

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Fujitsu Group has pursued "operating in harmony with nature" since its founding in 1935. Environmental conservation is one of our highest priorities, and our sustainable environmental management is promoted to realize "To make the world more sustainable by building trust in society through innovation" which is the Purpose of Fujitsu. As a global ICT corporation, the Fujitsu Group develops advanced environmental technologies, and makes products and services employing these technologies available throughout the world. Through the pursuit of this mission we not only lessen the environmental burden of our own business activities but also help to reduce the environmental burden of our customers and society.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|----------------|--------------|---------------|---|--|
| Reporting year | April 1 2020 | March 31 2021 | No | <Not Applicable> |

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- Brazil
- China
- Denmark
- Finland
- Germany
- India
- Indonesia
- Japan
- Malaysia
- Netherlands
- New Zealand
- Philippines
- Republic of Korea
- Spain
- Taiwan, Greater China
- Thailand
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

| Position of individual(s) | Please explain |
|-------------------------------|---|
| Chief Executive Officer (CEO) | CEO in charge of environmental issues is the highest standing person responsible for oversight of the Fujitsu Group's climate change-related issues through three internal structures known as the "Risk Management & Compliance Committee", the Sustainability Management Committee and the "Environmental Management System". CEO who is as a member of the Board directly receives a report from the Risk Management & Compliance Committee that is under its immediate control and supervises the committee on its responses toward key business and climate-related risks. There are procedures to identify, assess and manage the physical and transitional risks that may potentially occur in relation to climate change, together with a structure that oversees these procedures, in the Risk Management & Compliance Committee. Next, the Sustainability Management Committee chaired by the CEO discusses climate-related issues, the main agenda of the Management Council. In FY2020, for example, it was decided by the Committee to increase investment in renewable energy to achieve GHG emission reduction targets in line with the SBT 1.5°C target. In addition, the Fujitsu Group has ISO14001-based environmental management systems in place; in the systems, the Board receives reports from the "Management Council," which makes the final decisions in climate strategies. CEO is transferred the authority concerning the execution of duty by the Board within the appropriate range, and has all the business execution authorities including the problem related to the climatic variation. |

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|--|--------------------------------|---|
| Scheduled – some meetings | Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues | <Not Applicable> | The Board receives reports on the following: - A regular report on important aspects selected, analyzed and assessed pertaining to companywide risks including those of climate change - A report on risks pursuant to the procedures prescribed in the company risk management system in case that unexpected events, such as natural disasters, occur - A regular report on climate change strategies determined by the Management Council (The strategies are discussed in the Sustainability Management Committee, under the direct control of the Management Council, as the key agendas). The Board oversees climate change issues after receiving reports on the following: - Ensuring consistency between the strategies to contribute to tackling climate change and the business strategies, through reviewing and guiding strategies - Progress management of GHG reduction actions (in accordance with its own targets such as SBT,RE100 etc.) to contribute to mitigation of the climate change through reviewing and guiding major plans of actions - Notification that climate change is perceived as a significant risk through reviewing and guiding management politics |

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|------------------|---|----------------------------|---|
| Chief Executive Officer (CEO) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | Quarterly |

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

[Description of responsibilities and organizational structure]

The CEO in the Fujitsu Group has the highest-level responsibility in making decisions on climate change-related issues based on the authority delegated by the Board; various internal committees related to climate change have a governance system in place enabling CEO to make informed final decisions as the last responsible person. For example, Risk Management & Compliance Committee, an organization directly reporting to the Board, manages company-wide risks including climate-related risks globally. The CEO assumes the position of the committee chairman. The chairman of "the Sustainability Management Committee" positioned directly below the Management Council is also assumed by the CEO. (The Management Council is composed of representative directors and executive officers and assists the president of making decisions.)

[Rationale for why responsibility lies with that position]

The reason for the CEO to assume the roles with highest responsibilities related to climate change is that the CEO is in the position to manage the authorities to execute business assigned to each representative directors. This structure enables efficient decision-making and business execution in the Fujitsu Group. Risk management is an example of the delegation of power by the CEO. The CEO, the chairman of Risk Management & Compliance Committee, appoints a Chief Risk Compliance Officer as an executor of decisions of the Committee and has the Officer execute the decisions. Climate changes is a topic related to not only risk management but also various areas such as business strategy and supply chain management; therefore, the CEO who can manage several chief operating officers in specialized roles is considered suitable as a chief executive related to climate change in the Fujitsu Group. Regarding sustainability, the CEO is the chairman and chief executive of "the Sustainability Management Committee"; however, a director in charge is appointed for the execution of specific activities.

[Description of position specific climate-related issues monitoring process]

As mentioned above, the power to execute operations of CEO is delegated to each chief representative director in the Fujitsu Group by utilizing the operating officer system. For example, for risk management, the person responsible for risk and compliance identifies, analyzes, and assesses critical risks and reports the results to the chairman, the CEO, at least twice on years for deliberation. Similarly, the CEO as the chairman of the Sustainability Management Committee makes final decisions on specific policy of climate change strategies semiannually for environmental activities, and specific management is performed under a director in charge with execution responsibilities. For example, Fujitsu is a member of the RE100 initiative. Analysis and plans on expanding the introduction of renewable energy were presented at the Management Committee, and the CEO ultimately made a decision based on multiple perspectives, including the investment plan, timeline and impact. As a result, a decision was made to increase investment to proactively expand the use of renewable energy toward achieving GHG emission reduction targets in line with the SBT 1.5 degree target.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

| | Provide incentives for the management of climate-related issues | Comment |
|-------|---|---------|
| Row 1 | Yes | |

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

| Entitled to incentive | Type of incentive | Activity incentivized | Comment |
|-----------------------|-------------------|-----------------------------|---|
| Board/Executive board | Monetary reward | Emissions reduction project | Excellent achievement on environment and climate change issues are reflected on the annual performance evaluation of members of board. |
| All employees | Monetary reward | Emissions reduction project | We have an employee award program called "Environmental Contribution Award (present Sustainability Contribution Award)" targeting departments and individuals that contribute greatly to work on environmental issues including a response to climate change, and recognition with monetary reward is granted to winners. Awards were put forth along the three themes of "Environmental contribution to customers and society through our products, solutions, and services," "Reducing the negative environmental impact of our business activities," and "Social contribution activities," and evaluated with factors such as sociality, technology, outcome, scope, and continuity. |

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

| | From (years) | To (years) | Comment |
|-------------|--------------|------------|-------------------|
| Short-term | 0 | 2 | FY 2019- FY 2020 |
| Medium-term | 2 | 10 | FY 2020 - FY 2030 |
| Long-term | 10 | 30 | FY 2030- FY2050 |

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

[Definition of substantive financial and strategic impact on business]

We develop a scenario of climate-related risks and assess it by multiplying the five-level ranks (1 to 5 points) of "financial impact" (1 billion yen to 100 billion yen) and "occurrence frequency" ('several times per year' to 'once in ten years'). When the formula indicates the score equal or higher than the threshold value of 15, and if countermeasures are inadequate, we define it as the substantive financial or strategic impact on our business. ([Financial impact (1-5 points)] x [Likelihood of occurrence (1-5 points)] = 15 or more on a scale of 1-25 will be considered as exceeding the threshold.)

If, for example, a natural disaster such as a flood or typhoon caused devastating damages due to the impact of climate change and disrupted activities at primary sites over several months, the loss in sales could total 50 billion yen or more. However, the presumed frequency of such occurrences is considered to be no more than once in 10 years. Furthermore, solid disaster preventive measures have already been planned and implemented. When verified against the assessment criteria, this scenario does not correspond to risks that would cause substantive change in business as they fall below the threshold.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

[Processes for identifying and assessing climate risks and opportunities at a company-wide level] Fujitsu group has established the Risk Management & Compliance Committee (chaired by the CEO) as the highest-ranked decision-making body for risk management and compliance directly under the Board. This committee monitors risk management conditions of Fujitsu group at least twice a year. The Committee executes integrated assessment of a comprehensive group-wide risks involving finance, customers, competitor/industry, policies/regulations, security, climate-related issues, and so on. The Committee has developed a tool for regular implementation of risk assessment, which is distributed to respective risk compliance officers who are asked to enter the answers. The tool is designed to enable officers to report on risk threat scenarios by assessing the degree of financial impact, occurrence frequency and condition of countermeasures. Short-term, medium-term and long-term risks are represented in the "Likelihood of occurrence" section. Using this tool, an assessment is conducted by departments in charge of company-wide, cross-sectional risks, namely: Public Policy and Business Development Office and environmental department for regulatory and market risks; marketing department and environmental department for reputational and technological risks; PR/IR Office and environmental department for investor risks; General Affairs Department, facilities management department and environmental department for physical risks. The company-wide risk assessment outputs are aggregated with the results of asset-level assessment, and matrix analysis is performed on the consolidated results from two aspects - the degree of financial impact (up to 100 billion yen) and occurrence frequency (in the next ten years and beyond) - to identify group-wide risks that are higher on the priority ranking; then the results are reported to the Board. Regarding potential risks such as long-term climate issues, the Sustainability Management Committee, chaired by the CEO and comprising the heads of business groups and regions, is specifically engaged in group-wide strategy planning by considering climate-related and other environmental risks and opportunities, as well as confirmation of progress. The Sustainability Management Committee held twice a year to monitor the implementation status of climate strategy including response to risks. This provides an opportunity for the CEOs and executive officers of business groups and regional heads to manage the entire company's response status from the perspective of management execution. Given that Fujitsu delivers various ICT solutions for societal issues, addressing climate change mitigation/ adaptation is a business opportunity for our technology solutions segment (85% of sales). Each business group head analyzes opportunities and develops strategies, followed by the CEO making final decisions on a business plan and resource allocation in the Management Council. For short-term, medium-term and long-term climate change risks and opportunities, company-wide strategies are formulated, decisions are made and progress is kept track of while considering environmental risks and opportunities that include climate change at the Sustainability Management Committee chaired by the CEO and comprising heads of business groups and regions. [Case study: physical opportunities] Artificial intelligence (AI) is a strategic field that has been instructed by the Management Council. Under this policy, each business group is promoting the development and provision of solutions and services using AI. According to the GeSI (Global e-Sustainability Initiative) report (it reports on ICT's contribution to reducing global CO2 emissions and realizing a sustainable society), new sales that the ICT sector will generate in regards to global warming countermeasures are estimated to be about 2 trillion dollars as of 2030 based. If we apply our IT service share of 1.9% in the world in FY 2019 (source: Gartner), we can estimate that Fujitsu will have new market opportunities of about 4 trillion yen (Calculated as 107 yen to the dollar). Against this background, it was decided to promote research and development of services using AI in response to physical impacts such as disasters caused by climate change. For example, in recent years, floods caused by typhoons and sudden heavy rains have caused serious damage to rivers managed by local governments. As such, the need for countermeasures against floods has been a pressing issue. Predicting river levels is essential for appropriate evacuation in the event of a flood. River level prediction incorporates and observation data such as rainfall history, water level and flow rate, but it is difficult to predict water levels for small and medium-sized rivers due to the lack of such data. As a solution to this problem, Fujitsu launched the AI water-management forecasting system, which utilizes a water-level forecasting model powered by machine learning of past rainfall and water-level data, based on the runoff function method. This system outputs real-time prediction of water levels every 10 minutes for up to six hours in the future and enables appropriate decision-making, including swift on-site response and issuance of evacuation advisories. Fujitsu possesses a market advantage through this technology because it is not available from any other company. Governments at the local level and above have a great need to utilize such ICT for disaster prevention and mitigation, and this could be a business opportunity for Fujitsu. Taking advantage of these opportunities, business groups conduct actual service development, while "the Sustainability Management Committee" monitors the situation and provides advice. [Case study: transitional risk] As data centers are essential assets in delivering solution services that make up 50% of revenue. However, the assessment on climate-related market risks revealed that we may lose business chances if customer demands for carbon-free outsourcing services further increase, due to our low rate of renewable energy (RE) use compared overseas competitors. This risk has been recognized as a "competitor/industry risk" in the company-wide materiality analysis, with the odds of occurrence and impact level both evaluated as being high. Consequently, prospective measures to increase RE ratio were discussed in the Sustainability Management Committee, and they decided to aim Fujitsu to become RE100% by 2050. Aside from this goal, its Environmental Action Plan Stage IX (FY2019-2020) aims to "Increase RE use by more than 20% compared to FY2017". In addition, in 2020, Fujitsu decided to expand investment in renewable energy, and announced that all electricity needed for a cloud service provided from Fujitsu's data center, will be fully run with RE by 2022. As of FY 2020, the renewable energy ratio was 10.1%.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|--------------------|---------------------------|---|
| Current regulation | Relevant, always included | At present, the Fujitsu Group is subject to laws and regulations in regard to GHG emissions and energy use. Those are taken into account in our risk evaluations because the Fujitsu brand may be damaged if we violate them and costs for responsive measures may rise if they become stricter. For example, the industrial air conditioners used in all of over 100 sites in Fujitsu Japan and coolers in our semiconductor plants are applicable for the Act on Rational Use and Proper Management of Fluorocarbons. This law requires regular measurement and reporting of fluorocarbon leakage for industrial air conditioners and a report in the event the leakage exceeds 1,000 tons per year. If a leakage occurs, administrative authorities will conduct on-site inspection; unless complied, a fine of 200,000 yen will be imposed. Managing the leakage of CFC is one of the compliance items in ISO14001-based Environment Management System (EMS) of Fujitsu. All offices conduct inspections once every 3 months and large equipment run inspections on a monthly basis. Inspection results are aggregated at the environmental division through EMS's reporting procedures. Another regulatory risk is that a levy is added to electricity costs based on the feed-in tariff (FIT) system for renewable energy in Japan. FIT accounts for about 15% of energy procurement costs for Fujitsu in the country. In particular, while data centers and ICT services require power, we expect FIT's impact on procurement costs to further increase as the surcharges are projected to rise. Based on the company-wide risk management system, departments responsible for these facilities, the environmental division and the purchasing department are the main players working on power usage and costs associated with these business activities. The purchasing department compares and analyzes power rates through utilizing our procured power system in considering cost optimization with the contracted power company and cutting down CO2 emissions. The environmental division performs correlation analysis of temperature and electricity consumption, estimates energy consumption of the day based on weather forecast on the previous day, and provides information through a portal website accessible by each site. |

| | Relevance & inclusion | Please explain |
|---------------------|------------------------------|--|
| Emerging regulation | Relevant, always included | As an emerging regulation, carbon pricing is likely to be implemented in many countries in the world. Energy use is indispensable in continuing data center operation and production activities in plants, and that account for 80 to 90% of all energy use in the Fujitsu Group. If energy price rises due to regulatory moves, Fujitsu will need to pay for additional cost. Therefore, emerging regulation is relevant to our business and included in our risk assessment, and the trend of risk is being monitored. For example, in Japan the Ministry of the Environment holds "A study group on how carbon pricing should be" from 2017, discussing specific policy proposals. If carbon tax and emissions trading system (ETS) are introduced in Japan in the future, Fujitsu is likely to face an increase in costs, such as capital investment cost for energy saving (current expenditure is about 1.5 billion yen per year), energy procurement cost, credit procurement cost, procurement cost for renewable energy and certification. For instance, if the carbon-emissions tax is introduced in Japan, it is provisionally calculated that our increases for about 1 billion yen. For such emerging regulation risks, analysis, assessment, and management of detailed risks are performed under the company-wide risk management structure, led by Public Policy and Business Development Office and the environmental division as organizations responsible for these risks. Specifically, we collect information on trends of industrial associations and ministries and agencies. We confirm the possibility of risk emergence and timelines. We also assess financial impact on Fujitsu. Based on the results of such risk assessment in the company, we conduct lobbying activities via an industrial association. |
| Technology | Relevant, always included | Electricity use is essential for ICT, in particular super computers and PC servers (including Fujitsu's products) consume a large amount of electricity. The pursuit of energy efficiency would greatly contribute to our market competitiveness, whereas there is a risk that we may lose our competitive edge over our competitors in the technological development competition. Therefore, we always include this in the risk assessment. For example, one of the technological development projects Fujitsu is now focused upon is quantum computing. They have a higher capacity to respond to exponentially complicated calculations than traditional computers. It is said that the high calculation efficiency of a quantum computer saves power consumption down significantly compare to a super computer. Toward realization of commercialization in several decades, major global companies and governments are currently competing to develop their architecture and algorithm. In 2020, Fujitsu started research and development on quantum computing in all areas from hardware to software, and spanning from basic to applied, through open innovation with leading research institutions across the globe (RIKEN, the University of Tokyo, Quantum Benchmark, etc.), and is actively making upfront investments. However, there is a concern in case if we cannot have supremacy in the technological development competition, our share or profitability may decrease. Under the company-wide risk management structure, each technology development unit and marketing department, which are responsible for such technological risks, play an active role in analyzing, evaluating, and managing risks in detail including the trends of other companies. On the other hand, for information gathering regarding cutting-edge environmental technologies, the Environmental division plays an active role in collecting information on the trends of other companies via industrial groups such as JEITA (Japan Electronics and Information Technology Industries Association). In addition, the Environmental Action Plan Stage IX states that the Fujitsu Group will "Reduce CO2 emissions due to power consumption during product usage in FY2020 by at least 14% (compared to FY2013)" and the Group continues to develop energy-saving products by setting energy efficiency and power consumption during use as indicators. Through monitoring progress of this goal, Fujitsu assesses its responsiveness towards customer demands and evaluates potential risks. |
| Legal | Relevant, sometimes included | If the disclosure of climate change-related risks in business is insufficient, there is a non-zero chance that our shareholders and stakeholders file a lawsuit against us; therefore, it is included in the risk assessment appropriately. After COP 21 in 2015, investment to Fujitsu Group by investors making passive investment in consideration of ESG is increasing. In fact, there was a lawsuit in 2016 in which shareholders sued an Australian bank for neglecting to appropriately disclose climate change-related business risks. As our shareholders individually inquire on matters pertaining to climate change, we recognize that investors perceive this as a risk. A number of overseas ESG investors has acquired Fujitsu's stocks, and the holding rate has increased by about 15% since the adoption of the Paris Agreement. These investors tend to place importance on disclosure of information related to climate change. Appropriate information disclosure is becoming increasingly important, including assessment of risks related to climate change in business and results of current activities for measures against global warming. We strive to provide information to all stakeholders by holding ESG briefing sessions every year since FY 2015 and by disclosing information through our websites, CDP responses, etc. Under the company-wide risk management structure, we grasp the interests of stakeholders and confirm the possibility of emergence of lawsuit risk, led by environmental department, IR/PR office and legal department as organizations responsible for lawsuit risk. The risk of lawsuit against our company is assessed when the results of trend survey were reported from external organizations and a climate-related lawsuit was filed against other companies. |
| Market | Relevant, always included | The market is expected to become more sensitive to the energy consumption levels of products and services and to the amount of energy savings achieved from solutions, following the increasing demand for GHG reductions to companies and risks of cost increases through the introduction of carbon taxes. Demands for low-carbon supercomputers and HPC (high-performing computing) have been increasing for the past few years as those are used as platforms for big data analysis and artificial intelligence. The reason energy-saving supercomputers are increasing in demand is the massive utility costs required in running supercomputers. Consequently, supercomputers with poor power efficiency will not be chosen by customers due to the high operational costs required and lead to business opportunity losses. As a result of collecting information on customer requests on improving energy efficiency, it has been determined that expanding demand for such low-carbon products is a potential business risk and has since always been included in risk assessments. For example, the annual power consumption of the supercomputer previously delivered by Fujitsu was equivalent to that of about 30,000 general households. When electricity rates rose, the impact was so great that a simple calculation indicated an increase in operating expenses of more than 200 million yen annually. The Company has since announced a successor model with significantly improved power performance, but a lack of continuous improvement in energy-saving performance would pose risks of missing business opportunities. As this risk is especially relevant to Fujitsu's system platform area, which accounts for 665 billion yen of sales in FY2020; in order to respond to the market's increase in demand, the Fujitsu Group is focusing on the development of next-generation HPC-related technology, including CPUs with lower power consumption and circuit technology development. We will also lose business opportunities if the amount of energy consumption reduced from our solutions is low against competitors. Therefore, we will increase business opportunities by maximizing energy efficiency through leveraging our AI-powered solution and Digital Annealer that uses digital circuits inspired by quantum phenomena for high-speed solutions for optimization problems. |
| Reputation | Relevant, always included | If the Fujitsu Group ranks low in rating related to climate-related measures, or if we becomes the target of NGO's negative campaign or boycott campaign, our brand image will be damaged, which may result in a risk of causing long-term negative impact on business, such as decrease in social credibility, increased cost to respond to the situation, and decreased loyalty of employees. Therefore, reputation risk is always included in the risk assessment. For example, together with eight other ICT companies, Fujitsu Finland was a subject of the survey called "How Green Is My Interest?", which is a company assessment carried out by an international NGO in 2013, and the benchmark report on energy use was published. While Fujitsu Finland was acknowledged as advanced due to the high energy efficiency of the data center, the limited use of renewable energy was revealed (the second lowest in rank). This NGO is influential in Finland and the NWE and CEE regions (Europe) where our sales account for 72% of our total overseas sales. Therefore, we accelerated the use of renewable energy in Fujitsu Finland, in order to avoid a risk that this NGO may denounce us. Detailed analysis, assessment, and management of such reputation risks are performed under the company-wide risk management structure, led by PR office and environmental department as organizations responsible for the risk. We monitor NGO's proposals, lobbying activities, and survey reports and check the possibility of risks. |
| Acute physical | Relevant, always included | Due to occurrences of acute natural disasters such as large-scale flood damage, sudden downpours, and lightning, business sites and data centers of the Fujitsu Group may suffer from floods and severed energy supply. We include acute physical risks in the risk assessment as we recognize the possibilities of business impact such as failures of electric devices and power-supply facilities, loss of important data, production line stops, and leakage of toxic substances. For example, there was a case that almost led to service suspension after sudden heavy rain exceeded the area's water treatment capacity within a short time period and flooded into a Fujitsu Group company's office. Since Fujitsu's data centers bear the responsibilities for system operations of customers as the platforms for providing outsourcing services, operation suspension by natural disasters must be prevented. At the primary data centers in Gunma Prefecture, Hyogo Prefectures, etc., we have raised the floor level of the buildings higher than ground level, improved drainage design to prevent puddles on the roof, and carried out periodical waterproofing work, in order to avoid flood risks in case disasters should occur. We make efforts for our business continuity and achieve stable operation of customers' systems. As for such acute physical risks in Fujitsu business sites, the general affairs department, facility management department, and data center operation department play an active role in risk assessments. Based on the data center facility standards (Tier), which are external certified standards, and our in-house facility management standards, internal audits from the quality control department carries out on-site audits and risk assessment in each phase of planning, designing, construction, and operation of buildings. This allows the entire group to ensure the prevention of physical risks due to acute natural disasters and maintain our business continuity. In FY2020, Fujitsu assessed the risk of flooding at its locations, including those of group companies. As a result, it installed waterproof banks for the main building of Fujitsu's Kawasaki Plant, an important hub for the Company's internal network, and throughout Fujitsu Solution Square. |
| Chronic physical | Relevant, always included | Rising average temperatures due to climate change cause air conditioning energy of data centers, plants and offices, alongside energy costs in general, to increase. For example, our data center has seen about a 3% increase in energy usage per every 1°C increase in the average annual outside temperature. In addition, there will be consequences in the event IT equipment in our data center cannot be sufficiently cooled, such as reduced arithmetic processing capacity and shortened equipment life. To fully utilize energy conservation and renewable energy, the new building at our data center in Gunma prefecture makes use of high-efficiency UPS (Uninterruptible Power Supply), free cooling and green energy such as solar power. Feasible energy conservation initiatives have also been reviewed and implemented in other locations as well. With regard to energy consumption and costs associated with business activities, the divisions responsible for facilities, the environment and purchasing play a central role in determining risks through assessments and predictions of power cost increases by collecting data on energy consumption from each facility. When planning and repairing sites, the purchasing department compares and analyzes power rates through utilizing the company's procured power system in considering cost optimization with the contracted power company and cutting down CO2 emissions while also planning energy-saving designs. Environmental department performs correlation analysis of temperature and electricity consumption, estimates energy consumption of the day based on the weather forecast on the previous day, and provides information through a portal website accessible by each site. |

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|---------------------|---------------------------|
| Emerging regulation | Carbon pricing mechanisms |
|---------------------|---------------------------|

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Carbon taxes have been introduced in countries in Europe, the U.S., China, and Australia, where Fujitsu are based. The proposal of the scheme has also been discussed in Japan. Japan accounts for about 70% of the Fujitsu Group's sales, and overseas markets such as Europe, the United States, China, and Australia account for about 30%. All of these regions are important to business. If carbon taxes are introduced, Fujitsu's expenditure of capital investment for energy-saving (the expenditure in fiscal 2020 was 1.5 billion yen), and energy procurement cost, credit procurement cost, renewable energy power and certificate procurement cost may increase. For example, according to the IEA Energy Technology Perspectives (ETP) 2DS Scenario, carbon taxes may begin in the U.S. at \$35/t-CO₂ in 2020 and it could increase linearly to \$210/t-CO₂ by 2050. (At present, the US has not introduced a carbon tax at a national level. The current administration, however, has pledged to introduce carbon border adjustment measures, and discussions on implementing a carbon tax may suddenly emerge going forward.) As there are business sites of Fujitsu America and Fujitsu Network Communications (FNC), the power consumption in the country accounts for 10.4% of Fujitsu Group's total power consumption of all overseas sites. If Fujitsu's US locations do not continually use power derived from renewable energy sources, the cost of complying with the regulations could have an impact of up to 340 million yen. The Japanese government (Ministry of Economy, Trade and Industry (METI) and Ministry of the Environment (MOE)) is currently discussing the introduction of carbon pricing to achieve zero carbon emissions by 2050, which could pose risks of increased costs going forward. Regarding the carbon pricing policy, in countries with an emissions trading system, as distinct from carbon taxes, a financial impact occurs only when there is an excess of emissions. Therefore, we consider the impact is limited.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1400000000

Potential financial impact figure – maximum (currency)

14800000000

Explanation of financial impact figure

Regulatory compliance cost regarding electricity procurement is included in operating costs. If we do not shift to renewable energy, we will be obliged to pay carbon taxes, which will lead to an increase in operating costs. According to the 450 scenario of the IEA World Energy Outlook, carbon taxes may be introduced to the U.S. at \$20/t-CO₂, and it is expected to be raised to \$140/t-CO₂ by 2040. To simply simulate by applying this tax rate to Scope 1 & 2 emissions (658,200 t-CO₂) of the entire Fujitsu Group, it is equivalent to a financial impact of 1.4 billion to 9.9 billion yen (Calculated as 107 yen to the dollar). We also take it into consideration of the worst-case scenario. According to the IEA Energy Technology Perspectives (ETP) 2DS Scenario, there is a report that carbon taxes in the U.S. will rise up to \$210/t-CO₂ by 2050, it is equivalent to a financial impact of 14.8 billion yen.

Cost of response to risk

1500000000

Description of response and explanation of cost calculation

To minimize the regulatory risks, we simultaneously promotes (1) progressive expansion of renewable energy(RE) use and (2) thorough energy conservation. (1) As we pursue to expand the use of RE, we joined 'RE100 Initiative' in 2018 with a goal of 40% by 2030 and 100% by 2050. Under the Sustainability Management committee, we are considering overseas data centers as initial focal areas and consulting to each site. In the United States, for example, in order to better respond to the introduction of a carbon tax in the United States, Fujitsu's plant in Sunnyvale, CA chose to purchase RECs (renewable energy certificates) based on benchmarks and analysis of the power supply menu for the introduction of renewable energy, as well as to implement thorough energy conservation measures through facility updates and process innovations. As a result, the Sunnyvale campus become to be the first facility in the Fujitsu's U.S. region to operate with 100% renewable energy, and more than 66% of all U.S. sites now use renewable energy. In Japan, Fujitsu is also accelerating the introduction of renewable energy, such as by setting a target of using 100% renewable energy for all electricity needed for operating a cloud service provided from our data center, by FY2022. (2) Each business group set and manage energy reduction target based on Fujitsu's Science Based Target updated in 2020. We promote a reduction in emissions through the evaluation of priority projects, based on the Facility Investment Guidelines which set criteria for investment from economical and environmental perspectives. For example, Fujitsu Frontech Ltd. has introduced solid oxide fuel cells (SOFC) to its Kumagaya Service Solution Center (Kumagaya SSC) and began operations. In light of introducing this fuel cell power generation system, approximately 50% of the electricity consumed at the Kumagaya SSC can be supplied by the fuel cells and reduce annual CO₂ emissions by approximately 35% compared to when all power needed is procured from its power company. 'The 'Cost of response to risk' was calculated by totaling the capital investment budget for global warming countermeasures in FY2020 (1.5 billion yen/year). The breakdown is mostly investment for energy conservation, with about 80% for new introduction of air conditioners and refrigerators, and about 20% for LED lighting.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|--------------------|---|
| Current regulation | Other, please specify (increased pricing of energy) |
|--------------------|---|

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In the Fujitsu Group, the energy use in the operation of data centers and production in plants accounts for 80 to 90 percent of the total energy use in the group. As energy use is essential in business activities, we consider an increase in expenditure associated with the fluctuation of electricity prices as a risk, and take it seriously. In particular, we are concerned about 'decarbonization surcharges' as a transition risk. In Japan where Fujitsu's data centers are located, for example, there is a Feed-in Tariff (FIT) scheme for renewable energy. According to the Agency for Natural Resources and Energy, the purchasing cost for FIT was 3.8 trillion yen in FY 2020. And It is estimated to be 4.6 trillion yen in 2030. The surcharge unit price, which was 2.98 yen/kWh in FY 2020 will increase by 1.2 times in the future. Currently, at the Fujitsu Group sites in Japan, FIT surcharge has affected our electricity procurement cost by about 15 percent. If FIT surcharge rises in the future, it will lead to an increase in our expenditure, and our cost competitiveness of data center-related services such as out-sourcing for instance, will decline. We anticipate possibilities that the similar low-carbon obligation schemes in other countries, either an emerging or strengthened regulation, may impact other Fujitsu sites as well, as maximum potential impact of a surcharge equivalent to 4.8 billion yen is estimated.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4800000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Currently, FIT surcharge has brought a financial impact to Fujitsu sites in Japan. Considering that the similar scheme will also bring a financial impact to our sites in other countries in the future, based on the in-house estimation of FIT surcharge in Japan as of 2030 (1.2 times of the current surcharge unit price 2.98 yen/kWh) on the purchased electricity volume of the Fujitsu Group worldwide (it was 1,365,300MWh in FY2020), an impact of about 4.8 billion yen is expected. The breakdown is about 39% for production, about 46% for air conditioning/heat source, and about 15% for lighting and others.

Cost of response to risk

120000000

Description of response and explanation of cost calculation

In order to reduce the financial impact of surcharge associated with the FIT scheme, it is necessary to reduce the electricity consumption of Fujitsu Group. Based on the Facility Investment Guidelines which sets the internal criteria for capital investment from economical and environmental perspectives, we promote a reduction of emissions through the evaluation of priority projects and the encouragement of implementation. Furthermore, we promote innovative technological development and internal trials and promote in-house horizontal expansion of best practices. For example, a data center in Gunma Prefecture, Japan, developed an innovative air conditioning control system using the JIT (Just In Time) modeling. Using the data of temperature, humidity, and electricity in large data centers, we predict temperature and humidity one hour ahead using the JIT modeling. Using the prediction data, we appropriately control the electricity consumption by shifting the operation of multiple air conditioners so that the electricity consumption will be reduced. With this method, a 20% reduction in electricity consumption is expected annually at the data center. At the moment, we are rolling out this measure to other Fujitsu locations and we make efforts to minimize a risk of the financial impact of FIT and other low-carbon-related surcharges. The "Cost of response to risk" was calculated by aggregating R&D costs for promoting energy conservation, such as power reduction technologies in FY2020 (costs for developing technology to reduce power consumption of servers by accelerating processing speed, etc.). (120 million yen/year). The breakdown is about 50% for the development of energy conservation technologies for data centers and about 50% for the development of manufacturing processes and other related technologies.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

| | |
|------------|--|
| Reputation | Increased stakeholder concern or negative stakeholder feedback |
|------------|--|

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

If the Fujitsu Group is ranked low regarding countermeasures against climate change or if the group becomes the target of NGO's negative campaigns or boycott, our brand value will be weakened, and there are risks of a long-term negative impact on our business such as a loss of social credibility, an increase in cost for measures, and a decrease in employees' loyalty. For example, together with eight other ICT companies, Fujitsu Finland was a subject of the survey called "How Green Is My Interest?", which is a company assessment carried out by an international NGO in 2013, and the benchmark report on energy use including our company's information was published. While Fujitsu Finland was acknowledged as advanced due to the high energy efficiency of the data center, the limited use of renewable energy was revealed by the report (the second lowest in rank). This NGO is influential in Finland and the NWE and CEE region (Europe) where our sales account for 72% of our total overseas sales.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

14500000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If by any chance the situations get aggravated as to cause product recalls, it will have a significant financial impact. By studying other companies' cases, we estimate that there was a 7 to 15% decrease of revenue due to the impact of extraordinary loss and cost for countermeasures. However, in many cases, behind these worst situations, there are faults on a company's side, including false description of product information. Thus, even if our company becomes the target of negative campaigns or boycott, it is predicted that the impact on sales will remain small, as long as there is no significant negligence made by our company. To estimate the potential financial impact on overseas sites' sales of 723.7 billion yen, where NGO's influences are relatively strong, the financial impact will be around 14.5 billion yen if an impact of 1% occurs for two years.

Cost of response to risk

200000000

Description of response and explanation of cost calculation

To avoid reputation risks, it is effective to ensure the transparency of the company's climate change strategy. To this end, Fujitsu gathers information on major environment-related rating surveys, as well as performance data pertaining to climate change at each of its sites, in an effort to be up-to-date. As a result, recognizing the importance of introducing renewable energy, Fujitsu joined the Science Based Target Initiative and the RE100 Initiative, in order to expand our use of renewable energy following the internationally common framework; and we have set targets of 40% of renewable energy use by 2030 and 100% by 2050. In line with this goal, Fujitsu is also working to expand the use of renewable energy primarily in its data centers outside Japan. To that end, Fujitsu is surveying the cost of introducing renewable energy to this end. For example, in Fujitsu Finland, a benchmark report in comparison with other eight ICT companies was published. While Fujitsu Finland was acknowledged as advanced due to the high energy efficiency of the data center, the limited use of renewable energy was revealed and ranked the second lowest. In addition, considering surging carbon taxes in Finland, a decision was made to shift the power source to renewable energy at the Management Board of Fujitsu Finland. As a result, since 2014, Fujitsu Finland have been purchasing certified, 100% renewable energy (wind power) in its facilities including offices and data centers, in spite of the fact that they are rental facilities. We accelerated the use of renewable energy in Fujitsu Finland, in order to avoid a risk that this NGO may denounce us. The 'Cost of response to risk' is calculated as internal costs for responding to ESG-related information disclosure in order to mitigate and avoid risks of reputation damage. (Costs for major environmental rating surveys and data monitoring at each site are calculated by multiplying the personnel cost per person by the number of employees required: 200 million yen/year) Of this amount, about 10% was for environment-related rating surveys and the remaining about 90% was for data monitoring at each site.

Comment**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Fujitsu aims to help solve the challenges of customers in the logistics industry, namely reducing their fuel consumption and carbon footprint. In Japan, CO2 reduction in the logistics sector, which accounts for more than 1/3 of CO2 emissions in the transportation sector, has become pivotal in order to achieve the greenhouse gas reduction target (28% reduction in the transportation sector) set in the sector's global warming countermeasures plan. Meanwhile, logistics is gaining importance as a form of infrastructure that supports society. And as the volume of logistics increases, issues such as the shortage of drivers, traffic congestion and increase in CO2 emissions arise, leading to calls for improvement in logistics efficiency and cost reductions. To meet such customer needs, Fujitsu's quantum computing technology Digital Annealer, a new architecture that rapidly solves "combinatorial optimization problems" using a digital circuit design inspired by quantum phenomena, can be applied. This technology enables quick calculations that derive the route with the lowest logistics cost (calculated from the number of vehicles in the fleet, the total distance traveled and the amount of sorting work) out of more than three million routes of purchasing parts from more than several hundred suppliers, pass through several relay warehouses, and delivering to dozens of plants. It previously took several months for even dedicated personnel to calculate and devise the optimal route, but by using Digital Annealer, optimal logistics routes can be calculated in just 30 minutes. In addition to reducing calculation time, it was also confirmed that Digital Annealer can reduce logistics costs by 2-5%, taking into account the number of drivers, fleet size, distance traveled, and sorting work, anticipated through the discovery of effective logistics routes, improved loading efficiency, and enhanced efficiency in fleet size and total distance traveled. This technology thus possesses an overwhelming advantage over conventional methods.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

40000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

According to the GeSI (Global e-Sustainability Initiative) report (Based on a detailed model that quantifies the broad social and economic benefits of ICT, it reports on ICT's contribution to reducing global CO2 emissions and realizing a sustainable society), new sales that the ICT sector will generate in regards to global warming countermeasures are estimated to be about 2 trillion dollars as of 2030 based. If we apply our IT service share of 1.9% in the world in FY2019 (source: Gartner), we can estimate that Fujitsu will have new market opportunities of about 4.2 trillion yen (Calculated as 107 yen to the dollar). Among them, logistics market opportunities are assumed to be around 4,000 billions of yen, which is about 1/10 of the market opportunity.

Cost to realize opportunity

12000000000

Strategy to realize opportunity and explanation of cost calculation

Fujitsu is pushing ahead with research and development on basic technologies, hardware and software development, and commercialization of services for quantum computing. For Digital Annealer, which enables rapid computation of combinatorial optimization problems, Fujitsu has formed strategic partnerships with 1QBit, which has commercialized software for quantum computers, and the University of Toronto, which boasts one of the world's top innovation hubs. Fujitsu is collaborating with both organizations to advance technology development and commercialization. In addition, Fujitsu offers two types of services (cloud or on-premise services), as well as technical services that help with support application development and maintenance, etc. of customers. Based on this sales structure for its Digital Annealer-related businesses, Fujitsu is also endeavoring to generate opportunities in the logistics industry in relation to reducing their fuel consumption and CO2 emissions. As a result, in 2020, for example, Fujitsu and Toyota Systems Corporation jointly conducted a demonstration using Digital Annealer to optimize the distribution network for parts required for automobile manufacturing. To solve the problem of searching for more than 3 million routes to purchase parts from more than several hundred suppliers, pass through relay warehouses, and deliver them to factories, Digital Annealer was used to calculate and optimize logistics costs, including fleet size, total distance traveled, and sorting operations. As a result, it was confirmed that a massive number of optimization calculations could be performed in a very short time span. Furthermore, the demonstration indicated this technology can potentially reduce logistics-related costs by approximately 2% to 5% by discovering effective logistics routes that could previously not be found, thereby improving loading efficiency and increasing fleet efficiency and total distance traveled. As such, this technology possesses an overwhelming advantage over conventional methods and provides an opportunity to capture the market. The 'Cost to realize opportunity' is calculated as R&D costs on services pertaining to climate change (calculated by multiplying the Fujitsu Group's R&D costs in FY2020 (113.8 billion yen) by the ratio of low-carbon services (10.5%): 12 billion yen/year). These include solution services and infrastructure services such as cloud.

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Fujitsu recognizes that there is a large demand for energy-saving products in the global market. In recent years, in the public sector, there has been a higher demand for a

server called HPC (High Performing Computing) and supercomputer as a basis of big data and AI. At present, the cost of cooling energy for data centers is extremely high due to the high heat generation of HPCs, and there is thus strong demand for energy-saving products. To meet the growing market demand for energy-saving products, the Fujitsu Group is focusing on the development of supercomputer-related technologies such as CPUs with low power consumption per performance, and circuit technology. For example, the annual power consumption of the supercomputer previously delivered by Fujitsu was equivalent to that of about 30,000 general households. When electricity rates rose, the impact was so great that a simple calculation indicated an increase in operating expenses of more than 200 million yen annually. In light of this, the Company has strengthened its development of system implementation technology to achieve high performance and energy conservation. The prototype supercomputer equipped with this technology has ranked #1 in the Green500 supercomputer energy efficiency ranking. This system implementation technology reduces CPU power consumption in addition to mitigating power loss across the entire system by applying measures such as reduced power loss from the power-supply unit through the use of Fujitsu's proprietary circuit method and latest high-efficiency circuits. As a result, the overall power loss across the entire system has fallen significantly from 24% to 14%, achieving one of the world's highest power-efficiency performances. This unique energy-saving technology possesses market advantage over competitors. As for Fujitsu's business segment, it is considered that the system platform category (servers, storage systems, network products, etc.), which contributes to sales of 665.4 billion yen, will enjoy the benefits of this business opportunity.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

33900000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The HPC (High Performing Computing) market has been growing steadily. According to the survey conducted by a U.S. research company, Hyperion Research, the market of all HPC solutions including servers, storage, middleware and applications in 2016 is about 22.4 billion dollars. Also, as it is expected to reach about 30.2 billion dollars in 2021, 6.2% growth annually is expected in five years. If we assume that the Fujitsu's system platform area, which accounts for 665.4 billion yen of sales in FY2020, will grow to 6% by 2021, we can expect an increase in sales by about 39.9 billion yen.

Cost to realize opportunity

21000000000

Strategy to realize opportunity and explanation of cost calculation

While the demand for servers including HPC (High-Performing Computing) and supercomputers is on the rise as foundations for big data and AI, further improvements in energy-saving performance is anticipated given that they consume significant amounts of power. In order to obtain business opportunities through energy-saving products, since FY2013, Fujitsu has been promoting product development focusing on "energy efficiency" when products are used, which has a significant impact on the product life cycle. Between FY2013 and FY2018, in order to improve energy efficiency, we have set top-level standards for each product category with emphasis on ease of comparison and transparency and have referred to industry standards wherever possible. To achieve SBT, the Environmental Action Plan Stage IX from FY2019 states that the Fujitsu Group will "Reduce CO2 emissions due to power consumption during product usage in FY2020 by at least 14% (compared to FY2013)" and the Group continues to develop energy-saving products by setting energy efficiency and power consumption during use as indicators. As a result, for example, the PRIMEHPC FX1000 supercomputer, which has achieved one of the world's best power consumption performances, was developed and offered to the market by thoroughly reducing the power loss of the entire system through applying Fujitsu's proprietary circuit method and latest high-efficiency circuits. This supercomputer system has been set for introduction at Canon Inc. in 2020, and will be used for simulations in the company's product development process. By reducing unnecessary product prototype developments, benefits including shortened product development phases, cost reductions, and product performance, quality and functionality improvements are anticipated through advanced energy-saving performance. This proprietary energy-saving technology possesses market advantages over competitors and thus implies opportunities for capturing the market. The 'Cost to realize opportunity' is calculated as R&D costs on products pertaining to climate change (calculated by multiplying the Fujitsu Group's R&D costs in FY2020 (113.8 billion yen) by the ratio of low-carbon products (18.5%): 21 billion yen/year). Approximately 63% account for system products, and approximately 37% account for network products.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Fujitsu Group is keen to leverage our cutting-edge ICT for contributing to various adaptation measures. Regarding natural disasters, for example, it can be used in all scenes from prediction, detection, understanding of disasters to restoration. When a disaster occurs, municipalities play a critical role in communicating evacuation advisories to residents. And one of the biggest challenges they face is the timing of it. Simulation technology for predicting weather conditions and the scale of disasters is an effective way to solve this problem. The use of ICT in disaster prevention and mitigation is in great demand among local governments and above, and the research and development on weather-forecasting and disaster-prediction technologies, together with the provision of related services, will generate business opportunities for Fujitsu. For example, in 2020, through collaborative design between a supercomputer (Jointly developed with RIKEN) and scientific computing software, Fujitsu succeeded in running unprecedentedly large-scale global weather simulations and data assimilation (modifying numerical models to enhance accuracy) which scaled approximately 500 times larger than before. Such an extensive weather-forecasting system is anticipated to improve the accuracy of weather forecasts and climate-change predictions going forward. In 2020, Fujitsu also started providing an artificial intelligence (AI) water-management forecasting system that predicts river water levels during floods. This system

utilizes Fujitsu's AI-based proprietary technology that enables real-time, highly accurate prediction of river levels every 10 minutes for up to six hours in advance during floods, even for small and medium-sized rivers with limited water level data available. This system will help local governments to make appropriate decisions regarding disaster prevention and mitigation, including executing rapid on-site response and issuing evacuation advisories. The Japanese government's budget for disaster prevention and mitigation is approximately 4 trillion yen (FY2020 budget plan), and the IT infrastructure-related budget can be estimated at approximately 10%, or 400 billion yen, based on a breakdown of budget items. Given that demand for IT services for disaster prevention and mitigation is high in other countries as well, business opportunities worth approximately 25.1 billion yen are anticipated when taking into account Fujitsu's share of the IT services market.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

25100000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In recent years, disasters caused by abnormal weather considered to be triggered by climate change are on the rise. Following this, Japan is shifting more importance on preparing for such disasters. The Japanese government's budget for disaster prevention and mitigation is approximately 4 trillion yen (FY2020 budget plan), and the IT infrastructure-related budget can be estimated at approximately 10%, or 400 billion yen, based on a breakdown of budget items. Given that demand for IT services for disaster prevention and mitigation is high in other countries as well, for example, if Fujitsu's 1.9% share of the global IT services market in FY2019 (Source: Gartner) is applied to the budget scales of three developed countries including Japan and three emerging countries (estimated at 0.1 times the budget scale), business opportunities worth approximately 25.1 billion yen are anticipated. (3 developed countries: 400 billion yen x 3 countries + 3 emerging countries (1/10th of budget scale): 400 billion yen x 0.1 x 3 countries) x Fujitsu's IT service share: 1.9%)

Cost to realize opportunity

12000000000

Strategy to realize opportunity and explanation of cost calculation

Fujitsu advocates "Co-creation in an ecosystem" in its business strategy, and strives to resolve social issues including climate change issues, through big data analysis powered by artificial intelligence (AI) and working with local governments and companies. Systematic city planning and efficient devising of disaster response plans based on simulations of natural disasters are pivotal in preparing for disasters caused by climate change. Fujitsu's AI technology is extremely helpful in running such simulations needed in adapting to climate change. At present, Fujitsu promotes the research and development of basic AI-related technologies in its dedicated AI team. Furthermore, the Environmental Action Plan states the Group will "Contribute to the achievement of SDGs through ICT services" and is pushing forward ICT that brings "optimization" and other benefits. As a result of activities like these, Fujitsu launched the AI water-management forecasting system in 2020. This system utilizes a water-level forecasting (mathematical) model powered by machine learning of past rainfall and water-level data to enable highly accurate prediction of river water levels even with limited past rainfall and water-level data. This system outputs real-time prediction of water levels every ten minutes for up to six hours in the future and helps local governments to make appropriate decisions regarding disaster prevention and mitigation, including executing swift on-site response and issuing evacuation advisories. The 'Cost to realize opportunity' is calculated as R&D costs on services pertaining to climate change (calculated by multiplying the Fujitsu Group's R&D costs in FY2020 (113.8 billion yen) by the ratio of low-carbon products (10.5%): 12 billion yen/year). These include solution services and infrastructure services such as cloud.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

| | Is your low-carbon transition plan a scheduled resolution item at AGMs? | Comment |
|-------|---|---------|
| Row 1 | No, and we do not intend it to become a scheduled resolution item within the next two years | |

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

| Climate-related scenarios and models applied | Details |
|---|---|
| 2DS Nationally determined contributions (NDCs) | <p>-Method Considering the credibility of contents and the high degree of international recognition, we referred the 2 degree scenario(2DS) as the basis of our strategy and adopted in our scenario analysis. Also, as a large extent of Fujitsu's sales is by public institutions, the directions of customers' climate strategies are closely related to our business opportunities and risks. Thus, we also referred to "Nationally determined contributions". In addition, we referred to the World Energy Outlook 2017 and materials published by Agency for Natural Resources and Energy, in order to understand the outlook of energy prices. As for the analysis method, 2DS as a base scenario, we adopted a matrix analysis with perspectives of resources and main actors. Then we made assumptions regarding the future market trend, the direction of policies, and technological innovations. -Time horizon Considering the Paris Agreement and expectations from stakeholders, we determined that the year 2050 is appropriate as a time base for a long-term strategy required for us. -Areas The targeted areas are Fujitsu Group's business sites across the world. -Results The scenario analysis showed opportunities and risks of Fujitsu Group. First, it showed that ICT plays an important role in converting the social system to a low-carbon system to achieve the 2 degree target. For example, there will be a higher demand for automatic energy, transportation control systems etc. Furthermore, it suggested that while the private sector is in the transition to lower emissions technology, the promotion of ICT-based innovation is expected. Whereas, it showed that when each nation is in the transition to low-carbon strategies, it may lead to stricter carbon emissions regulations and surging electricity procurement costs. This means a sharp rise in energy procurement and regulatory compliance costs in the Group. -Business strategy ICT can greatly contribute to the shift towards achieving a low-carbon society system. Through the generation enhancement of mobile communication systems, IoT will be utilized in full scale, enabling us to provide more advanced and extensive services that address climate change to the fields including disaster prevention, transportation, manufacturing and energy to public and private sectors. Furthermore, contributions toward energy conservation of next-generation mobile communication network through our ICT will also transform to business opportunities. Meanwhile, the reduction of energy consumption, particularly in data centers, will be needed to avoid additional costs, given that an increase of ICT services provided as outsourcing services is expected. While we are progressing with our plans to utilize AI to control data center air conditioning and incorporate more renewable energy, further initiatives will become necessary. -Case study Given energy-saving technologies for next-generation communication networks and data centers requires significant development costs, Fujitsu determined that collaborating with other one is important. Fujitsu participated in a project commissioned by the Ministry of the Environment, "Technological development for drastic energy savings achieved by regionally dispersed edge computing systems of 5G base stations" in 2018. To optimize power consumption of region, Fujitsu is leveraging its AI processor to develop technologies that forecast energy consumption and assign tasks. Fujitsu launched a partnership to reduce energy consumption of data centers. Fujitsu Group established Fujitsu Next Generation Cloud Research Alliance Laboratories in 2017 with Osaka University. They endeavored on R&D on energy-saving and low-carbon technologies for next-generation AI infrastructure using refrigerant transport technology and low-power processor technology. In 2019, Fujitsu done its cooling-energy efficiency (15-20% reduction of total air conditioning energy) at a data center in Japan through AI air conditioning control.</p> |

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---------------------------------|---|--|
| Products and services | Yes | Increased sales opportunities for ICT products and solutions services that can contribute to climate change "mitigation" affect revenue. At the moment, climate change-related solutions, products and services account for 29% of sales. We expect the proportion to further increase, thereby affecting our short and medium-term strategies. Specifically, Fujitsu reflected in its strategy the promotion of development of energy-saving technologies for its products. By providing energy-saving products and services, we can contribute to reducing customer's power usage. This is also in line with the customer demands to reduce CO2 emissions and leads to enhanced competitiveness of our products and services as well as market superiority. Demands for HPC (High Performing Computing) servers as foundations for big data analysis and AI are increasing in recent years. As server performance evolves, power consumption and heat generation increase, and the power consumption of ancillary facilities such as air conditioners for cooling the server likewise increases. As such, power consumption pertaining to servers and air conditioning for cooling are becoming major issues for customers and society. Fujitsu views the reduction of CO2 emissions during customer use through increasing focus on energy-saving product development as a business opportunity. In particular, Fujitsu is strengthening product development focusing on a system implementation technology, to reduce power consumption in HPC for big data analysis and AI. This technology reduces CPU power consumption in addition to mitigating power loss across the entire system with measures including the reduction of power loss of the power supply unit through the use of Fujitsu's proprietary circuit method and the latest high-efficiency circuits. As a result, the overall power loss has been significantly reduced from 24% to 14%, achieving one of the world's highest power efficiency performances. Fujitsu has been offering products incorporating this technology since 2020. This unique energy-saving technology has a market advantage over competitors. Since the provision of such energy-saving products leads to a reduction in CO2 emissions during use by customers, Fujitsu aims to reduce CO2 emissions during use by 30% (Compared to FY2013) by FY2030, and develop and provide advanced energy-saving products to customers. |
| Supply chain and/or value chain | Yes | An increase in natural disasters, alongside other physical risks, impact the company, such as making our procurement of parts difficult. Furthermore, when it comes to procurement items, regulatory risks have an impact on the business, such as through price increases of the procurement items regulatory risks. These factors consequently affected Fujitsu's short and medium-term business strategies, including strengthening risk management for the supply chain. For example, we recognize that physical risks, such as floods extraordinary in scale, will particularly affect our business partners in Southeast Asia. In 2011 when significant flooding hit Thailand, our procurement of parts was delayed due to the shutdown of supplier plants and distribution networks were disrupted, resulting in a decrease of sales by 28 billion yen. We immediately surveyed approximately 80 of our business partners in Thailand, which manufacture storage, semiconductors, power supplies and other products, on damages, their progress toward recovery and their impacts on our company. Although we were able to minimize the impact by ordering from other suppliers as necessary among other measures, the events changed our strategies on suppliers, including our strengthening of our BCM (business continuity management) strategy. Specifically, we added monitoring of BCM activities through surveys, analysis of survey responses, and support for BCM enhancement through feedback of analysis results to suppliers to the strategy. In addition, Fujitsu has been using the standardized forms by the JEITA (Japan Electronics and Information Technology Industries Association) Materials Committee since its FY2014 survey. For business partners that were determined to be particularly possessing risks through the survey, we reduce risks on our company by minimizing impact on our business through activities such as multi-sourcing. Fujitsu has incorporated a strategy to maintain and continue these activities and reduce risks. |
| Investment in R&D | Yes | Increased opportunities to provide ICT products and solutions services that contribute to "mitigation" and "adaptation" of climate change impact revenue. At the moment, climate change-related solutions, products and services account for 29% of sales. While the impact is already significant, we expect the proportion to further increase, thereby affecting our short- and medium-term strategies and leading to the selection and concentration of investment areas in R&D. Fujitsu advocates the use of ICT to empower people and create value for business and society. All R&D activities for this concept generally contribute to climate change countermeasures and sustainability. For example, Fujitsu believes that investment in artificial intelligence (AI) can expand the scope of its contributions toward solving complex issues about climate change. Regarding the energy conservation of electricity related to the use of AI, in 2017, Fujitsu established the Fujitsu Next Generation Cloud Research Alliance Lab with Osaka University to develop technologies for energy-saving, low-carbon, next-generation cloud infrastructure and next-generation AI infrastructure. In addition, in 2020, Fujitsu started research and development of quantum computing technology said to be capable of cutting down power consumption significantly, in all areas from hardware to software, and from basics to application, through open innovation with leading research institutions across the globe (RIKEN, the University of Tokyo, etc.). The Fujitsu Group Action Plan Stage IX focuses on the development of innovative technologies for power and energy reduction, resource conservation. In FY2020, Fujitsu made developments in energy-saving technology through improving delivery efficiency in logistics by leveraging its proprietary quantum computing technology "Digital Annealer" which is a new architecture that rapidly solves "combinatorial optimization problems". In addition, as a technology that contributes to disaster prevention, which is one of adaptation to climate change, there were achievements related to new technologies such as AI technology to predict river water levels with limited levels of past data on rainfall and water level. Fujitsu has decided to actively invest in creating values for society and customers and transforming itself to a DX company (500 to 600 billion yen over the next 5 years). |
| Operations | Yes | Regulatory risks increase the costs of responding to regulatory changes. In order to minimize the impact of this, short-, medium- and long-term business strategies were changed, with the promotion of energy conservation activities in operations added. For example, Fujitsu Climate and Energy Vision, a medium- and long-term environmental vision designed toward 2017 and 2050, was established to promote energy conservation and decarbonization in long-term operations. The Vision was recognized as an SBT as a scientifically based GHG reduction target. In 2020, the Company upgraded to SBT 1.5°C certification. In addition, Fujitsu joined RE100 in 2018 to accelerate the use of renewable energy. In the short to medium term, for example, various measures are being actively promoted to enable compliance with these laws and regulations in response to trends in regulations, including the Act on Rational Use and Proper Management of Fluorocarbons and the Act on the Rational Use of Energy. Specifically, Fujitsu is actively promoting activities to reduce CO2, such as strengthening environmental data management at each business site, introducing state-of-the-art low-carbon facilities and optimizing operations as energy conservation measures, improving the efficiency of manufacturing processes, and conserving electricity in lighting and OA equipment, as well as expanding the purchase and use of renewable energy. In Japan, as a regulatory risk, a levy was added to the cost of electricity under the feed-in tariff (FIT) for renewable energy, affecting the cost of electricity procurement by about 15% through FIT. To this, Fujitsu is strengthening energy conservation measures. Through the energy-saving measures, CO2 emissions in FY2020 were reduced by approximately 2.5% from the previous year. The introduction of renewable energy also expanded by 22.2% compared to FY2017. Fujitsu has set a target of reducing CO2 emissions from its group companies by 71.4% (compared to FY2013 levels) by FY2030, and is promoting the abovementioned energy-saving measures and the introduction of renewable energy. Specifically, the Environmental Action Plan Stage X (FY2021-FY2022) has set goals of "reducing GHG emissions from business sites by 4.2% or more, compared with the base year of FY2013" and "increasing renewable energy usage to 16% of total electricity in FY2022." |

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

| | Financial planning elements that have been influenced | Description of influence |
|-------|---|--|
| Row 1 | Capital expenditures | Regulatory risks, such as compliance with the current Act on Rational Use and Proper Management of Fluorocarbons, coupled with the projected increase in carbon taxes, have impacted to Fujitsu's capital expenditures. In order to minimize the operation cost increase brought about by these regulations, capital investments to promote energy conservation were affected. For example, investments on global warming prevention such as energy-saving equipment and replacements to better air-conditioning efficiency totaled approximately 1.5 billion yen in 2020. In addition, expenses were incurred for regular building repairs and reinforcements to guard against potential damage to facility building and production equipment in the event of a large-scale torrential rain or the occurrence of tropical storms, which are physical risks associated with climate change. In terms of financial impact, these expenses constituted 10% or more of capital investment among Fujitsu's capital expenditures. Because it addresses both climate change and aging of facilities, this capital investment level is expected to continue in the short to medium term, approximately 1.0 billion yen in capital investment is planned for FY2021. |

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2013

Covered emissions in base year (metric tons CO₂e)

914000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

71.4

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

261404

Covered emissions in reporting year (metric tons CO₂e)

615300

% of target achieved [auto-calculated]

45.7710436472182

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

This target was approved by SBTi in August 2017 and was upgraded to 1.5 degree in 2020. Financial year is used for base and target year.

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2013

Covered emissions in base year (metric tons CO₂e)

8186000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

93.5

Target year

2030

Targeted reduction from base year (%)

30

Covered emissions in target year (metric tons CO2e) [auto-calculated]

5730200

Covered emissions in reporting year (metric tons CO2e)

4198000

% of target achieved [auto-calculated]

162.391074191709

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

The scope of "upstream & downstream" is "Scope 3 category 1 + category 11". This goal was approved by SBTi in August 2017. We achieved over 100% against the goal for FY2020, with the main contributors being the development and launch of products with top-level energy efficiency, our prompting to suppliers to reduce CO2 emissions. Although we expect to reduce CO2 emissions for FY2021 as well through our actions for improvement, we will stick with our current SBT goal for the time being considering the impact of revenue growth. We will review our SBT goal as necessary based on our business environment and management policies.

Target reference number

Abs 3

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2013

Covered emissions in base year (metric tons CO2e)

947900

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

80

Covered emissions in target year (metric tons CO2e) [auto-calculated]

189580

Covered emissions in reporting year (metric tons CO2e)

658200

% of target achieved [auto-calculated]

38.2028695010022

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

This target has been approved by the SBTi in August 2017. We used the SDA (Sectional Dicarboxylation Approach) "other Industry" provided by SBTi. Financial year is used for base and target year.

C4.2**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2018

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2017

Figure or percentage in base year

3.3

Target year

2050

Figure or percentage in target year

100

Figure or percentage in reporting year

10.1

% of target achieved [auto-calculated]

7.03205791106515

Target status in reporting year

Underway

Is this target part of an emissions target?

Abs1、 Abs3

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

Fujitsu joined RE100 in July 2018. As a middle-term goal, Fujitsu is working to use more than 40% of electricity from renewable energy sources by 2030. Aside from this goal, its Environmental Action Plan Stage IX (FY2019-2020) aims to "Increase renewable energy use by more than 20% compared to FY2017". In FY2020, the target was achieved with a 22.2% increase compared to FY2017, thanks to the introduction of renewable energy at three sites in Japan. In the Environmental Action Plan Stage X (FY2021-2022), the Company aims to raise its renewable energy usage to 16% of total electricity in FY2022.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

Please select

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Abs3

Target year for achieving net zero

2050

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

Fujitsu Group regards climate change measures to be an important issue (materiality) and announced the Fujitsu Climate and Energy Vision in 2017. In this vision, the Group has declared that it will reduce its CO2 emissions (Scope 1 and 2) to zero by 2050. The Company's roadmap (reduction target) for 2030 has been certified by SBTi to be at the 1.5°C level. As for Scope 3, SBTi has certified that the target for 2030 is a 33% reduction from the base FY2013 level.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation | 12 | 500 |
| To be implemented* | 28 | 1800 |
| Implementation commenced* | 34 | 2200 |
| Implemented* | 95 | 19100 |
| Not to be implemented | 4 | |

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

| | |
|--------------------------------|---|
| Energy efficiency in buildings | Other, please specify (Ventilation, lights, and cogeneration) |
|--------------------------------|---|

Estimated annual CO2e savings (metric tonnes CO2e)

4900

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

200000000

Investment required (unit currency – as specified in C0.4)

1500000000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Adjustment of air conditioning temperature in the office, power saving with lights and OA equipment are now in progress. This action is executed along our environmental action plan from FY2019 to FY2020, but will be continued after the end of the program.

Initiative category & Initiative type

| | |
|---|---|
| Energy efficiency in production processes | Other, please specify (process improvement) |
|---|---|

Estimated annual CO2e savings (metric tonnes CO2e)

3200

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

100000000

Investment required (unit currency – as specified in C0.4)

200000000

Payback period

4-10 years

Estimated lifetime of the initiative

3-5 years

Comment

Power saving with facilities, especially those with motors or engines (introduction of free cooling, inverters and energy-saving facilities, and fuel change) This action is executed along our environmental action plan from FY 2018 to FY 2020, but will be continued after the end of the program.

Initiative category & Initiative type

| | |
|---|---|
| Energy efficiency in production processes | Other, please specify (review of the manufacturing process) |
|---|---|

Estimated annual CO2e savings (metric tonnes CO2e)

10900

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

400000000

Investment required (unit currency – as specified in C0.4)

100000000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Improvement of efficiency through review of the manufacturing process (production innovation activities) , proper operation and improved management of facilities with engines or motors. Switches to gases with a low global warming potential and installation of scrubbers in new or existing production lines will be continuously conducted in the field of semiconductors. This action is executed along our environmental action plan from FY2018 to FY2020, but will be continued after the end of the program.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|--------|---|
| Other | In the "the Sustainable Management Committee", which examines company-wide policies, and its subordinate organizations, we set reduction targets for each business group (business unit), improve facilities and processes in the manufacturing area (mounting, assembly, and testing processes), strengthen activities through the development of new technologies, and evaluate priority projects and promote their implementation based on the "capital investment guidelines", which sets criteria for capital investment from the economic and environmental perspectives. |

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Top level energy efficient products

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year

18.5

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

In order to promote the development of environmentally friendly products, the Fujitsu Group conducts environmental assessments for all newly designed and developed products, and strives to make all products environmentally friendly. Products that have become more environmentally friendly are certified as "green products." In addition, we have established "energy conservation" as one of the criteria for green products, which contributes to the reduction of GHG emissions for the entire Fujitsu Group and achievement of SBT targets.

Level of aggregation

Group of products

Description of product/Group of products

Environment contribution solutions

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Evaluating the carbon-reducing impacts of ICT

% revenue from low carbon product(s) in the reporting year

10.5

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

By providing IT solution, we have contributed to reduce scope2 and scope3 emission of customers. The Fujitsu Group has been quantitatively evaluating the effect of environmental load reduction (CO2 emissions reduction) due to introduction of any solution since FY2004, and classifying products and services exceeding a certain standard as "Environmentally Conscious Solutions. (Number of total certified solutions : 524) In addition, the Fujitsu Group is quantitatively evaluating the degree of reduction of our customers' environmental load due to introduction of IT solution products, with the use of method developed by Fujitsu Laboratories, Ltd. from the following standpoints: 1) The effect of environmental contribution of introduction of an IT solution is evaluated by adding the effect of improved efficiency to the potential energy-saving, resource saving effect of the IT solution. 2) The general effect of environmental contribution is shown after evaluation on the basis both of the factors that increase environmental load and of those that decrease environmental load.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1 2013

Base year end

March 31 2014

Base year emissions (metric tons CO2e)

103600

Comment

Scope 2 (location-based)

Base year start

April 1 2013

Base year end

March 31 2014

Base year emissions (metric tons CO2e)

844300

Comment

Scope 2 (market-based)

Base year start

April 1 2013

Base year end

March 31 2014

Base year emissions (metric tons CO2e)

810400

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

75000

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

583200

Scope 2, market-based (if applicable)

540300

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1104000

Emissions calculation methodology

Components purchased during the fiscal year × Emissions per unit of purchases (Source: Embodied Energy and Emission Intensity Data (3EID) published by the National Institute for Environmental Studies Center for Global Environmental Research)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

15000

Emissions calculation methodology

Total amount of acceptance of construction projects in the fiscal year × Emission intensity (Source: Database for calculating an organization's greenhouse gas emissions through its supply chain ver. 3.1 published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

99000

Emissions calculation methodology

Annual amounts of fuel oil and gas, electricity and heat purchased (consumed) mainly at business sites owned by Fujitsu × Emissions per unit (Source: Database for calculating an organization's greenhouse gas emissions through its supply chain ver. 3.1 published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Based on the Japanese emissions intensity database, IDEA v2.3 (For calculating greenhouse gas emissions in the supply chain))

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

53000

Emissions calculation methodology

Transportation of goods within Japan: CO2 emissions related to the transportation of goods within Japan by the Fujitsu Group. CO2 emissions related to domestic transportation by the Fujitsu Group, based on the Act on the Rational Use, etc. of Energy. The fuel economy method (for some vehicles) or the improved ton-kilometer method (vehicle, rail, air, ship). International transport/overseas local transport: transportation ton-kilometers × emission per unit (source: GHG protocol emissions coefficient database)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Waste generated in operations

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

3540

Emissions calculation methodology

Annual amounts of waste (discharged mainly by business sites owned by Fujitsu) processed or recycled, by type and processing method × Emissions per unit of annual amount of waste processed or recycled (Source: Database for calculating an organization's greenhouse gas emissions through its supply chain ver. 3.1 published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Based on the Japanese emissions intensity database, IDEA v2.3 (For calculating greenhouse gas emissions in the supply chain))

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

In the Fujitsu Group, those that are less than 0.1% of the total amount of Scope 3 are regarded as irrelevant, and this category meets that threshold.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

27000

Emissions calculation methodology

(By means of transport) Σ (Transportation expense payment × Emissions per unit) (Source: Basic Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains Ver. 2.3 and Emissions per Unit Database Ver. 3.1 published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

89000

Emissions calculation methodology

For portions of commute by public transportation: (By means of transport) Σ (Transportation expense payment × Emissions per unit) (Source: Basic Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains Ver. 2.3 and Emissions per Unit Database Ver. 3.1 published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry) For portions of commute by private automobile: Σ (Transported persons-kilometer × Emissions per unit) (Source: As above) Transported persons-kilometer is calculated from transportation expense payment, price of gasoline, and fuel efficiency.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

88000

Emissions calculation methodology

Annual amounts of fuel oil, gas, electricity, and heat consumed mainly at leased business sites × Emissions per unit of fuel oil, gas, electricity, and heat consumed (Sources - Japan: Act on Promotion of Global Warming Countermeasures - GHG Emissions Accounting, Reporting, and Disclosure System; Overseas: IEA CO2 Emissions from Fuel Combustion 2020)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

9.7

Please explain

Downstream transportation and distribution

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

200

Emissions calculation methodology

We set the scenario for the movement of consumers at the time of purchase, then calculated multiplying activity data (person-kilometers) by emission factor (source: GHG measurement, monitoring and reporting scheme in Law Concerning the Promotion of the Measures to Cope with Global Warming).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

In the Fujitsu Group, those that are less than 0.1% of the total amount of Scope 3 are regarded as irrelevant, and this category meets that threshold.

Processing of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

12000

Emissions calculation methodology

Intermediate product sales volume x Emissions per unit of processing volume. Intermediate product sales volume is Fujitsu's device solution sales. Emissions per unit of processing volume is calculated from Fujitsu's FY2015 assembly plant data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3094000

Emissions calculation methodology

Electricity consumption during product use x Emissions per unit of electricity (Source: CO2 emission coefficient of The Electric Power Council for a Low Carbon Society (FY2019 results)) Electricity consumption during product use is calculated as electricity usage for the anticipated usage time per product unit x Units shipped for the subject fiscal year. Electricity usage for the anticipated usage time per product unit is calculated as electricity consumed (kW) x Time used (h) / Days x Number of days used / Year x Number of years used. Time used (h), number of days used per year, and number of years used are set according to Fujitsu's internal scenarios.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

End of life treatment of sold products

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

1200

Emissions calculation methodology

(Weight of all sold products / Weight of products processed at Fujitsu's recycling centers during the year) x Electricity used at Fujitsu's recycling centers during the year x Emissions per unit of electricity (Source: Emission coefficient per electricity provider (FY2019 results) for general power transmission and distribution business operators)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

In the Fujitsu Group, those that are less than 0.1% of the total amount of Scope 3 are regarded as irrelevant, and this category meets that threshold.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The leasing business is classified as "Not relevant" given we have no accounting items pertaining to sales from leasing.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The franchise business is classified as "Not relevant" given we have no accounting items pertaining to sales from franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The investment business is classified as "Not relevant" given we are not acquiring the stocks in which it aims at the investment business.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

1.714e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

615300

Metric denominator

unit total revenue

Metric denominator: Unit total

3589.7

Scope 2 figure used

Market-based

% change from previous year

13.6

Direction of change

Decreased

Reason for change

Following emission reduction activities were implemented; - Adjustment of air conditioning temperature in the office, power saving with lights and OA equipment are now in progress. - Improvement of efficiency through review of the manufacturing process (production innovation activities) , proper operation and improved management of facilities with engines or motors. Switches to gases with a low global warming potential and installation of scrubbers in new or existing production lines will be continuously conducted in the field of semiconductors. - Power saving with facilities, especially those with motors or engines (introduction of free cooling, inverters and energy-saving facilities, and fuel change) As a result of the above GHG emission reduction activities, GHG emissions decreased by 17.9% compared to the previous year, sales decreased by 7.5% compared to the previous year, and basic unit decreased by 13.6% compared to the previous year (13.6 % = (198.5 -171.4)/198.5 * 100).

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference |
|----------------|---|---|
| CO2 | 69500 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| PFCs | 5500 | IPCC Fifth Assessment Report (AR5 – 100 year) |

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

| Country/Region | Scope 1 emissions (metric tons CO2e) |
|--|--------------------------------------|
| Japan | 70500 |
| United States of America | 470 |
| Malaysia | 2530 |
| China | 20 |
| Republic of Korea | 540 |
| Philippines | 100 |
| Indonesia | 30 |
| Australia | 10 |
| United Kingdom of Great Britain and Northern Ireland | 700 |
| India | 100 |

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

| Business division | Scope 1 emissions (metric ton CO2e) |
|---|-------------------------------------|
| Production of semiconductor | 6900 |
| Production of information/communication equipment | 64300 |
| Others | 3800 |

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

| Country/Region | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh) |
|--|--|--|--|--|
| Japan | 402800 | 389800 | 914200 | 23100 |
| United States of America | 14500 | 4900 | 35370 | 23470 |
| Germany | 6900 | 0 | 17160 | 17150 |
| Malaysia | 11600 | 11600 | 16770 | 0 |
| China | 3900 | 4700 | 6370 | 0 |
| Republic of Korea | 2400 | 1800 | 4510 | 0 |
| Philippines | 3900 | 3400 | 5550 | 0 |
| Taiwan, Greater China | 2600 | 2400 | 4630 | 0 |
| Indonesia | 2800 | 2800 | 3720 | 0 |
| India | 1300 | 1000 | 1800 | 480 |
| Brazil | 40 | 40 | 330 | 0 |
| Australia | 112400 | 112400 | 158530 | 0 |
| Thailand | 370 | 370 | 770 | 0 |
| United Kingdom of Great Britain and Northern Ireland | 13700 | 3600 | 60160 | 44100 |
| Finland | 2500 | 800 | 18070 | 14200 |
| Spain | 800 | 0 | 3100 | 3100 |
| Netherlands | 400 | 400 | 1040 | 0 |
| Denmark | 200 | 200 | 1290 | 0 |
| New Zealand | 90 | 90 | 830 | 0 |

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

| Business division | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|---|--|--|
| Production of semiconductor | | 19400 |
| Production of information/communication equipment | | 307200 |
| Others | | 213700 |

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

| Activity | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) |
|------------------------------|--|--|
| Production | | 210700 |
| Air conditioning/heat source | | 248500 |
| Lighting, OA, etc. | | 81100 |

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|--|---------------------|------------------------------|---|
| Change in renewable energy consumption | 200 | Decreased | 0.03 | Emission decreased due to the new use of renewable energy. $([FY2020 \text{ decrease } 200tCO_2e] / [FY2019 \text{ Scope}1+2 \text{ emission } 750,000tCO_2e]) * 100 = -0.03\%$ |
| Other emissions reduction activities | 19100 | Decreased | 2.5 | Emission decreased due to the emissions reduction activities such as investment in equipment and operational improvement. $(-[FY2020 \text{ decrease } 19,100tCO_2e] / [FY2019 \text{ Scope}1+2 \text{ emission } 750,000tCO_2e]) * 100 = -2.5\%$ |
| Divestment | | <Not Applicable > | | |
| Acquisitions | | <Not Applicable > | | |
| Mergers | | <Not Applicable > | | |
| Change in output | 26000 | Increased | 3.5 | Emission increased due to increase in production in Japan domestic manufacturing plants. $([FY2020 \text{ increase } 26,000tCO_2e] / [FY2019 \text{ Scope}1+2 \text{ emission } 750,000tCO_2e]) * 100 = 3.5\%$ |
| Change in methodology | 49600 | Decreased | 6.6 | Emission decreased due to change and revision of electricity CO2 emission factor. $([FY2020 \text{ decrease } 49,600tCO_2e] / [FY2019 \text{ Scope}1+2 \text{ emission } 750,000tCO_2e]) * 100 = -6.6\%$ |
| Change in boundary | 91600 | Decreased | 12.2 | Emissions decreased due to a reduction in the scope of calculation due to the exclusion of group companies from consolidation. $(-[FY2020 \text{ decrease } 91,600tCO_2e] / [FY2019 \text{ Scope}1+2 \text{ emission } 750,000tCO_2e]) * 100 = -12.2\%$ |
| Change in physical operating conditions | | <Not Applicable > | | |
| Unidentified | | <Not Applicable > | | |
| Other | | <Not Applicable > | | |

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|--|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | Yes |
| Consumption of purchased or acquired cooling | Yes |
| Generation of electricity, heat, steam, or cooling | Yes |

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|----------------------------|----------------------------|--------------------------------|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 373700 | 373700 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 125600 | 1114100 | 1239700 |
| Consumption of purchased or acquired heat | <Not Applicable> | 0 | 2400 | 2400 |
| Consumption of purchased or acquired steam | <Not Applicable> | 0 | 0 | 0 |
| Consumption of purchased or acquired cooling | <Not Applicable> | 0 | 12100 | 12100 |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 400 | <Not Applicable> | 400 |
| Total energy consumption | <Not Applicable> | 126000 | 1502300 | 1628300 |

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

| | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | Yes |
| Consumption of fuel for the generation of cooling | Yes |
| Consumption of fuel for co-generation or tri-generation | Yes |

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

9250

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

1560

MWh fuel consumed for self-generation of steam

5600

MWh fuel consumed for self-generation of cooling

2090

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0693

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment

This name is "A-heavy oil".

Fuels (excluding feedstocks)

Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

8710

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

8710

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0678

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

570

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

570

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0671

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment

This name is "Gasoline"

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11860

MWh fuel consumed for self-generation of electricity

420

MWh fuel consumed for self-generation of heat

1350

MWh fuel consumed for self-generation of steam

10090

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.0686

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment

This name is "light oil".

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

69860

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

64760

MWh fuel consumed for self-generation of steam

5100

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.051

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment

Fuels (excluding feedstocks)

Town Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

242160

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

4750

MWh fuel consumed for self-generation of steam

222630

MWh fuel consumed for self-generation of cooling

5240

MWh fuel consumed for self-cogeneration or self-trigeneration

9540

Emission factor

0.0499

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3020

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

3020

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-generation or self-trigeneration

0

Emission factor

0.059

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment**Fuels (excluding feedstocks)**

Liquefied Natural Gas (LNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

28270

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

6070

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

22200

MWh fuel consumed for self-generation or self-trigeneration

0

Emission factor

0.0495

Unit

metric tons CO2 per GJ

Emissions factor source

Law Concerning the Promotion of the Measures to Cope with Global Warming

Comment**C8.2d****(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

| | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|-------------|------------------------------|---|---|--|
| Electricity | 1300 | 1300 | 400 | 400 |
| Heat | 0 | 0 | 0 | 0 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

C8.2e**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

44100

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Finland

MWh consumed accounted for at a zero emission factor

14200

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Germany

MWh consumed accounted for at a zero emission factor

17150

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

23470

Comment

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

India

MWh consumed accounted for at a zero emission factor

480

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Japan

MWh consumed accounted for at a zero emission factor

3100

Comment

Sourcing method

Unbundled energy attribute certificates, other - please specify (J-credit)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Japan

MWh consumed accounted for at a zero emission factor

20000

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Spain

MWh consumed accounted for at a zero emission factor

3100

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

| | Verification/assurance status |
|--|--|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

fujitsu_2020_Assurance Report.pdf

Page/ section reference

1-2 page

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

fujitsu_2020_Assurance Report.pdf

Page/ section reference

1-2 page

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

fujitsu_2020_Assurance Report.pdf

Page/ section reference

1-2 page

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

fujitsu_2020_Assurance Report.pdf

Page/section reference

1-2 page

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Limited assurance

Attach the statement

fujitsu_2020_Assurance Report.pdf

Page/section reference

1-2 page

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

In progress

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

Tokyo CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

0.9

% of Scope 2 emissions covered by the ETS

0.6

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

0

Allowances purchased

433

Verified Scope 1 emissions in metric tons CO2e

433

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we operate but do not own

Comment

Tokyo CaT - ETS

% of Scope 1 emissions covered by the ETS

1.7

% of Scope 2 emissions covered by the ETS

1

Period start date

April 1 2020

Period end date

March 31 2021

Allowances allocated

13134

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

1420

Verified Scope 2 emissions in metric tons CO2e

6629

Details of ownership

Facilities we own and operate

Comment

The latest published figure of FY 2020 results from Tokyo is not published, so it is an estimated value.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

In cases where participation is required by laws and regulations, etc., Fujitsu will work towards reducing emissions (or achieve target ratios) as much as possible through voluntary efforts. And while observing social and market trends, Fujitsu will participate when a reliable trading system has been established. With regard to Fujitsu's efforts to reduce emissions, we formulated the Fujitsu Climate and Energy Vision in 2017, a medium and long-term environmental initiative spanning to 2050 designed to achieve decarbonization in the long term. This was recognized as a Science-Based Target (SBT), scientific GHG reduction goal. As a short-term target for achieving the SBT, the Fujitsu Group formulated the Fujitsu Group Environmental Action Plan Stage IX in 2019 with the goal to "Reduce CO2 emission by 14% by FY2020 (compared to FY2013)". In 2020, Fujitsu obtained SBT1.5°C certification, and in the Fujitsu Group Environmental Action Plan (Stage X) for FY2021-2022, it has set a goal of "reducing GHG emissions from business sites by 4.2% or more annually, compared with the base year (FY2013) " in line with the SBT1.5°C target. These were presented and discussed by the Sustainability Management Committee, which is chaired by the Representative Director & President and comprising the heads of business groups and regions.

In Japan, various measures are being taken to reduce the energy consumption rate by 1% on average in a span of 5 years in accordance with the Energy Conservation Law.

Each location sets planned values for GHG emissions, including energy usage, and the Environmental division reviews the Group's overall expected achievement rate based on these planned values. In addition, the Environmental division uses an in-house data collection system to periodically monitor energy usage and other data for each location. In the event issues such as exceeding the planned value by a large margin occur, the Environmental division manages the overall progress towards achievement and compliance with laws and regulations through encouraging efforts to achieve targets and the like.

For example, Fujitsu's Kamata Plant is subject to Tokyo's Cap-and-Trade Program. Through the abovementioned target management and reduction measures (Promotion of highly efficient energy use through operation management by the Central Monitoring System for Building Equipment and building inspectors), the plant has never exceeded the allocated amount, and as of 2020, there has been no need to supplement the reduction through emissions trading.

Fujitsu UK have a dedicated Energy Team responsible for complying with all energy related scheme requirements. Formal Operating Framework documents set out the governance and procedural requirements for delivering compliance against each scheme and all documentation and data are managed and stored in Evidence Packs on a dedicated Energy Compliance Sharepoint intranet site. Consumption data is routinely collected and recorded on an energy management and reporting data base (eSight). Progress against each scheme is regularly reported to senior management at a Quarterly Energy Compliance Meeting. Where applicable, both internal and external audits are conducted with the audit reports being signed off by a company director.

For example:

Compliance with the EU ETS for Fujitsu's SDC01 data centre is delivered by the Energy Team in accordance with Operating Framework OPFR-0509 which sets out governance, responsibilities, data collection procedures and emissions calculation methodology. The Energy Team validate the consumption data and use it to calculate the annual emissions value before presenting it to senior management for checking. The emissions value and site compliance details are formally verified by an independent and UKAS accredited 3rd party (Bureau Veritas Ltd) before being submitted by Fujitsu's EU ETS "Authorised Representatives" on the UK and EU Registries. ETS Allowances are purchased by the team and held on the EU Registry account for the SDC01 site before being surrendered according to the annual deadlines set by the UK Regulator. At least two Authorised Representatives conduct the online tasks for the submission of emissions values and the surrender of ETS allowances.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

The Cordillera Azul National Park REDD project protects large in-tact expanse of rainforest that would otherwise be cleared, preventing the release of greenhouse gas emissions each year. This project diversifies landholder income and puts a value on retaining the forest by supporting sustainable agroforestry. Protecting the forests secures the carbon stored within the organic matter.

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

100

Number of credits (metric tonnes CO2e): Risk adjusted volume

100

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

The Bundled Wind power project in Tami Nadu India supports national energy security and strengthens rural electrification coverage. Wind farms introduce clean energy to the grid that would otherwise be generated by coal fired power stations.

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

900

Number of credits (metric tonnes CO2e): Risk adjusted volume

900

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Change internal behavior

GHG Scope

Scope 1

Scope 2

Application

All plants, data centers and offices that are applicable for Scopes 1&2 for the Fujitsu Group's Science-Based Target have applied the internal price on carbon.

Actual price(s) used (Currency /metric ton)

1000

Variance of price(s) used

There is no variance in prices between countries, regions and departments; rather, we apply a fixed price across the company. We used J-Credit's rate (about 1,000 yen/ton) as reference when deciding on the price.

Type of internal carbon price

Internal fee

Implicit price

Impact & implication

At the Fujitsu Group, the implicit pricing system has been applied to calculate CO2 reduction costs internally and report returns on investment at the Sustainability Management Committee in which the CEO is the chairman. Additionally, an internal carbon pricing system was incorporated starting from FY2018 to achieve the approved Science-Based Target (SBT) (reduce 33% of Scope 1 & 2 emissions by 2030 compared to FY2013. In addition, Fujitsu Group obtained SBT 1.5°C certification in 2020 with a target of "reducing Scopes 1 & 2 emissions by 71.4% by 2030 compared to FY2013.") CO2 emission limits are set for each site according to our SBT. When the emission of the entire group exceeds the target value, the amount in excess is covered by the purchase of renewable energy certificates, investment in energy-efficient equipment and other means. The expenses required for this process are collected from each business unit according to the amount of their excess. The results are also reported in the Sustainability Management Committee. While no collections have been made yet given that the system marks its initial year in FY2018, all of our sites have already fully understood the system and are aware that the collections are their potential risk. For example, a production site in the Kanto region has a risk of being collected 2 million yen in carbon prices as its CO2 emissions exceed the target by about 2,000 tons. The personnel responsible for environmental measures at this site is aware of this situation and the risk has become a strong motive to strengthen energy conservation measures this fiscal year. Therefore, in FY2019 and FY2020, there were no sites that exceeded the target value.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

5.1

% total procurement spend (direct and indirect)

80

% of supplier-related Scope 3 emissions as reported in C6.5

80

Rationale for the coverage of your engagement

Suppliers with top in annual funding procurement amount and suppliers involved with our main products are categorized as our "key suppliers." These suppliers are applicable to our annual environmental activities survey that investigates their CO2 emission and reduction activities as well as collaboration with other organizations (suppliers, industrial groups, governmental work groups, relevant NPOs, etc.). the rationale for applying such scope include the high procurement amounts (it covers about 80% of total amount) and relevance to the Fujitsu's key products, and thus involve particularly important suppliers to the environmental activities survey. Moreover, we include CO2 reduction activities as one of our requirements in our Green Procurement Standard and request all (100%) of our suppliers to comply. The reason we require this to 100% of our suppliers is that the Fujitsu Group endeavors on environmental activities in all of its business realms, and the procurement of more materials and parts with low environmental impact is one facet of these activities.

Impact of engagement, including measures of success

We survey and find out the implementation status of our "key suppliers", particularly those involving in our main products and those with large transactions with us. As an measure of success for this engagement, we set a KPI with a survey response rate of 90% or more as annual goal. In FY2020, 100% of suppliers have submitted responses and we have achieved the annual target. The results of the survey are reflected in Fujitsu Group's supplier evaluation, and corrective requests are being made to suppliers with insufficient activities. We also analyze responses and provide feedback about activity trends to suppliers who participated in the implementation survey, and request them further promotion of these activities. For example, we support the implementation of energy saving measures such as heat insulation and energy-saving operations for a supplier's manufacturing equipment based on results of such information gathering. We helped the supplier expect 4% reduction of GHG emission and build consciousness towards energy conservation for the supplier. To roll out these activities on upper stream of the supply chain, we have requested our key suppliers to ask their business partners (second-tier suppliers from Fujitsu Group's perspective) to implement these activities. In FY2020, 19.2% of major suppliers asked their own suppliers to conduct activities, maintaining the same level as 19.3% in FY2019. On the other hand, the number of "suppliers of suppliers" who were requested to implement activities totaled more than 60,000, further increasing from more than 57,000 in FY2019, thereby implying high ripple effects on the upstream supply chain going forward.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

68

% of customer - related Scope 3 emissions as reported in C6.5

39

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Given that almost all of FUJITSU's ICT products are provided to business customers, the acquisition of the ENERGY STAR certification directly relates to whether we can secure business opportunities particularly because the Europe region customers accounting for 72% of the sales revenue of our overseas sales bases and the Americas region customers accounting for 7% quite often specify that the acquisition of the certification is a requirement for procurement. In addition, the acquisition of this certification is an appeal factor demonstrating that we actively employ energy-saving technologies, continuously engage in advancing energy efficiency and thereby drive forward our development of products capable of contributing to the reduction of electricity consumed by customers' use of products. For that reason, we have engaged in efforts to acquire the ENERGY STAR certification and to share information. [Scope of engagement] The Fujitsu's product groups targeted for engagement with customers through acquisition of ENERGY STAR are computers, displays, and imaging equipment, as those products are covered by the program. Engagement targets primarily the Europe and Americas region corporate customers. This is because many of the Europe and Americas region corporate users require ENERGY STAR certification as a procurement requirement.

Impact of engagement, including measures of success

For PCs, based on the Energy Star standard, the ratio of products whose actual* TEC value (standard power consumption) is lower than the TEC Max (maximum value of the Energy Star standard) is calculated. According to this, 68% of new products launched in 2020 met the Energy Star standard. (TEC (Typical energy consumption) is a numerical value indicating the standard annual power consumption.) The incorporation of various technologies has contributed to reducing power consumption for customers during product usage and also led to Energy Star certifications (examples include incorporation of a new microprocessor with advanced energy conservation performance, high-efficiency power source, power-saving displays, optimization of low-power control, enhancement of the power management function, LSI integration, reduction of the numbers of components and incorporation of power-saving devices). As a specific example, the Energy Star TEC rate for FUJITSU Notebook LIFEBOOK U757 is 70% less than the maximum TEC rate that meets Energy Star requirements. Customers' power consumption during product usage is 17% less compared to the previous model (LIFEBOOK U536) even when including consumption from both standby and operation. By developing energy-saving products and communicating their energy-saving performance to customers through product catalogs, etc. and selecting Fujitsu products for customers, "Scope 3 cat. 11" is reduced as a result. Therefore, Fujitsu uses the "Scope 3 cat. 11" numbers as a measure of customer engagement success. Specifically, we believe that achieving "Reduce CO2 emissions by 30% by FY2030 (Compared to FY2013)" is a success. As a milestone, the Fujitsu Group's Environmental Action Plan Stage IX has set a target of "Reducing CO2 emissions by 14% by FY2020 (compared to FY2013)". At the moment, the Group has reduced emissions at a level exceeding the target. Moreover, it contributes to abatement of emission (Scope3(cat.11)) of about 8,007tons-CO2 at the entire notebook PC.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

| Focus of legislation | Corporate position | Details of engagement | Proposed legislative solution |
|--------------------------|-------------------------------|---|--|
| Adaptation or resilience | Support with minor exceptions | Through JCLP, in which Fujitsu participates as a regular member, the Company held a direct dialogue with the Minister of Environment regarding the Ministry of Environment's Green Recovery policy. | The JCLP proposal, "Statement on Economic Measures in the Recovery from the Pandemic," is well aligned with the post-pandemic economic measures (Green Recovery) being considered by the Ministry of the Environment. At the dialogue attended by corporate executives and by Fujitsu, specific details on the Green Recovery were proposed, including the introduction of policies to achieve PPA in Japan. |
| Adaptation or resilience | Support | Fujitsu is a certified company under the Eco-First System, under which the Minister of the Environment certifies that a company is conducting "advanced, unique, and industry-leading business activities" (an environmentally advanced company in the industry) in the environment realm. | As an Eco-First certified company, the Company is committed to "contributing to the mitigation of climate change by working to reduce greenhouse gas emissions in society through delivering ICT," "reducing total greenhouse gas emissions at its business sites," and "providing solutions and products that contribute to the sustainability of society in terms of both mitigation and adaptation to climate change." |
| Clean energy generation | Support | Through JCLP, in which Fujitsu participates as a regular member, the Company released "Proposals for Reviewing Long-Term Energy Demands and Supply Outlook (Energy Mix)" with the aim of realizing the Japanese government's goal of achieving "virtually zero greenhouse gas emissions by 2050." | Proposed items : "Setting a goal of reaching a 50% renewably energy ratio by 2030' in terms of energy mix.", "Phasing out inefficient coal-fired power plants and cancelling construction of new coal-powered power plants.", "Revision of basic items when considering the energy mix: 'Changing from S (Safety) + 3Es (Energy Security, Economic Efficiency, Environment) to 2Ss (Safety & Sustainability)' and approaches on 'public burden' for economic efficiency, etc." and "Recommending the environment be improved to enable off-site corporate PPAs, and position renewable energy transmission networks as a measure for post-pandemic economic recovery." |

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

JEITA Sustainable IT Promotion Committee

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

A council formed by seven associations of the electric/electronics industry and other industries. The council puts forth a policy placing an emphasis on green IT for realizing a low carbon society, and promotes activities aimed at reducing CO2 emissions by means of green IT, related technology development and research and analysis activities. Since 2013, it continues its activities as JEITA Green IT Committee. We propose measures to governmental policy makers through consideration of evaluation method of ICT solutions' contribution to CO2 emission reduction and case studies. Since FY2020, we have been promoting the dissemination and promotion of IT solutions that address climate change and also contribute broadly to achieving SDGs.

How have you influenced, or are you attempting to influence their position?

Fujitsu participated in the Committee and its subordinate committees as a chairman and member, and spearheaded the development of a quantitative evaluation method for CO2 reduction effects. For the development of energy conservation indicators for data centers, it promoted cooperation between Japan, the US and Europe. In addition, Fujitsu also leads activities in many fields including energy management, utilization of technology in agriculture, and evaluation of SDG contributions. We also contributed to the creation of the skeleton of, and the calculation method for, the electric/electronics' action plan for realizing a low carbon society during fiscal 2013-2020 (contribution by reducing GHG emissions in the manufacturing process and by providing products and services).

Trade association

Green Purchasing Network (GPN)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Green Purchasing Network (GPN) is an organization loosely formed by companies, administrative agencies, and private-sector associations that are willingly engaged in green purchasing and sending out related information. In so doing GPN is well conscious that green purchasing plays an important role in creating a market for environment-friendly products, encourages development of environment-friendly products via the market, and by extension, serves as a very effective means for creating a sustainable society. GPN activities cover collection and provision of information necessary for green purchasing, formulation of guidelines for green purchasing and development of awareness of green purchasing, and thereby support green purchasing efforts made by companies, administrative agencies and consumers according to their respective policies. Then, by making such green purchasing efforts widely known to the society at large. GPN provides product manufacturers with an incentive for developing and supplying environment-friendly products and thereby contributes to the creation of the market for environment-protective products, and by extension, to the creation of a sustainable social economy.

How have you influenced, or are you attempting to influence their position?

We participate in GPN as a director and member of its board. We examined and reviewed items eligible for green purchasing and the requirements for the eligibility. By means of such activities, we presented opinions on the requirements for government procurement.

Trade association

WBCSD (World Business Council for Sustainable Development)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The WBCSD (World Business Council for Sustainable Development) is a CEO-led organization of about 200 leading global companies established to create a sustainable society through its business activities. It works to also achieve the SDGs through the transformation of six economic systems, including Climate and Energy, as one of its projects that it continuously works on.

How have you influenced, or are you attempting to influence their position?

Fujitsu has participated in the World Business Council for Sustainable Development (WBCSD) since 2013 and has been active in several themes, while also becoming a board member in 2018. The Company has been participating in the "Cities and Mobility" working group in order to utilize its ICT expertise to solve transportation issues facing cities. It is also working on the revision of the long-term vision "Vision 2050," which is the core of the WBCSD's activities, and engaging in discussions on the roles companies should play in the systemic change and transformation necessary to achieve a sustainable society by 2050.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Fujitsu Group has established an environmental management system based on ISO 14001 and monitors its internal climate-related activities. The environmental division, which promotes environmental management for the Group as a whole, is responsible for analyzing whether direct and indirect policy collaboration is consistent with the Fujitsu Group Climate Change Strategy, using monitoring data. The analysis result is put on the agenda to the regularly held (twice a year) the Sustainability Management Committee (chaired by the CEO and comprising heads of business group and region) and discussed. Through such process, we have constructed the mechanism to make sure our corporate climate change strategy and our direct engagement with policy makers to push our commitment through the industry association are consistent across business divisions and geographies. Moreover, we try to avoid the occurrence of the inconsistency by regularly doing the in-house education and workshops of the environmental strategy, and persisting in the understanding infiltration.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

fujitsu_yukashokenreport2020.pdf

Page/Section reference

Business situation from 12 page to 21 page

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Underway – previous year attached

Attach the document

fujitsu_IntegratedReport2020-all.pdf

Page/Section reference

"Disclosure pursuant to the recommendations of the TCFD" is from 64 page to 65 page.

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

The unit "kt - CO2e" in "Fiscal 2019 GHG Emission Results" on page 65 is incorrect, and "t-CO2e" is correct.

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

fujitsu_databook2020.pdf

Page/Section reference

'Environment' in 5-3 Section, 'Risk Management' in 6-2-1 Section, 'Independent Assurance Report' in 11 page

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

| | Job title | Corresponding job category |
|-------|---|-------------------------------|
| Row 1 | President and Representative Director (CEO) | Chief Executive Officer (CEO) |