas, and to implement countermeasures in a timely manner, risk assessments are conducted to confirm appropriateness of the risk evaluation and risk management of each division of the Company as well as for the Group companies. The Compliance & Risk Management Committee selects priority issues to be addressed while promoting activities to reduce risk. The committee reports its annual activities to the Board of Directors.

### Metrics and Targets

#### Mid-Term Environmental Action Plan

Fujitsu General Group established the "Mid-Term Environmental Action Plan" in 2016 with FY2030 as the final target year as a concrete plan to carry out actions for the "Fujitsu General Group Environmental Policy" and for climate change which is the highest priority theme in materiality analysis. In order to more actively work to bring about a sustainable society, we conducted a major revision of our Mid-Term Environmental Action Plan in March 2021. All employees will share the goals to be achieved in the medium term and aim to both reduce environmental impact and enhance corporate value while contributing to the achievement of SDGs.

1. Achieve carbon neutrality (completely eliminate greenhouse gas emissions) by FY2025
2. Reduction of 30% compared to FY2018 for total greenhouse gas emissions by our supply network by FY2035
3. Reduction of 30% compared to FY2013\*2 for total global greenhouse gas emissions from the use of our products\*1 by FY2030



Please visit our website for more information.  
Disclosure based on TCFD recommendations  
<https://www.fujitsu-general.com/global/csr/tcfd.html>



\*1 Scope 3 Category 11  
\*2 For air conditioners