



Fujitsu General Group

SUSTAINABILITY REPORT

2022



Corporate Philosophy

FUJITSU GENERAL Way

The FUJITSU GENERAL Way represents the Fujitsu General Group's core purpose that defines, as a basis for achieving sustainable growth, where our company wants to be, the mission we must fulfill to support customers and society, and the value we offer.

It also serves as a guidepost for every employee of the Fujitsu General Group to follow in everything they do at work.

By fulfilling Our Mission in the Corporate Philosophy through our businesses, we will bring comfort, wellness, confidence, and safety to society and pave the way for a brighter future for generations to come.

Structure of the FUJITSU GENERAL Way

The FUJITSU GENERAL Way encompasses the Corporate Philosophy and the Code of Conduct.



FUJITSU GENERAL Way

Corporate Philosophy

Our Mission

It is a declaration of what we, at the Fujitsu General Group, will endeavor to achieve.

Living together for our future

Through innovation and technology, we deliver a brighter future with the peace of mind to our customers and societies around the world.

Our Philosophy

It indicates the way we should think and act in order to realize "Our Mission."

Act Spontaneously

We embrace new challenges by investing in ourselves for personal growth, and through continuous creativity with a spontaneous attitude.

Develop Our Team

We respect and value our people, and optimize their abilities through fostering culture and diversity, and utilizing a collaborative effort focused on communication.

Value Integrity

To achieve our goals, we always act with integrity and shared ethics.

Code of Conduct

It defines how every employee of the Fujitsu General Group should act at work.

- We respect human rights.
- We protect and respect intellectual property.
- We comply with all laws and regulations.
- We maintain confidentiality.
- We act with fairness in our business dealings.
- We do not use our position in our organization for personal gain.

Message from the President



We will more quickly promote "Sustainable Management," and aim to "Contribution to Global Environment and Society" by achieving a "Change of corporate culture" through new activities and measures such as, "Strengthening Branding Activities," "Transforming into a Truly Global Company," and "Spontaneous Career Development and Learning."

FUJITSU GENERAL LIMITED
President & CEO

Etsuro Saito

Fujitsu General Group in the Changing World with COVID-19 Pandemic

Currently, global concern for the environment is growing at an unprecedented rate and countries are accelerating their efforts toward decarbonization.

In addition, due to the COVID-19 pandemic for several years, the demand for air-conditioning devices is expanding due to people staying at home and the consumer needs for cleanliness and sterilization are increasing more than ever. Air conditioners utilizing the heat pump technology developed in the Air Conditioner Division, the main business of Fujitsu General Group, are expected to grow further as products that respond to these issues and needs.

On the other hand, the cost environment associated with our business activities is rapidly deteriorating due to the global supply chain disruption, including tight supplies of semiconductors and other components and stagnant logistics, as well as soaring material and component prices and transportation costs. Furthermore, amidst uncertainties regarding the future trends of the COVID-19 pandemic and the situation in Ukraine, our Group will address the urgent issues of normalizing the supply chain and responding to the high cost of components. At the same time, for the next Medium-term Management Plan, we will more quickly promote "Sustainable Management" based on the existing "Core Strategic Theme of the Medium-term Management Plan" and realize "Change of corporate culture" through new activities and measures such as, "Strengthening Branding Activities," "Transforming into a Truly Global Company," "Spontaneous Career Development and Learning," with the aim of "Contribution to Global Environment and Society."

Acceleration of "Sustainable Management"

Fujitsu General Group established the Basic Policy for "Sustainable Management" as its Group's management policy in March 2021. The promise of the Sustainable Development Goals (SDGs), which are specific goals of sustainability, is "No One Will Be Left Behind." This is the very essence of our Corporate Philosophy (Our Mission) "Living together for our future" and we are committed to it not only for our current customers but also for our future customers and society.

We believe that promoting Sustainable Management is a way to promise the realization of a sustainable society to future children and society from a medium- to long-term perspective and to pursue the growth of our Group business by accelerating this process.

Therefore, the promotion of Sustainable Management is nothing less than practicing our Corporate Philosophy. Our Group will continue to promote initiatives based on the three pillars of Sustainable Management: Harmonious Coexistence with Our Planet, Social Contribution, and Care for Employees.

As a result of the "Harmonious Coexistence with Our Planet" activities in FY2021, we converted to 100% renewable energy in our business activities in April 2022, earlier than originally planned, and are on track to achieve carbon neutrality ahead of schedule (the target year was moved up from FY2030 to FY2025). In addition, sales of products certified as *Sustainable Product*², such as heat pumps for heating and the switch from constant-speed air conditioners¹ to highly energy-efficient inverter air conditioners, have expanded significantly beyond our initial plan, and we are accelerating our efforts toward decarbonization. In terms of "Social Contribution," we have accepted social studies field trips from elementary schools near our headquarters for the purpose of strengthening ties with local communities, recognizing the importance of continuous efforts through familiar activities. As for "Care for Employees," we are accelerating Health Management and raising employees' awareness of spontaneous career development.

In order to quickly promote "Sustainable Management" in the future, we feel that profitable growth is necessary. With an uncertain future and rapidly changing current environment, it is essential to generate profits at a higher level and establish a substantial financial structure in order to achieve sustainable growth through continuous forward-looking investment. Then, by expanding the business scale and growing profitably on the premise of strengthening quality and governance, we will gain power as a company, realize "Sustainable Management," and contribute broadly to customers and society around the world as we aim to do through our Corporate Philosophy. Fujitsu General Group will step forward toward new growth. We would appreciate your understanding and support.

^{*1} An air conditioner that regulates temperature by repeatedly turning it on and off due to the constant revolution of a compressor. It is less energy efficient compared to inverter air conditioners, which regulate temperature by varying the revolution.

^{*2} Products and services that are internally certified as *Sustainable Product*, with the expectation of solving social issues and contributing to a sustainable society.

Executive Message

We will aim to "Living together for our future" with you through "Contribution to Mitigation of Climate Change," "Creation of Innovation" and "Contribution to Local Communities" by utilizing the strengths of the Fujitsu General Group.

Leveraging our "innovation and technology capabilities cultivated since our founding," "global business development" and "partnerships with our Company's agencies and business partners," Fujitsu General Group will strengthen "Contribution to Mitigation of Climate Change" by promoting the replacement of fossil fuel equipment with products utilizing the heat pump technology that our Air Conditioner Division has cultivated for many years as our core business. In the areas other than our current core business, we will also carefully consider the essence of the social issues raised in the SDGs and aim to contribute to solving social issues outside of our core business through "Creation of Innovation activities" that our Group is promoting.

We will also focus on "Contribution to Local Communities" such as the Next Generation Education rooted in the local community, and contribute to a sustainable future that can only be realized by our Group.

Toward Contribution to Mitigation of Climate Change

– Toward Carbon Neutrality

In April 2022, three years earlier than originally planned, we converted to 100% renewable energy for the electricity we use in our business activities. Other than electricity, we will aggressively pursue carbon neutrality by moving up our target five years to 2025, from our original plan to achieve it by 2030. In addition to switching to renewable energy sources, we will continue to reduce energy consumption by promoting the company-wide *Akasuri* (waste elimination) Movement.

– Sustainable Product System

We have established a "Sustainable Product" system to internally certify products and services that make a significant contribution to solving the social issues raised by the SDGs, expanding sales of accredited products and services.

As an example of a Certified Sustainable Product, we have developed and sold a product that utilizes the technology of heat pumps, cultivated by the Air Conditioner Division, the core business of Fujitsu General Group, to replace heaters that use fossil fuels, and they are expected to significantly reduce GHG emissions during use. We will certify such products as *Sustainable Product* and promote their sales through our global network so that as many customers as possible can use our Group's heat pump equipment.

The Sustainable Product System was launched in FY2021, and sales of products certified as *Sustainable Product* in FY2021 amounted to approximately 400 hundred million yen, accounting for about 10% of our Group's total sales. By investing heavily in newly developed products and services certified as *Sustainable Product*, we plan to expand the development and sales of *Sustainable Product* and increase their sales ratio to more than 30% of our Group's total sales by FY2030.

Corporate Vice President
General Manager,
Corporate Communications Division
General Manager,
Sustainability Promotion Division
General Manager,
Environment Administration Division
Toshio Kano



Contribution to Solving Social Issues through Creation of Innovation

We believe that fostering mental well-being in the workplace will lead to the Creation of Innovation. Therefore, Fujitsu General Group promotes Health Management and aims not only to promote employees' physical health but also to create a "workplace where employees can work with a sense of assurance, mutual respect and reward" and to enhance "Motivation and general strengths of all employees."

In addition, utilizing systems such as BIG^{*1}, FIC^{*2}, and the 10% Rule^{*3}, with a forum where employees can freely express their opinions as individuals and as a team, we are not restricted to our existing Company business, but are working to find, nurture, and commercialize the seeds of innovation regarding the social issues raised by the SDGs.

Aiming for Community-based Social Contribution

At Fujitsu General Group, we have been promoting efforts with the Basic Policy of focusing on "next-generation human resource development," "communication with local communities" and "global environmental conservation" among our social contributions.

With a particular focus on the "Education for Next-Generation," activities are carried out to connect *monozukuri* (manufacturing) to the future through a "delivery program" at elementary schools near the Kawasaki Headquarters, where employees directly convey the joy of *monozukuri* to children, who will lead the next generation.

In the future, we will also promote support for children who, for various reasons, cannot break the negative cycle of poverty and are unable to receive higher education even if they are willing.

Our Group shall aim to realize "Living together for our future" with you and "No one will be Left Behind" through Sustainable Management.

*1 Abbreviation for Being Innovative Group. A group dedicated to creating new value and embodying what we offer to the world.

*2 Abbreviation for The Future of Innovation Challenge. New business creation activities that solve social issues by taking an individual's idea as a starting point and scaling it up to create a business.

*3 A system that allows employees to freely use up to 10% of their scheduled monthly working hours for activities directly or indirectly related to their work.

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Forward-looking Statement

This report presents not only the past and current facts about the Fujitsu General Group but also its projections, forecasts, and plans. Such projections, forecasts, and plans are based on the information available to us at the time we prepared this report. All readers are advised to note that results of the Group's business activities and developments may differ from those projections, forecasts, and plans, depending on unforeseeable changes in business environments and other relevant factors.

Editorial Policy

This report outlines the Fujitsu General Group's policy and approaches to CSR activities to help achieve a sustainable society and reports initiatives that the Group undertook and their results for FY2021.

- **Reporting Period** FY2021 (April 1, 2021 – March 31, 2022)
Please note that this report also contains some events that took place before and after this period.
- **Scope of Reporting** This reports covers activities and achievements by Fujitsu General Limited as well as its consolidated subsidiaries and affiliated companies accounted for by the equity method, which collectively constitute the Fujitsu General Group.
- **Reference Guidelines Used for the Preparation of This Report**
 - GRI Standards, published by Global Reporting Initiative (GRI)
 - UN Global Compact
 - ISO 26000: 2010, published by the International Organization for Standardization (ISO)
 - Recommendations by Task Force on Climate-related Financial Disclosures (TCFD)
 - Environmental Reporting Guidelines 2018, published by the Ministry of Environment of Japan
- **Scope of Information Disclosure**
The Fujitsu General Group discloses to its stakeholders a wide range of information regarding its business activities. This report provides a summary of the Group's policy and approaches related to CSR and other non-financial information. For detailed information about the Group's activities and results, visit our corporate website.

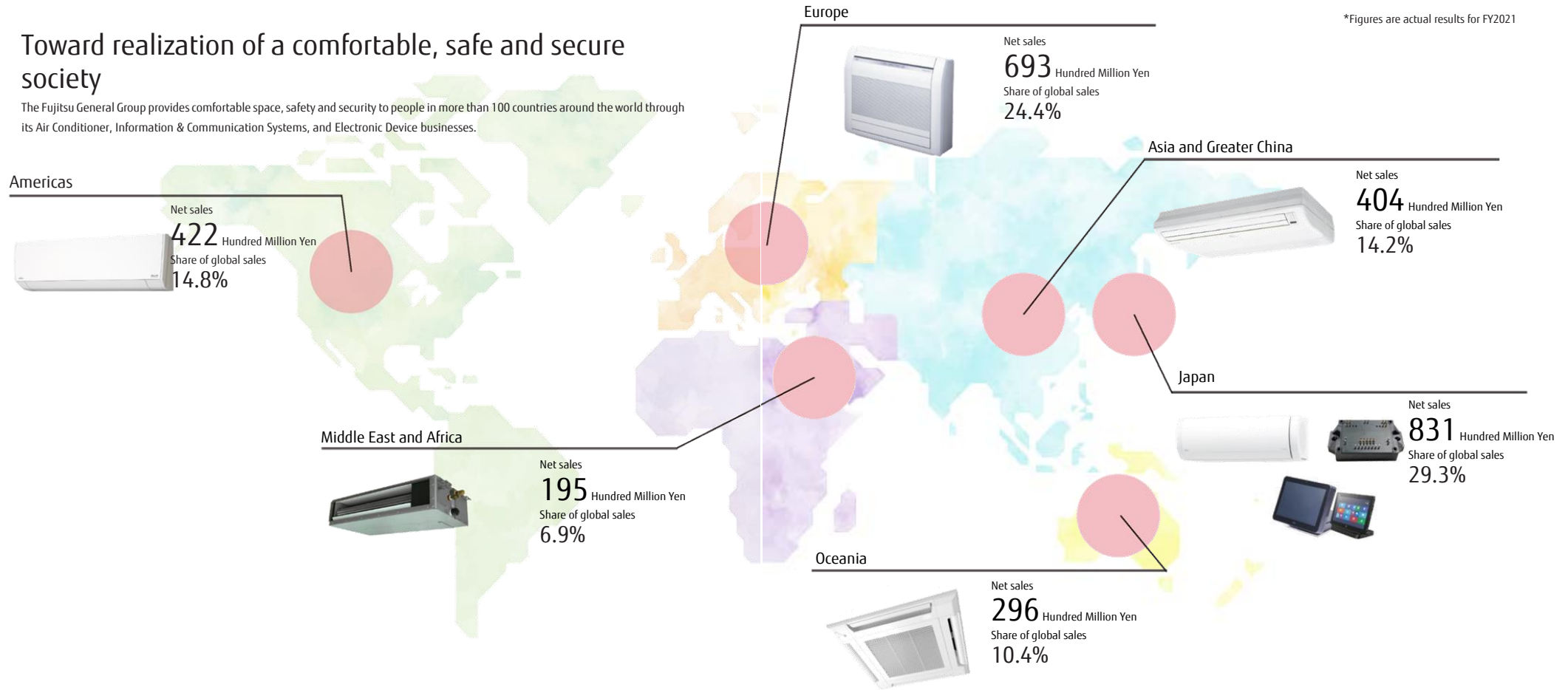
	Company website	PDF reports
Nonfinancial information	<ul style="list-style-type: none"> Environment - Sustainability Activities Social agendas Governance 	<ul style="list-style-type: none"> - Sustainability Report: Reports on sustainability activities that it considers particularly important. - Integrated Report
Financial information	<ul style="list-style-type: none"> - IR information 	<ul style="list-style-type: none"> - Annual Securities Reports - Business reports

- **Published** September 2022 (next report to be published in September 2023)
- **For inquiries, contact**
Sustainability Promotion Department, under the Sustainability Promotion Division
 - * Fractions less than the indicated units in this report are rounded down to the nearest whole number (however, amounts in the unit of 100 million yen are rounded to the nearest unit), and various ratios are rounded to the nearest whole number.
 - * Reproduction of this report in whole or in part is prohibited without permission.
- "nocria" is a registered trademark of Fujitsu General Limited.

Fujitsu General Group at a Glance

Toward realization of a comfortable, safe and secure society

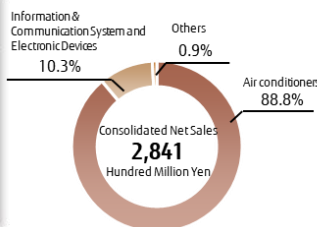
The Fujitsu General Group provides comfortable space, safety and security to people in more than 100 countries around the world through its Air Conditioner, Information & Communication Systems, and Electronic Device businesses.



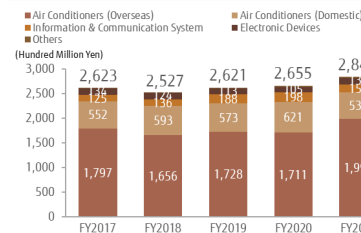
Our Group's Business

<p>Air Conditioner Business</p> <p>"Delivering life-refreshing air" Air is always around us. Fujitsu General offers air conditioners designed to make room air clean and refreshing and bring ultimate comfort to customers anytime anywhere.</p>	<p>Information & Communication System Business</p> <p>"Creating a safe and secure future together" Communication device business has continued since our founding. Fujitsu General's information & communication system business will continue to deliver safety and security for our future society.</p>	<p>Electronic Devices Business</p> <p>"World-class advanced technology and proposal capability" We deliver precise and highly accurate quality and reliability.</p>
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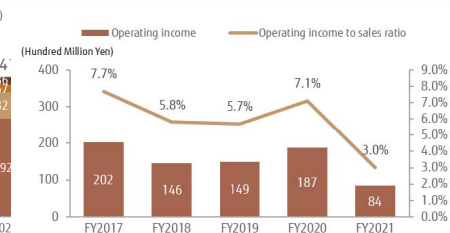
Sales Composition Ratio by Segment



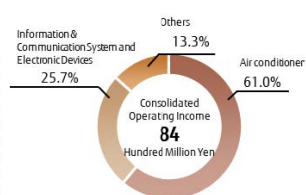
Net Sales



Operating Income and Operating Income Margin



Operating Income Composition Ratio by Segment



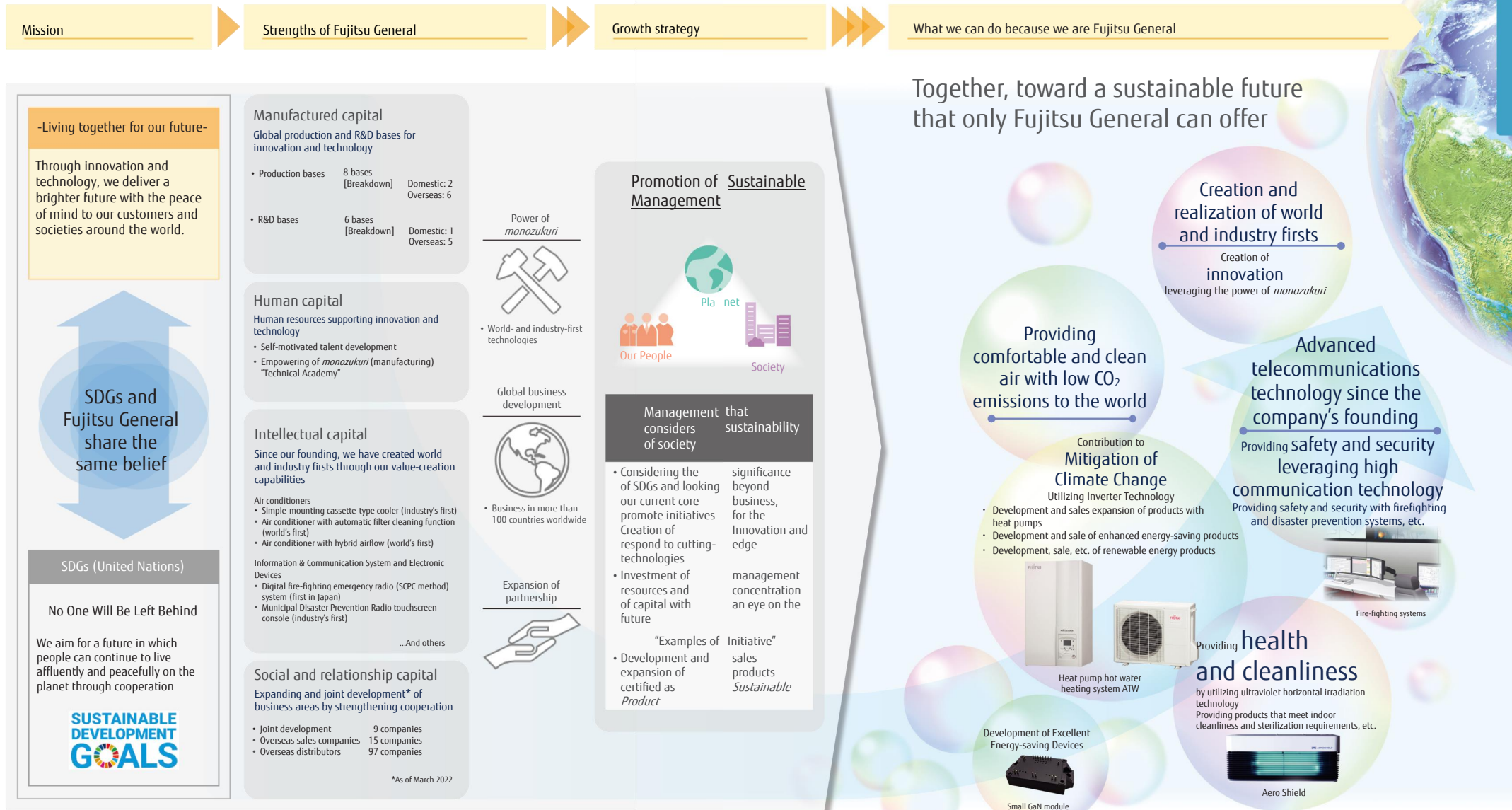
Fujitsu General's Sustainable Management

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Fujitsu General's Sustainable Management

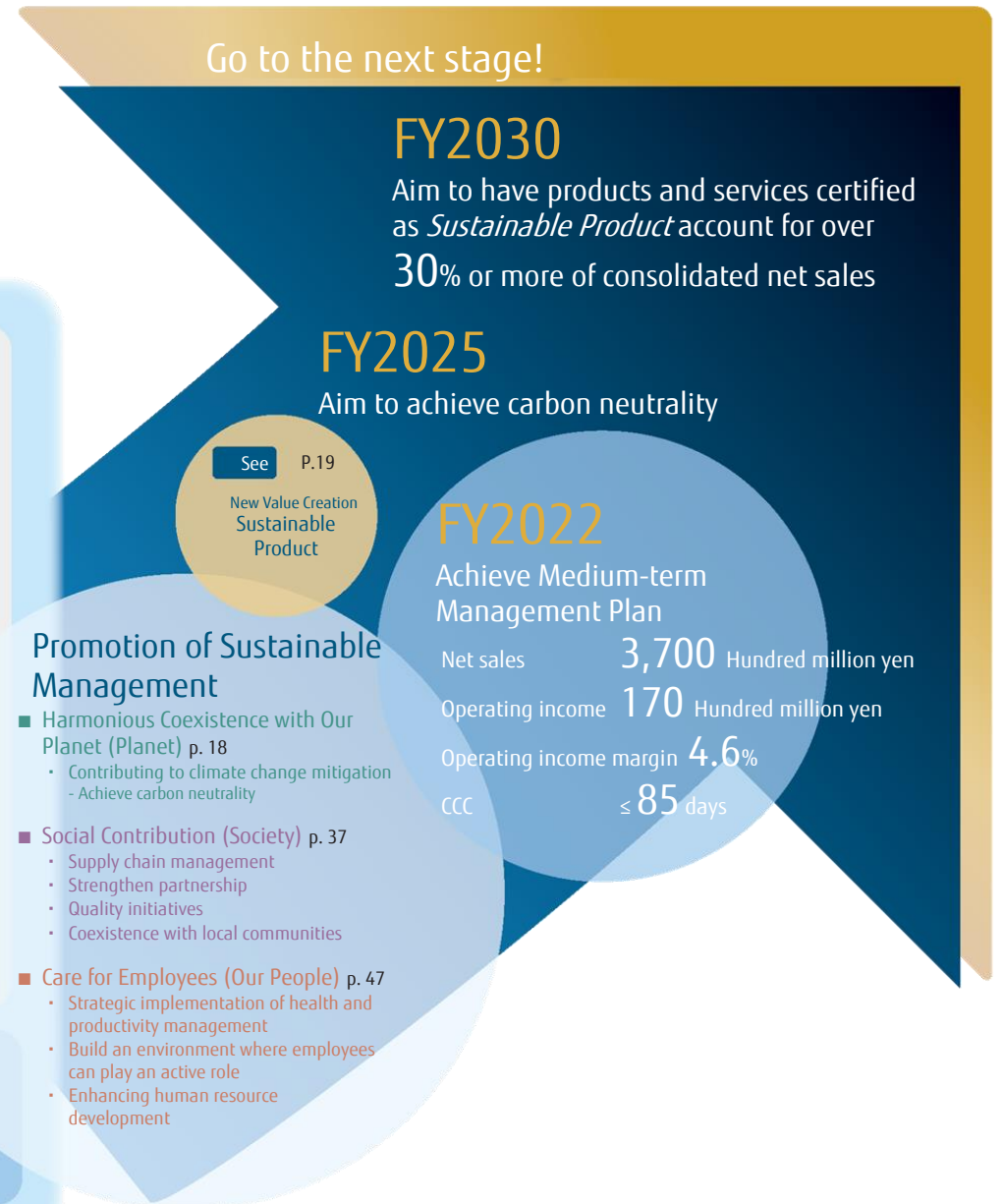
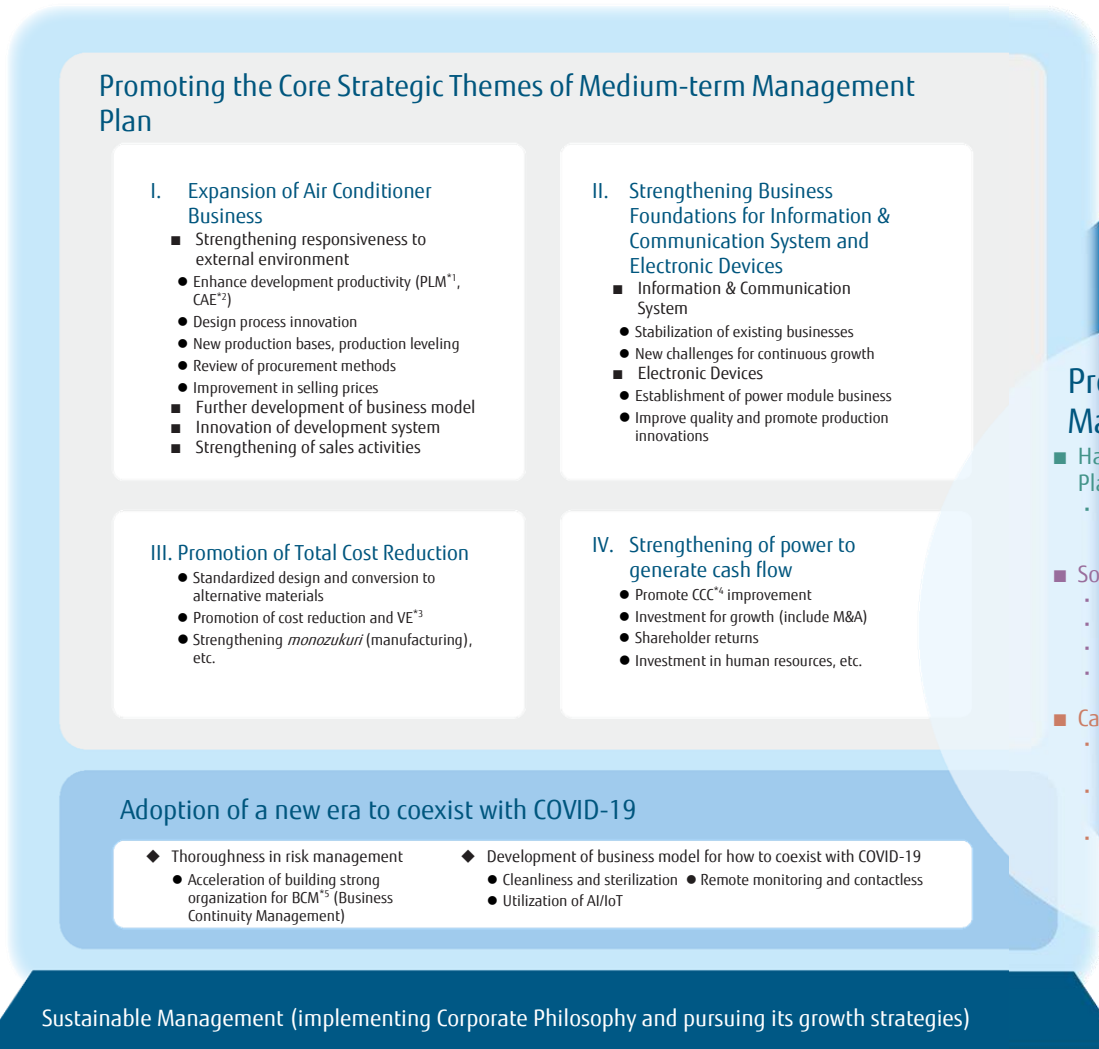
The Process of Value Creation - Diagram



The Process of Value Creation - Measures and KPIs

The Fujitsu General Group is promoting activities by setting the following core strategic themes to achieve the "Medium-term Management Plan" with the target year of FY2022.

In line with pushing forward more with core strategic themes, we will also pursue the implementation of our Corporate Philosophy and business growth strategies by further ensuring risk management and building business models in response to the new era of coexistence with COVID-19.



^{*1} Abbreviation for Product Lifecycle Management.
^{*2} Abbreviation for Computer Aided Engineering.
^{*3} Abbreviation for Value Engineering.
^{*4} Abbreviation for Cash Conversion Cycle. It refers to an indicator used to see the efficiency of funds.
^{*5} Abbreviation for Business Continuity Management.

Promotion of Sustainable Management



In order to realize Corporate Philosophy "Living together for our future," Fujitsu General Group upholds Sustainable Management as the core of its future business activities.

Basic Policy

In order to promote Sustainable Management, the Fujitsu General Group formulated and announced the Sustainable Management Basic Policy in March 2021.

The Sustainable Development Goals (SDGs) are intended to drive future business creation, and their core principle of "No One Will Be Left Behind" is synonymous with our own Corporate Philosophy of "Living together for our future." Fujitsu General takes a medium- and long-term approach to the promotion of sustainable management. Fujitsu General promises the children and society of the future to create a sustainable society, and pursues its own business growth by accelerating these sustainability efforts.

Three Core Strategic Themes

In order to promote Sustainable Management, we are implementing measures based on three pillars: Harmonious coexistence with our planet (Planet), Social Contribution (Society), and Care for employees (Our People).

* Of "Sustainable Management" promoted by Fujitsu General Group, the following introduces some of the initiatives focused on.



1 Harmonious Coexistence with Our Planet Toward Carbon Neutrality

Converted Electricity Used in Business Activities to 100% Renewable Energy Have Moved Up the Target Year for Achieving Carbon Neutrality to FY2025

See p. 59



Fujitsu General Group has switched to 100% renewable energy for electricity used in its business activities from April 1, 2022 as part of its efforts to reduce greenhouse gas emissions. As a result, we have completely eliminated greenhouse gas emissions produced by electricity use at all of our sites*2 worldwide.

Our Group has been promoting the "Company-wide AKASURI (waste elimination) Campaign" since 2016 to link environmental activities with management.

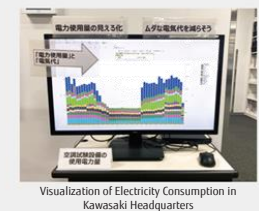
The AKASURI approach is based on the concept that by reduce unnecessary waste that leads to environmental impact, costs can be reduced as well.

Thus, in addition to environmental activities, our Group has been engaged in the AKASURI Campaign on a company-wide basis. As a result, we have been able to drastically reduce the amount of electricity used in our business activities, and have realized 100% renewable energy for the electricity used in our Company's business from April 2022, three years earlier than originally planned.

By converting to 100% renewable energy three years earlier than originally planned, we have moved up the target year of achieving carbon neutrality to FY2025 from FY2030. In the future, we will gradually switch to naturally-derived energy sources and fuels other than electricity used by our Group, and make steady progress toward achieving this goal.

Case Examples of Company-wide AKASURI Campaign Activities Initiatives at Kawasaki Headquarters Testing Laboratory

The test room at the Kawasaki Headquarters, where we evaluate the performance of air conditioners, consumes considerable power, as temperature conditions are adjusted for the indoor and outdoor units to measure cooling and heating performance. Therefore, we analyzed the usage of the test room and reviewed the operation rules, such as optimizing the preliminary operation time for test preparation work and timer operation on holidays and at night. As a result, CO₂ emissions and costs were reduced by 30%. We plan to expand this initiative to laboratories at our overseas sites to further promote our activities.



*1 The SDGs icons listed under the title are SDG targets that the Company believes it can contribute through its activities.
*2 Excluding some leased properties.

Promotion of Sustainable Management



Fujitsu General Group internally certifies the Group's strategic products and services that are expected to solve social issues and contribute to a sustainable society as *Sustainable Product*.

We also internally certify as "Sustainable Product Gold" those products and services that contribute to sustainable development to a certain degree through innovative technologies and services, and that allow our Group to pursue business growth. By concentrating investment in these products and services, the integration of sustainability and growth strategies are promoted, as we aim to have products certified as *Sustainable Product* account for at least 30% of company-wide net sales in FY2030.

Sustainable Product Approval Criteria

Fujitsu General Group's Sustainable Product System establishes standards, and evaluates and certifies the social issues that are highly relevant to our business and that we recognize as important.

■ Sustainable Product

Products and services that are expected to solve social issues and contribute to a sustainable society that meet any of the following conditions are certified as a Sustainable Product.

- Strategic products and services recognized by a third party as contributing to a sustainable society through awards, etc.
- Strategic products and services that contribute to a sustainable society by solving social issues through development and marketing



■ Sustainable Product Gold

Products and services certified as *Sustainable Product* by our company and recognized as contributing to sustainable development to a certain level (products and services that meet any of the following conditions) are recognized as Sustainable Product Gold.

- Greenhouse Gases
- Industry-first technology that contributes to the reduction of greenhouse gas emissions
 - Industry's leading energy-saving performance
 - Products and services that can reduce greenhouse gas emissions by 30% or more compared with our existing products
 - Products and services that have been developed to replace existing products and services, realizing a reduction in greenhouse gas emissions by 30% or more



* Other criteria will be added in a timely manner.



1. Development and Sales Expansion of Products with Heat Pumps

Promotion of replacement with heat pumps that realize significantly lower GHG emissions

ATW (Air to Water)

Conversion to renewable energy (hot water central heating ATW)

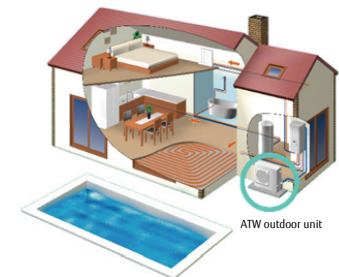
Our SDGs



In Europe, room heating is based on radiator and floor heating which runs off of a central hot water supply, with approximately 80% of the domestic energy consumption represented by room and water heating. Unlike conventional radiators and underfloor heating systems, ATW (heat-pump^{*1} hot water heating system) is an environmentally friendly and energy-efficient hot water heating equipment. It does not use fossil fuels as it produces hot water using a heat pump system that extracts heat from the atmosphere and circulates it through pipes to heat the house. For this reason, in recent years, subsidies for construction have been developed by the French government and other countries in line with their decarbonization policies.

ATWs employ highly efficient heat pump technology and can be operated without GHG emissions. They are also safe, comfortable, and efficient hot water systems. We predict that the demand for ATW in the heating market will grow significantly in the future as the shift from combustion heating equipment using fossil fuels progresses further, and in April 2022, we established a new division dedicated to the development of ATW, the "Chilled / Heated Water Air Conditioner Development Department."

Establishing the new division will accelerate the joint development of the Water Stage, a more efficient heat pump ATW based on DC inverter technology for air conditioners, and expand the product lineup through prompt communication with Atlantic, a French air conditioner manufacturer that we have been working with in joint development since 2009.



Conceptual image of installing ATW

Relationship with Atlantic (France)

In 2009, we signed a joint development contract for ATW and started a joint business. As of 2022, we are jointly developing ATW utilizing our heat pump technology and Atlantic's hot water control technology and continuing close communication for better manufacturing such as monthly project meetings between France, Germany, Japan and Atlantic's engineers stationed at our Kawasaki head office from 2019. As an important joint development partner for European business, we will continue to strengthen our relationship.

*1 Heat pump technology effectively utilizes the renewable energy of air heat derived from solar energy by collecting the ambient heat in the air and supplying it indoors, and it is expected to become more and more popular in the future.

Promotion of Sustainable Management

1 Harmonious Coexistence with Our Planet


2 Social Contribution


Introduction of Products Certified as Sustainable Product (cont.)

1. Development and Sales Expansion of Heat Pumps (Continued) Promotion of replacement with heat pumps that realize significantly lower GHG emissions

The Gokudan noeria inverter ACs for cold climate in Japan ('Gokudan' means extremely warm in Japanese.)

Our SDGs








In recent years, the demand for air conditioners in cold climates has continued to grow due to progress in the high degree of airtightness and thermal insulation of houses, advanced safety of temperature control through indoor-outdoor heat exchange without combustion, and increasing demand for cooling in the summer. Furthermore, replacing fossil fuel-based heating equipment is expected to reduce GHG emissions and grow in the future from the perspective of the SDGs as sustainable heating that contributes to the realization of a sustainable society. Under such circumstances, Fujitsu General Group launched in November 2021 in Japan the "Gokudan noeria" ZN series, heating-enhanced air conditioners for cold climates that realize the industry's top-class heating capacity^{*1} and high energy-saving performance^{*2} and warm the temperature underfoot at a maximum of approximately 40°C^{*4} with hot air of up to approximately 60°C^{*3}.

Indian market: Inverter ACs for cooling only

Our SDGs







Cooling only inverter air conditioners for India

As a cooling only inverter air conditioner for India, this product is more cost-effective than conventional products while adapting to the local environment. Therefore, it can contribute to alleviating the power supply and demand pressures by reducing power consumption at the time of use by helping to replace constant-speed ACs^{*5}.

Air conditioning business in the Indian market

In our Medium-term Management Policy, Fujitsu General Group set "Expansion of air conditioner business as core strategic theme and are working on "Capture and expansion of Indian market" as one of the promotion of "5 key expansion projects". With the shift to a direct sales system, the sales expansion in India is steadily progressing.

Development of cooling only inverters for India


Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd. (FGDT), our development base in Thailand, carried out the entire process from planning to commercialization, and launched the product in India in February 2020. With this development as an opportunity, we are continuing to enhance our product lineup on an ongoing basis.




2. Development of Excellent Energy-saving Devices

Small GaN module

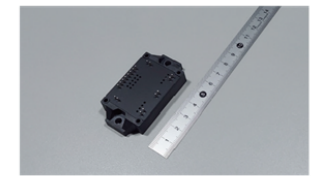
Our SDGs





Fujitsu General Electronics Limited (hereinafter referred to as "FGEL") developed in June 2021, first in industry, small GaN module" (the first Sustainable Product Gold) incorporating a high-voltage GaN-FET chip ^{*1} made by Transphorm of the United States together with a drive circuit and started shipment of samples in the fall of 2021.

- Future potential of power modules^{*2} including small GaN module
- Power modules are used in various applications such as home electric appliances, automobiles and industrial equipment, and are said to be a market expected to expand further in the future. Among them, modules using gallium nitride (GaN) are attracting attention, but small ones with drive circuits are not yet on the market. The GaN modules developed and announced by FGEL are attracting attention from the market as it can reduce the design burden on customers by incorporating peripheral circuits such as drive circuits and can easily improve efficiency. By using this GaN module, it is expected to contribute to the realization of highly efficient and energy-saving products that take advantage of the features of GaN in many fields such as power supply-related products, industrial equipment and in-vehicle equipment. In the future, we would like to strengthen development and build a mass production system to grow as a new pillar of our business. And in the further future, we will make it a major pillar of our efforts for "sustainable management" and both promote business growth and contribute to the realization of a sustainable society.



Small GaN module

Voice Comment from small GaN module developer

We believe that these products based on the latest advanced modularization technology were accomplished thanks to our tradition of challenging new things without fear of failure, in addition to the on-site chip mounting technology that FGEL has cultivated over the years as its existing technology.

^{*1} GaN (gallium nitride), FET (Field Effect Transistor)
^{*2} What is incorporating peripheral circuits in GaN is explained as power module. Generally, it is called IPM.

^{*1} In AS-ZN 402 M2 domestic wall-mounted home AC 4.0 kW. Heating capacity of 9.4 kW with an outside temperature of 2°C. As of September 1, 2021 According to our company research.
^{*2} In AS-ZN402 M2. Seasonal Energy Consumption: 1,081 kWh. As of September 1, 2021
^{*3} In AS-ZN 402 M2. Checked the maximum temperature near the air outlet for approximately 30 minutes in Company's environmental test room (approx. 26 m²), when the outside temperature is -15°C, the set temperature is 25°C, the room temperature is reached, the air volume is at high wind, the air direction is standard for heating, and Warm Up and High Power are set. Airflow is approximately 50% lower than the heating rating. In some cases, the temperature may not reach 60°C depending on the installation environment and usage conditions. For AS-ZN252 M and AS-ZN282 M2, when the outside temperature is 2°C.
^{*4} In AS-ZN402 M2. Maximum temperature 10 cm above the floor at a distance of approximately 2.0 m from the air conditioner in the Company's environmental test room (approx. 26 m²), when the outside temperature is -15°C, the set temperature is 25°C, the room temperature is reached, the set air volume is high wind, the air direction is standard for heating, and Warm Up and High Power are set. Temperature varies depending on the installation environment and usage conditions. For AS-ZN252 M and AS-ZN282 M2, when the outside temperature is 2°C.
^{*5} ACs that are controlled by repeatedly turning on and off the compressor at a constant revolution based on the set temperature. It takes time to reach the set temperature, causing temperature irregularities.

Promotion of Sustainable Management

2 Social Contribution

Introduction of Products Certified as Sustainable Product (cont.)

3. Offering Products to Meet Indoor Cleanliness and Sanitization Needs

Aero Shield

Industry's first*1 demonstration to inactivate floating COVID-19

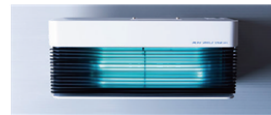
Our SDGs



In collaboration with Japan Textile Products Quality and Technology Center, Aero Shield Co., Ltd. has confirmed that more than 99% of the new coronavirus (Delta strain) floating in an enclosed space of 1 m³ can be inactivated in one minute using "n-UV Technology," the industry's first horizontal ultraviolet irradiation technology.

This technology, which is owned by Aero Shield Co., Ltd., inactivates viruses and bacteria by horizontally irradiating ultraviolet rays in a habitable space.

Fujitsu General Group will continue to focus on research and development in the field of cleanliness and sterilization and contribute to air environment measures around the world.



Aero Shield

■ Development of "Aero Shield" for use in ambulances

Aeroshield Co., Ltd. has developed "Aero Shield," a UV irradiation device for use in ambulances. This product is expected to reduce airborne bacteria and viruses by taking the air inside the ambulance into the device and irradiating it with UV-C₂. In addition to realizing odorless air quality measures through the use of ozone-less lamps, the product is designed to place no burden on paramedics, as it operates constantly while power is supplied to the vehicle, eliminating the need for manual operation. (shipments started in February 2022)



Conceptual image of Aero Shield installed for use in ambulances

Voice Comment from staff of ATOL Co., Ltd.

Our company has many transactions with hospitals, clinics, and dispensing pharmacies, and provides various countermeasures against bacteria and viruses. Due to the recent outbreak of infectious diseases, we have installed a total of 143 Aero Shield units at key locations in our buildings in line with our corporate policy of providing a safe and secure environment not only for our employees but also for our customers as a business continuity measure.

As an official distributor, we will contribute to local healthcare through the sale of Aero Shield.

*1 Inactivation of more than 99% of floating new coronaviruses by horizontal irradiation of ultraviolet rays. As of November 19, 2021 (according to our company's research)

*2 Ultraviolet rays are light with shorter wavelengths than visible light, especially those in the 100–400 nm wavelength range.

They are classified into three types by wavelength: UV-A, UV-B, and UV-C. UV-C, also called deep ultraviolet rays, refers to light with a wavelength of 100 to 280 nm.

4. Development and Provision of "CÓmodo Gear" that Helps Combat Extreme Heat

Wearable cooling and heating device Cómódo gear™ i2*1

Our SDGs

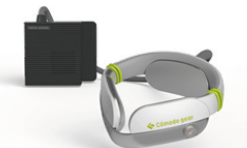


Since 2021, Fujitsu General has been offering Cómódo gear i2, a new wearable device*2 model that effectively cools and heats the body by being worn.

Cómódo gear is a product that combines cooling and heating effectiveness in high- and low-temperature environments while allowing for good user mobility. After test sales to domestic companies in FY2020 (the first year of offering), the product has been offered on a full-scale basis to domestic companies since 2021.

In the summer of 2020, we received a great deal of response, especially from those in industries such as security, construction, and factories that work under the hot sun or in environments where air conditioning is inadequate. Cómódo gear i2 incorporates the feedback and requests we received in 2020 into its development, and we have improved the fit of the neck by adding a size range and an adjustable function, as well as reducing the weight and improving performance.

Cómódo gear was developed by BIG*3, the Company's internal innovation organization for creating new value, based on the WearCon® technology of WIN Human Recorder, Co., Ltd. and commercialized jointly.



Overall image of Cómódo gear i2

■ Features of Cómódo gear i2

1. Size expansion and adjustability added
2. Reduced weight sensation when wearing

■ Winner of the "iF Design Award 2021"

Won the "iF Design Award 2021" (Product Section), one of the world's top-three design awards. The award is based on various evaluation criteria, including design appearance, functionality, and innovation, and is recognized for its design excellence worldwide. The 2020 model also received the same award.



*1 "1" stands for innovation and "2" stands for the second generation.

*2 This product is not medical equipment to prevent heat stroke.

*3 Abbreviation for Being Innovative Group.

Promotion of Sustainable Management

2 Social Contribution Provision of Safety and Security

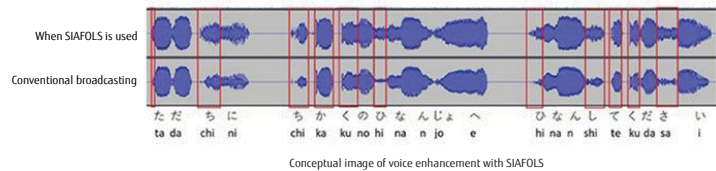
Contribution to Safety during Disasters

Developing new technology for disaster-prevention radio broadcasts that are easy to hear even in heavy rain and noise

New technology developed through joint research with Kobe University contributes to ensuring safety at the time of disaster

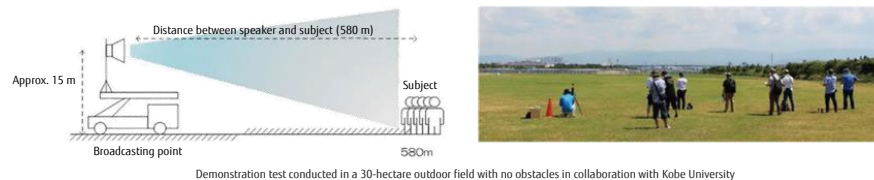


In May 2022, Fujitsu General, in collaboration with Kobe University, developed "Sound Improvement Algorithm For Outdoor Loudspeaker Stations" (hereinafter referred to as "SIAFOLS"), a technology that automatically converts the broadcast sound of Municipal Disaster Prevention Radio into an easy-to-hear format according to seasonal and weather conditions such as heavy rain and noise conditions. The transmission characteristics of sound vary depending on the season, weather, and surrounding environment. Municipal Disaster Prevention Radio provided by local governments across Japan was faced with a problem that, although the broadcasting sound was heard, the actual details of what was being said could not be recognized. SIAFOLS is a new technology^{*1} that converts generally inaudible sounds (k, s, ts, etc.) into easily audible sounds by applying an "emphasis algorithm" to them.



Conceptual image of voice enhancement with SIAFOLS

In a demonstration test that verified the effectiveness of SIAFOLS, word comprehension^{*2} was significantly improved to 80% from 55% compared with conventional broadcast sound^{*3}. It was also confirmed that the speech waveform of hard-to-hear sounds was also enhanced by up to 10 dB.



Demonstration test conducted in a 30-hectare outdoor field with no obstacles in collaboration with Kobe University

Unlike conventional broadcasting, which was conducted from municipal government buildings with uniform sound quality, the sound can be controlled for each outdoor sub-station and speaker. This makes it easier to listen to a voice even under noisy conditions, such as traffic or other noises generated around a particular outdoor sub-station.

We intend to further contribute to the safety of local residents in the event of a disaster by installing SIAFOLS in the Company's Municipal Disaster Prevention Radio.

*1 Patent pending. A technology that automatically converts broadcast sounds into easy-to-hear words according to seasonal and weather conditions.
 *2 A value that indicates how accurately a word is conveyed to the listener. It is expressed as a percentage of the ratio of the number of words completely understood by the listener to the number of words broadcast.
 *3 This demonstration test was conducted in accordance with the "ASJ Technical Standard for Ensuring Performance of Outdoor Loudspeaker Systems in Disasters and Other Emergencies" by the Acoustical Society of Japan (ASJ).

2 Social Contribution Contribution to Solving Other Social Issues

1. Support for Human Resource Shortage and Work-life Balance



Fujitsu General OS Technology Limited is working to help solve the current shortage of human resources in Japan while taking into account the need for achieving a work-life balance in the food service industry.

The company also provides hospital smart outpatient information systems to help improve patient service.

■ Business Support BPO^{*1} Service

After streamlining and standardizing non-core operations (that do not produce profits directly) throughout the customer's business, we create a standard manual that allows our staff to carry out these operations on behalf of the customers. Customers are able to shift their in-house human resources to focus on corporate growth or core business without worrying about securing human resources for non-core business.



■ Hospital Smart Outpatient Information System

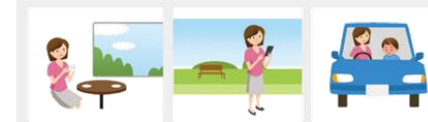
In conjunction with a smartphone app, we provide mobile services that are more accessible to patients visiting hospital.

Before the introduction of this service, patients had to stand-by in the waiting room of a hospital until their consultation.

However, with the introduction of this service, patients will be notified by app when it is time to see the doctor, allowing them to see the doctor smoothly without having to stand-by in the waiting room. It also helps to reduce congestion in the waiting room.

- Features in main app
- Notification of appointment status the day before
 - Notification of payment
 - Confirmation of appointment
 - Notification of doctor's call
 - Payment after billing

Patients can check the status of medical consultation and payment calls with the smartphone web function



- Patients are free to wait for their turn at any location
- Reduced risk of nosocomial infections by reducing congestion in waiting rooms
- Patients can use the system immediately **without the need to register their personal information**
- Reduces inquiries from patients by providing information on the progress of consultations



* Reception form is a sample.

Patients can perform arrival reception by themselves



- Patients can perform arrival reception themselves
- Links with HOSPISION electronic medical record system
- Automatically identifies patients requiring staff assistance at the reception desk of the block (each department) and displays a guidance screen
- Checks whether insurance card confirmation is required and provides necessary guidance for each patient
- Reduces queues at the block (each department) reception desk, thereby ensuring less crowding of patients



*1 A service that uses the system to outsource the very work customers used to do.

Promotion of Sustainable Management

2 Social Contribution

Other Contribution to Solving Social Issues (cont.)

2. Creation of Innovation Future of Innovation Challenge (FIC)

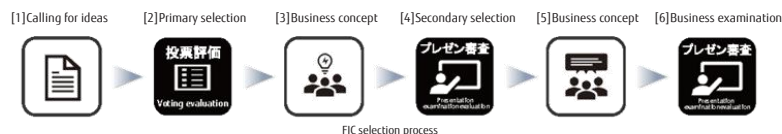
While the Being Innovative Group (BIG) is working on innovation through small group activities, in order to practice the Corporate Philosophy and create a culture that takes on challenges, we launched in 2020 The Future of Innovation Challenge (FIC). This is an idea-seeking activity for new business creation to create and scale businesses that solve social issues, with individual ideas for all Fujitsu General Group employees. For the second FIC, the first round of selection was held in September 2021, and five ideas passed the screening process. After that, in order to consider a concrete concept for the next phase of commercialization, we conducted prototyping, business model examination and customer verification for about 2 months from October to the end of December in 2021, and made efforts for the second round of selection.

The second round of selection was held in December 2021 in the Center Court of the ICC*1 building, where each idea was presented for 10 minutes. This was followed by a 10-minute question-and-answer session, and then a review was made based on the screening criteria, after which the judges deliberated and decided whether to consider the ideas for commercialization.

As a result of deliberation, three ideas passed as they were deemed to have great potential for the future business. Regarding the ideas that passed, we are continuing to verify matters with a view to the review on the feasibility of commercialization.



FIC selection process



3. Launch of BIG

In 2016, we launched the Being Innovative Group (BIG) organization dedicated to embodying the idea of "creating and delivering new value to the world," working on innovation through small-group activities.

The wearable air conditioner *Cómodo gear™* created from BIG's efforts began full-scale provision to domestic companies in 2021, following test sales for domestic companies in FY2020.

4. 10% Rule

The 10% rule has been implemented with the aim of improving employee autonomy. The 10% rule allows "up to 10% of the prescribed working hours per month" (approximately 45 minutes per day, 16 hours per a month, or two days equivalent in standard working day terms) to be used freely for an activity applied by the employee, directly or indirectly related to work. As of the end of FY2021, 233 employees have been involved in this program, allowing employees to use the time generated by the work style reform to learn and grow with their own internal motivation.

*1 Abbreviation for Innovation & Communication Center

3 Care for Employees

Develop Talented People Willing to Take on New Challenges

Basic Approach to Human Resource Development

We believe that the development and education of human resources will play an extremely important role in maximizing the potential of our people – our most valuable management resource, because the sustainable growth of Fujitsu General Group is possible only through them.

The Company's personnel system clarifies the "roles that each level plays" and requires employees to spontaneously take on challenges in order to fulfill those roles. In order for each employee to spontaneously take on challenges, it is necessary for them to be willing to learn, and the company is willing to help them learn. In today's rapidly changing world, the constant learning and growth of individuals is an essential element for the sustainable growth of the company. We believe that each employee can contribute to the company's performance by fulfilling their required role, and that the experience of spontaneous learning and the growth that accompanies it will contribute to job satisfaction and, ultimately, to greater engagement with the company.

In order to develop human resources who can play an active role on the global stage, we believe that it is necessary to expand the education system and establish an on-demand learning platform for employees to acquire comprehensive skills such as cross-cultural understanding and communication skills, as well as English proficiency.

In addition, we will provide training for each level of employees to acquire the skills necessary to fulfill their required roles, as well as a system to help them realize their growth and develop their careers so that each employee can have "aspirations, visions, and dreams."

Development of engineers

1. Establishment of Technical Academy of Air Conditioner

As the main training method for new engineering employees in the Air Conditioner Division, OJT*2 was conducted at each workplace, and this has led to variations in the strengths of engineers. In order to improve the situation, we established the Technical Academy of Air Conditioner in August 2019 with the aim of "cultivating engineers who can broaden their horizons and look at the entire product" and "expanding development resources by quickly developing new employees capable of joining the workforce."

■ Contents of training for new employees (excerpts)

- Acquisition of broad knowledge on all aspects of air conditioners
 - Reverse-engineering training
 - Design training
- Acquisition of human skills required as an engineer
 - Logical thinking, writing skills, presentation skills, communication skills, etc.

*2 Abbreviation for On-the-Job Training.

Promotion of Sustainable Management

3 Care for Employees Development of Engineers (cont.)

■ Acquisition of broad knowledge on all aspects of air conditioners

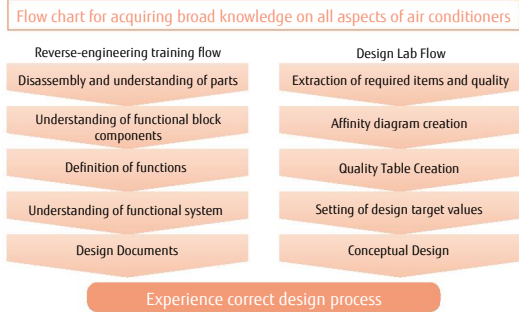
We provide training to level out the development capability of new engineering hires and to help them build a foundation as engineers, broaden their horizons, and become a competitive workforce who can look at the entire product.

● Reverse-engineering training

In the reverse-engineering exercises, trainees grasp the products as a whole by broadening their knowledge and perspectives through hands-on training, and by acquiring the design habit of learning from "function" to understand the relationship between "purpose" and "means" and to learn what kind of ideas (requirements/constraints, means of realization, intention of materials and shapes, etc.) are used in design. In this way, we aim to provide opportunities for people to learn through experience and to develop engineers.

● Design training

In design training, we develop engineers who can create products from the customer's perspective through training in imagining what users (end-users) want based on their opinions and giving shape to their expectations.



Voice

I joined Fujitsu General as a mid-career employee and it has been eight years since I started working here. When I joined the company, I was assigned to the Quality Assurance Department and was also in charge of operations such as quality improvement of products manufactured at our plants in China and Thailand.



Technical Academy of Air Conditioner
Mr. Hiroyuki Iijima

From 2019, I started by concurrently serving in the Technical Academy to prepare for accepting newcomers, and became full-time in FY2020, accepting the first class of academy students and guiding them as a technical coach for two years. Coaching means "not teaching, but helping them to draw out answers on their own," and although it was my first experience and I was bewildered, I managed to send the Academy graduates back to work. I am pleased to be in charge of tasks that contribute to the development of young people, and I find my work rewarding when I think of the future success of the Academy graduates.

The Academy offers a wide curriculum, but it is essential that one has to be motivated to learn. I would like to continue to support newcomers with this in mind.

2. On-the-Job Training at a Company Near the Kawasaki Headquarters

In November 2021, we started OJT at manufacturing sites for young engineers in the AC divisions of Fujitsu General.

The members pay visits to companies engaged in manufacturing in Kanagawa Prefecture, where our Kawasaki Headquarters is located, to observe the actual field of *monozukuri* (manufacturing) and conduct simple hands-on training. In FY2021, training was conducted at three manufacturers engaged in sheet metal pressing, injection molding, and electronic substrate production. Since the Company's air conditioners are manufactured overseas, the training program is being promoted with the purpose of making the best use of people's experience of hardships and work involved in the field through on-site tours and practical training, so that the trainees can apply the knowledge to their future *monozukuri*.



On-the-job training at the local company

We also believe that by paying the training expenses to the manufacturers where OJT is conducted, we can contribute to the local business community.

Voice

This time, we were asked for a tour of a plastic parts manufacturing site and hands-on training. We accepted the request to give young employees a chance to see how plastic products are actually made, and planned a tour of the mold design, machining, and injection molding, and in secondary processing, the painting process.

Hands-on work simulated the polishing of mold parts, a task that can be done by machine, but only one part of the work had to be done by a person proficient with the process using four different types of machine tools. It was a brief one-hour session of work, but we believe it will be meaningful if the participants can experience part of manufacturing with their own hands and feel something positive about it.



SANKO LITE INDUSTRIES CO., LTD.
Mr. Haruki Sakayori, Sales
Engineering Division

My personal comments and thoughts are that manufacturing is one of the basics in our lives. And I think it is important to see, touch, and experience good things outside of your own work, both inside and outside of your country, and I hope you will keep this memory in the back of your mind. For it will eventually be useful somewhere. With the recent pandemic of COVID-19, there are many restrictions, and opportunities to see and experience various aspects of life have decreased. However, I do not want people to forget the importance of making decisions based on what you actually see in the field. We hope that your visit and experience will be useful in your future work.

Promotion of Sustainable Management

3 Care for Employees



Development of Engineers (cont.)

Voice



NOGUCHI KOGYO Co., Ltd.
NK SYSTEM Co., Ltd.
Mr. Hironaga Noguchi,
Representative Director

Thank you very much for selecting our company for the "Small and Medium Manufacturing Industry On-Site Training Seminar." Small and medium-size manufacturers were severely impacted by the spread of COVID-19, and being able to communicate with young employees, who are the future leaders of your Company, was very encouraging for all of us.

Although we are in a different industry, we immediately accepted the offer with clear agenda that we received via e-mail for the first time. Once we accepted the offer, we decided to make it a major event for three consecutive weeks in December 2021 in order to ensure as good an experience for everyone as possible and to make it as enjoyable as possible.

The training program consisted of a classroom lecture, plant tour, welding experience, and awards, and the welding experience was particularly successful, with many women participating, and the progress they made was astounding. Our company is an automobile-related manufacturer, and one of our features is our "self-developed DX" initiative, for which external sales also made. In addition to consideration for the environment from the perspective of SDGs, we are committed to "openly enhancing each other's innovation" based on our mainstay *monozukuri* (manufacturing), and we hope to continue to actively promote inter-company exchanges and contribute to future *monozukuri* with your "nocria" philosophy (related to air conditioners) and the challenges that only small and medium-sized manufacturers can overcome.

3. Design Training Presentation

Design training was conducted as second-year employee training at the Technical Academy of Air Conditioner.

Through Design Training, the participants learned about the differences in actual operating environments and the necessity and methods of designing air conditioners in consideration of the entire system, and Design Training Presentation was held as a wrap-up.



Design Training Presentation by second-year Academy employees

4. Overseas Engineer Training

For the purpose of passing down the *monozukuri* tradition as well as developing human resources who will be active as leaders of overseas corporations in the future, local engineers working at overseas bases of Fujitsu General Group (engineers in Thailand and Shanghai) are undergoing training for 2 to 3 years in the Kawasaki Headquarters.

5. Training Center Opened on the West Coast of the United States

In February 2021, the "Airstage Innovation & Learning Center West (AILCW)" was opened in Martinez, California on the west coast of the United States, taking over the development base of Ventacity Systems Inc., which has a collaborative relationship with Fujitsu General for commercial air conditioning system.

Originally, about 1/3 of the space was used as a place for joint engineering training with Ventacity Systems, and as our Group's equipment, mainly VRF, has already been installed, it could be used as a training center without alteration. As the location is also in the center of the area where the stores of our distributors are, it has become possible for many distributors and contractors (installers) to receive our training.

In the future, we will use this base as a foothold to develop the West Coast and aim to further expand our business in North America.



FGAI staff and training participants

6. Other Initiatives

- Support for active participation of our senior talented people
- In-house recruitment
- Rank-based training, etc.



Please visit our website for more information.
Develop Talented Personnel Willing to
Take on New Challenges
<https://www.fujitsu-general.com/global/csr/practice/human-resources.html>



Promotion of Sustainable Management

3 Care for Employees
Toward the next stage
– Promotion of new technologies and products

1. Industry-Academia Collaboration to Solve Issues of Heat Pump Technology in the Snowy Cold Climate (Fujitsu General Laboratories Ltd.)

In a snowy and cold climate, heating equipment is required to provide warmth while having reliability so that it can continue to be used safely and securely in a severe natural environment.

A snowy and cold climate has varying types of snow quality, snow cover, and freezing levels depending on the latitude, elevation, ocean currents, and monsoons of the region.

In addition, there is an extensive range of issues to be addressed for the wide-use of heat pump technology depending on the building and local culture.

Fujitsu General Laboratories has been working to solve these issues since 2018 by giving research support to Associate Professor Kazuhiko Hosokawa, Department of Civil and Environmental Engineering, Faculty of Engineering, Hokkaido University of Science, located in Sapporo, Hokkaido.



Field evaluation at Hokkaido University of Science

2. Launch of AC Subscription (Initiatives in Toda City, Saitama Prefecture)

The use of air conditioners is effective in preventing heat stroke, but the high initial cost of installing them has been an issue. One of the solutions to this issue is to use a subscription to reduce the initial cost and to promote air conditioners. In this regard, the X Series, top-end models of Fujitsu General's nocria (type of air conditioner), with high energy-saving performance was selected to start the system of "Subscription of Air Conditioners" in Toda City, Saitama Prefecture.

According to the Ministry of the Environment, about 80% of deaths due to heat stroke occur among those aged 65 or older, and 90% of them were not using air conditioners. With the introduction of the Subscription, we will lower the hurdle for customers to install air conditioners and contribute to the prevention of heat stroke.



Toda City Application Page



nocria X Series

Topics

Priority Action

Foundation of Sustainable Management Initiatives for Human Rights Due Diligence

Policy

The FUJITSU GENERAL Way, which represents the common values of the Fujitsu General Group, states "We respect human rights" in the opening line of the Code of Conduct. This statement clearly sets out the company's position that "its activities will be based on respect for human rights, that diversity is to be embraced, and that no one shall be discriminated against on the basis of race, religion, disability, gender or sexual orientation, nor shall harassments be tolerated. We strive to ensure that all employees of the Group demonstrate this spirit in action.

Our Group conducts human rights due diligence*1 for the purpose of ensuring the Code of Conduct and preventing and mitigating negative impacts on human rights.

Action

Fujitsu General Group conducted human rights due diligence on the Kawasaki Headquarters in FY2021.

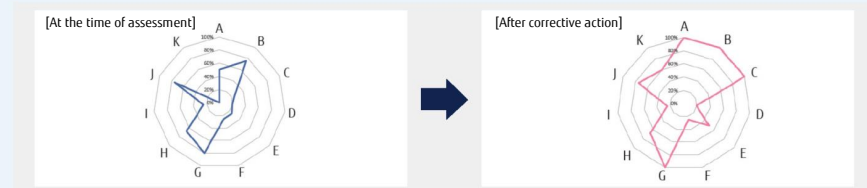
Results and issues

- Occupational health and safety: Partially insufficient confirmation of proper implementation of measures to prevent occupational accidents
- Information disclosure: Non-disclosure of human rights due diligence implementation plan and results
- Employee education: Partially insufficient human rights education on forced/child labor
- Stakeholders: Establishment of a consultation desk (sign language support, etc.) that takes into consideration diverse consumers and customers

After addressing these issues and taking corrective actions, we reevaluated the situation and informed all concerned parties of our ongoing response. We will continue to conduct human rights due diligence on all of our Group companies over a three-year period, with the frequency of human rights due diligence at each site to be approximately once every three years, to prevent human rights violations before they occur, and to correct and address any events that may lead to human rights violations as soon as possible.

■ Results of human rights due diligence evaluation (Kawasaki Headquarters)

(1) Management Status: Confirmed 11 major items



(2) Performance: Confirmed 14 major items



*1 Human rights due diligence is conducted based on the checklist prepared in light of international standards, etc., for the purpose of identifying potential risks in the Company's business activities and items that require further promotion, and to make improvements.

Core Strategic Themes

The Fujitsu General Group identifies material issues (Materiality) and promotes activities on high-priority issues as Core Strategic Themes. We aim to play our part in helping achieve SDGs by promoting these Core Strategic Themes.

Promotion framework of Sustainable Management

In Fujitsu General Group, the President is appointed Chief Sustainability Officer (CSO) and the Sustainability Management Department promotes company-wide activities based on "Sustainable Management."

The Sustainability Promotion Division holds meetings of the Sustainability Promotion Committee to share plans, progress, and issues related to Sustainable Management.

Under this management structure, we are working to contribute to the resolution of social issues and to achieve sustainable growth for the company.

List of Core Strategic Themes

Classification		Key Initiatives		
Harmonious Coexistence with Our Planet		Action Against Climate Change, Reduce Energy	Reduce CO ₂ emissions from products during their use Reduce CO ₂ emissions across business activities	
		Efficient Use of Natural Resources	Promoting resource-saving design Reduce material waste from production	
		Air Pollution Control	Reduce air pollutant emissions	
		Reduce Water and Waste	Reduce water usage Reduce waste disposal	
Social Contribution	Customer Relations	New Value Creation	Conduct research and development projects that address social issues Offer products that address social issues	
		Delivering Products that Meet Customers' Expectations	Improve quality of products and services	
		Improve Customer Communication	Initiatives to boost overall quality of the call center operation	
	Community Relations	Coexistence with the Local Communities	Provide educational assistance for children Conduct community outreach programs Make charitable donations	
		Supplier Relations	Approach to Our Suppliers	Promotion of CSR procurement
	Care for Employees	Develop Employees to Take on Challenges on Their Own Initiative	Introduce a system that encourages employees to take on challenges spontaneously	Train employees
			Creating a Workplace that Promotes Healthy Lifestyles Among Employees to Achieve the "Good Life"	Promoting mental health Measures to prevent lifestyle-related illness Reduce second-hand smoke exposure and encourage smokers to quit Help employees maintain a healthy diet Raise awareness of women's health among all employees Help employees continue to work while receiving medical treatment
		Creating a Workplace in which Diverse Employees Can Thrive and Succeed in a Flexible Manner	Promote diversity & inclusion in the workplace	Help employees to maintain a good work-life balance Dialogue with the labor union
Respect for Human Rights			Promote human rights awareness Action against human rights violations	
Governance Agendas		Adherence to Compliance and Governance Guidelines	Provide compliance training to employees	

Identification of Materiality

The Fujitsu General Group identifies Materiality to promote Sustainable Management in its business operations.

In identifying materiality, we identified issues in light of our Group's Corporate Philosophy and management policies, considering international guidelines such as the Sustainable Development Goals (SDGs) and the Global Reporting Initiative Standards (GRI), as well as the results of various surveys conducted by external research organizations.

The extracted issues are classified and organized into two categories: "Stakeholder interest & impact" and "Significance to the Group," and the more material issues are designated as Core Strategic Themes.

Please visit our website for more information.
Fujitsu General Group Approaches to CSR
<https://www.fujitsu-general.com/global/csr/policy.html>

* The SDGs icons listed here are SDG targets that the Company believes it can contribute through its activities.

KPI	SDGs *	See
Greenhouse gas emissions		p. 18, pp. 59-61
Greenhouse gas emissions		pp. 65-66
-		p. 68
Waste loss ratio to purchase volume		-
-		-
Water use reduction rate		-
Reduction rate of total waste generated		-
-		pp. 19-27
Percentage of products certified as <i>Sustainable Product</i> in consolidated net sales		p. 33
-		p. 42
-		p. 42
-		pp. 44-46
-		pp. 44-46
-		pp. 44-46
Number of local audit firms		pp. 39-40
-		p. 42
-		p. 42
-		pp. 28-32
-		pp. 49-50
-		pp. 49-50
-		pp. 49-50
-		pp. 49-50
Number of newly promoted female managers and leaders		pp. 51-56
Percentage and number of days of childcare leave taken by full-time male employees		pp. 51-56
-		pp. 51-56
-		pp. 51-56
Number of cases of due diligence on human rights conducted		p. 34, pp. 73-74
-		pp. 75-82

Social Contribution

Social Contribution

- 39 Supplier Relations
- 41 Partnership
- 42 Quality Initiatives
- Stakeholder Engagement
- 43 External Recognition and Participating Initiatives
- 44 Community Relations



Supplier Relations

Topic 1

Priority Initiatives Supply Chain Management Promotion of CSR Procurement

Policy

The Fujitsu General Group feels it must manage its entire global supply chain, both in Japan and throughout the world, in line with fulfilling its overall social responsibilities. By closely working together with our suppliers and business partners, we can minimize the negative impact on the environment and meet the expectations of society, thus actualizing a tenet of Our Mission "Living together for our future."

Action

The Fujitsu General Group conducts surveys and checks the status of compliance with the CSR Procurement Guidelines for suppliers. Before undertaking an actual survey, we request our business partners to complete a Self-Check Assessment. During the field survey, we measure the degree of compliance with our CSR guidelines against the parameters of human rights, health and safety levels, and the level of measures which have been taken to protect the environment.

In FY2021, due to the pandemic of COVID-19, we were unable to conduct CSR audits and other on-site surveys, but we did conduct self-checks using the self-assessment questionnaire for two companies in Japan, two in China, and one in Thailand.

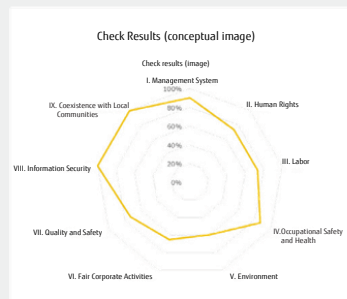
In the survey conducted in FY2021, no CSR issues were found among our suppliers.

CSR Procurement Guidelines Check List

Nine items (41 subitems) are checked.

Check Items

- Management system
- Human rights
- Labor
- Occupational safety & health
- Environment
- Fair corporate activities
- Quality and safety
- Information security
- Coexistence with local communities



Next Approach

In recent years, there has been increasing demand to address social issues such as human rights and environmental issues throughout the supply chain. In order to strengthen CSR procurement, we have been explaining the importance of adhering to the CSR Procurement Guidelines to new suppliers.

In the future, by expanding the scope of conducting self-check assessment for suppliers directly related to Fujitsu General Group, we will grasp and assess the situation and promote correction and improvement while communicating with suppliers through on-site audits. In this way, we will raise awareness of the environment, labor environment, human rights, and other issues throughout the supply chain and strive to mitigate risks.

Key Initiatives

Sharing the CSR Procurement Policy

In procuring products, materials and raw materials, Fujitsu General Group has formulated the CSR Procurement Policy and Guidelines with the aim of fulfilling social responsibility in the entire supply chain. It will do this by adding required items in light of the progress in measures taken for the environment, labor environment, human rights, etc. to the existing items such as quality, performance, price and delivery.

We share our CSR Procurement Policies and Guidelines with our suppliers and ask them to practice them within their companies.

CSR Procurement Policy

1. Coexistence and co-prosperity with our suppliers
2. Fair and impartial evaluation and selection of suppliers
3. Promotion of CSR-conscious procurement activities

Key CSR activities to be requested from suppliers

1. Labor initiatives (freedom of employment, humane treatment, elimination of discrimination, etc.)
2. Health and safety initiatives (occupational safety, sanitation facilities, etc.)
3. Environmental initiatives (pollution prevention and resource reduction, water management, reduction of energy consumption and greenhouse gas emissions, etc.)
4. Ethical initiatives (responsible mineral sourcing, information disclosure, etc.)
5. Management systems (management accountability, risk assessment and management, auditing and evaluation, etc.)

Measures for Conflict Minerals

The Fujitsu General Group, in cooperation with its business partners, promotes responsible procurement to prevent the sourcing of conflict minerals connected with the use of forced labor, human rights violations, and civil unrest/war.

Basic Policy on Responsible Mineral Procurement

It is the policy of the Fujitsu General Group to exclude from its products, parts and supply chain those minerals with a high risk of contributing to conflict or being associated with forced labor or human rights violation.



Please visit our website for more information.
CSR Procurement Policy
<https://www.fujitsu-general.com/global/csr/procurement-policy.html>



Partnership

Partnership with Overseas Distributors

At the Fujitsu General Group, we have set "Expansion of the Air Conditioner Business" as one of our core strategic themes to achieve the Medium-term Management Plan. We will create new innovations through partnerships with other companies, expand product lineups, and lead to business expansion.

Voice Johnstone Supply (America)



General Manager
HVAC Equipment
Mr. Derek Morgan

Johnstone Supply began our partnership with Fujitsu General America over 15 years ago when ductless mini-split products made up less than 3% of the total equipment market in the United States. Today, these products make up nearly 15% of HVAC equipment market. Mini splits have consistently been the fastest growing equipment category for Johnstone supply for over 10 years.

Our Mission at Johnstone Supply is simple, everything we do is designed to make it "easy for our Dealers to do business." With partners like Fujitsu General, we are able to develop and deploy industry leading tools, training resources and services to improve our customers' productivity and profitability. Fujitsu General is there, every step of the way providing the people, product, data, programs, and services to support our efforts.

As the impact of global warming continues to grow throughout the world, the United States Federal government continues to raise efficiency standards across the country. Additionally, many states are taking very aggressive positions against fossil fuel-based products. Some areas now ban the use of natural gas and propane heating products for new construction. This has been referred to as "the electrification of America". These efforts have positioned Fujitsu General extremely well with their high efficiency Air conditioning and Heat Pump products. Fujitsu General has brought industry leading technology and world class designs in both the residential and commercial markets for many years and the brand is among the leaders in consumer awareness and trust.

I expect Fujitsu General to continuously drive to improve manufacturing efficiencies, invest in the design and development of innovative products and deliver them to the market at competitive pricing. Doing this will ensure the continued growth of Johnstone supply and Fujitsu General America for many years.

Voice Frigelar (Brazil)



President
Frigelar Comércio e
Indústria Ltda.
Mr. Alexandre Fiss

We live in a world where our actions can have repercussions beyond the borders of our businesses. In this scenario, our services and products must promote the development of humankind and the means for a sustainable world. Therefore, to be effective in our efforts, we need to form partnerships with companies that have the same goals. Fujitsu General is recognized for its technology, quality products, and its focus on promoting better service and high-grade products designed to provide the most comfortable and healthy indoor environments to their customers. Fujitsu General's goal of "Making the world more sustainable by building trust in society through innovation" reveals part of Fujitsu General's culture and its contribution to promoting a sustainable world.

For this and other reasons, Frigelar is very proud to have consolidated a partnership with Fujitsu General that has lasted for so many years. Frigelar, since its foundation, has served as a basis for many segments – such as the food industry, health care industry, and many others – through constant investments in innovation and a mission to connect people and businesses to solutions.

We believe in the strength of this partnership and in the strength of the Fujitsu brand to create a sustainable world together and to guarantee a better life for future generations.

Quality Initiatives Stakeholder Engagement

Quality Initiatives

The Fujitsu General Group-wide Quality Assurance Policy

- The Fujitsu General Group will continue to provide safe, high-quality products to ensure repeat purchases and increased customer loyalty.
1. We will always put quality first and foremost.
 2. We will continue to produce products using advanced technology, which are both high quality and safe, to achieve customer satisfaction.
 3. We will comply with all government laws and regulations.
 4. We will proactively canvass our customers for feedback on product quality and safety issues. We will also promptly share any relevant information with our customer base.
 5. We will continue to support both the global and local communities through ongoing quality improvement.

Key Initiatives

Ethics Education for Engineers

Fujitsu General Group conducts "Ethics Education for Engineers" every year via the Quality Assurance Management Department, which supervises our Group's quality for engineers.

In 2021, we invited outside experts to give lectures and hold group discussions on hypothetical issues and presented the results. The participation rate was 96%, and in the group discussions, opinions from various perspectives were exchanged, with the final key phrase being "Value Integrity," which is the spirit of the FUJITSU GENERAL Way, our Corporate Philosophy. The participants commented that the seminar provided them with an opportunity to take a fresh look at themselves.

Quality Compliance Interviews

Fujitsu General Group conducts "Engineer Interview" for engineers, by sampling method, every year via the Quality Assurance Management Department, which supervises our Group's quality.

In 2021, we conducted interviews related to quality compliance with 12 engineers. The purpose of the interview is to explain the three factors (motive, opportunity, and justification) that cause fraud, and to ask about any cases that might have led to fraud committed by themselves or others, as well as to ask about the engineers' concerns. No serious problem was identified in this interview.

Stakeholder Engagement

Dialogue with shareholders and investors

In Our Philosophy, which is part of the Group's Corporate Philosophy, we define "collaborative effort focused on communication" and "integrity" as a means to achieve Our Mission.

We maintain a constructive dialogue with our shareholders and investors as often as we can, and disclose company information in a timely and appropriate manner that serves as a basis for such dialogue.

■ The Company's General Meeting of Shareholders

The Fujitsu General Group considers the Company's General Meeting of Shareholders to be a valuable opportunity for communicating with shareholders. As a rule, these meetings are held on days that allow us to avoid the shareholders' meetings of other companies as much as possible. A notice of convocation is sent out approximately 3 weeks prior to the date of the meeting. In addition, to enable shareholders to exercise their voting rights appropriately and smoothly, we support the exercise of voting rights via the Internet, participation in the electronic voting platform for institutional investors, and provision of the convocation notice (narrowly defined convocation notice and reference document for general meeting of shareholders) in English.

■ IR activities for analysts and institutional investors

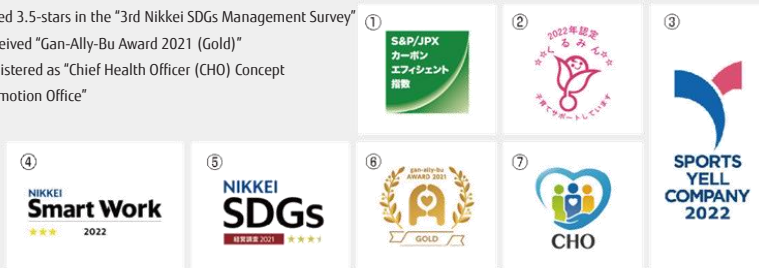
The Fujitsu General Group strives to deepen investors' understanding of its business through timely and appropriate information disclosure. We hold briefings on financial results and Medium-term Management Policies for analysts and institutional investors twice a year (in principle, in April and October), conduct individual interviews as appropriate, and also visit overseas investors as needed. We also hold press conferences when announcing our quarterly financial results so that the information can be communicated through the media.



External Recognition and Participating Initiatives

External Recognition

- 1) Selected as a brand for "S&P/JPX Carbon Efficient Index"
- 2) Acquired the next-generation certification mark "Kurumin"
- 3) Accredited "Sports Yell Company 2022" by Kanagawa Prefecture
- 4) Rated 3-star in the 5th Nikkei Smart Work Management Survey
- 5) Rated 3.5-stars in the "3rd Nikkei SDGs Management Survey"
- 6) Received "Gan-Ally-Bu Award 2021 (Gold)"
- 7) Registered as "Chief Health Officer (CHO) Concept Promotion Office"



Participating Initiatives

- 8) Japan Climate Initiative: JCI
- 9) United Nations Global Compact: UNGC
- 10) Task Force on Climate-related Financial Disclosure: TCFD
- 11) Keidanren Biodiversity Declaration Initiative



Community Relations

Topic 2

Priority Initiatives Promoting Social Contribution Coexistence with Local Communities

Policy

Fujitsu General Group's Basic Policy for community contribution activities are: "Development of next-generation talented people," "Communication with local communities" and "Conservation of the global environment." In particular, we are focusing on conveying the joy of *monozukuri* (manufacturing) to children who will lead the next generation and nurturing human resources who will be involved in future *monozukuri*. In addition, by holding various events participated in by local residents, we aim to play a role in the development of local communities.

Action

■ Development of next-generation talented people

As a manufacturer, Fujitsu General Group conveys the joy of manufacturing and develops human resources who will lead the future of manufacturing. The Headquarters accepts interview requests from high school students who are interested in the electrical and electronics industry to convey views on job and work, and provides them with opportunities, etc. to think about how to live life and what to become in the future.

Case On-site lecture on air conditioners at Kawasaki City Suenaga Elementary School

For two days, June 29 and 30, 2021, our employees (13 employees in total from the International Sales and Marketing Division) visited Suenaga Elementary School (located opposite the Kawasaki Headquarters and we have had various types of exchange) and gave lectures on air conditioners and "classes through experience," dividing the class into several groups. This time, the class was aimed at 6th grade students and in the lecture, with the theme of "refreshing the summer classroom," we explained the mechanism of air conditioners, how to use them effectively and what can be done at home. We divided the class into several groups and had them learn how cold air is actually coming out through the experience of "creating a simple air conditioner (using dry ice)" with the title "Let's make a magic box."



At the On-site lecture

Case Vocational training

In partnership with Lincoln Tech, a technical vocational school, we regularly provide various kinds of training to young future engineers. The number of air conditioner engineers and contractors (installers) is gradually decreasing, and it is becoming increasingly difficult to secure quality service engineers and installers. At Fujitsu General Group, we believe it is our responsibility to nurture future engineers, so we regularly provide training on ductless split and inverter technologies to students studying air conditioning technology at technical vocational schools such as Lincoln Tech. These activities not only develop future engineers, but also help them learn about the Company's products and become fans, and this will lead to more robust support for the Company's products in the future.



Training at a technical vocational school

■ Communication with local communities

Fujitsu General Group is promoting coexistence with local communities through exchanges. Fujitsu General (Thailand) Co., Ltd., a manufacturer in Thailand, participated in reforestation activities organized by an industrial park. Fujitsu General (Aust.) Pty Ltd., a distributor in Australia, participated in an event to support people who are homeless due to poverty, the presidents of participating companies spent the night outdoor in winter to raise funds.

Please visit our website for more information.
External Recognition
<https://www.fujitsu-general.com/global/csr/assessment.html>



Please visit our website for more information.
Participating Initiatives
<https://www.fujitsu-general.com/global/csr/initiative.html>



Community Relations

Contribution to Local Communities at Each Base

Fujitsu General Group is expanding the circle of social contribution and activities globally.

United States



Demonstrating Energy Saving Performance of Heat Pump Technology in New York State (FGAI)



Promoting activities to help seriously ill children achieve their dreams (FGAI)



Providing regular technical training at technical vocational schools (FGAI)

United Kingdom



Regular participation in the "Bike Event" charity for brain cancer patients (FGACUK)

Thailand



The planting and beach cleanup (FGT)

China



Participation in Environmental Conservation Activities (FGCA)



Volunteer participation in PCR testing activities (FGCA)

Japan



Accepting high school students for vocational experience (*monozukuri*)



Career education in elementary schools



Opening up green spaces to neighboring elementary schools



Providing company and factory tours



Protecting and fostering rare organisms



Co-hosting and providing venue for seminar for citizens of Takatsu Ward

Australia



Donation and volunteering through the Sporting Chance Cancer Foundation, a charity that supports hospitals for pediatric cancer patients (FG Aust)

New Zealand



Attend a charity event (FGNZ)



Please visit our website for more information.
Community Involvement and Development
<https://www.fujitsu-general.com/global/csr/community/index.html>



Care for Employees

Care for Employees

- 49 Raise Health Awareness and Create Workplace for "Good Life"
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Raise Health Awareness and Create Workplace for "Good Life"

Topic 1

Priority Initiatives Promotion of Health Management Creating Vibrant Workplace

Policy

Fujitsu General Group promotes Health Management, in the belief that only when employees have a healthy and vigorous workplace can we develop human resources who are willing to work spontaneously.

Defining Health Management as "the strategic realization of health measures for the achievement of sustainable business growth," our Group makes it clear that "employee health is a valuable asset for management" in order to promote and strengthen "valuing and investing in our people," as stated in our Corporate Philosophy and Medium-term Management Plan. We are working to create a healthy and vibrant workplace as a comfortable and rewarding place to work and improve the motivation and overall strength of all employees.

Fujitsu General Group Declaration of Employee Wellness

Healthy employees and their healthy families are our most valuable assets. As a company that delivers comfort and safety to customers around the world, it is our responsibility to ensure that every employee stays healthy and happy in a vibrant workplace.

Action

■ Pursue the realization of well-being

The Health Management of Fujitsu General Group not only promotes the health of employees, but also provides support to families who support our employees and companies and organizations that aim to introduce Health Management. We will contribute to local communities and pursue the realization of Well-being also through support to stakeholders.

- 1) Support for the creation of safe and secure workplace (Creating a workplace with high psychological safety)
- 2) Beyond the acquisition of health information, conduct training that enables employees to become aware of their own health and change their behavior
- 3) Expand health support to employees at overseas and domestic offices and Group companies
- 4) Held walking and other health events in which families can participate, and provide health information
- 5) Introduce internal health support practices outside the company to support Health Management activities in society
- 6) Co-creation of new measures and contribution to local communities through joint projects with local companies, industry-academia-government collaboration, etc.



At the external lecture

Next Approach

We will continue to actively promote the creation of corporate value through Health Management activities in various initiatives toward "Health and Welfare for All" and "Gain a rewarding work life and economic growth."

Key Initiatives

Health Management activities

- Health interview with all employees (experience of a company where employees can consult with assurance)
- Line Self-Care training (Positive Mental Health)
- World Cafe Workshop (community, self-reliance and empathy)
- Health events (creating community opportunities)
- Use of the Health Design Center app (an app for smartphones that coaches users through daily exercises with AI)
- Support and collaborate with companies and organizations looking to start Health Management, and give lectures outside the company



At the health event at Health Design Center

Prevention of occupational accidents & preparedness for natural disasters

The Fujitsu General Group conducts a monthly Safety & Health Committee meeting to achieve zero occupational accidents. The main areas of focus include root cause analysis of any occupational accidents, discussion to prevent recurrence of such accidents, report of vehicle accidents involving company-owned vehicles operated by the sales/service staff, and consideration of recommended corrective actions. The meeting minutes are disseminated through the internal infrastructure. In addition, safety and health training is conducted as necessary at the time of hiring and new assignment. As part of an annual campaign to raise employees' health & safety awareness, a billboard is set up each year in September at our Kawasaki Headquarters. The purpose of this billboard is to announce the coming of National Occupational Health Week, which starts on the first of October.

In November, evacuation drills are conducted in order to strengthen our initial response readiness in the event of a natural disaster, as well as to raise employee awareness of disaster prevention. In previous years, all employees at the Headquarters participated in this event, but in FY2021, 180 representatives from each workplace took part in this event as a measure against COVID-19. During the drill, the participants also practiced setting up sandbags to prevent flooding in the building, like in 2020.

In addition, a safety confirmation system is in place to quickly confirm the safety of employees in the event of a major disaster, and in preparation for such an emergency, regular drills were held twice in FY2021 to confirm the safety of employees using mobile terminals. There were no work-related fatalities and no serious accidents in FY2021.

Promoting safe driving

E-learning is utilized to promote safer driving, focusing on the prevention of accidents, raising safety awareness, and the traffic rules for employees who use company cars for business, and those who commute by private car, motorcycle, or bicycle.

Hazard prediction drill (KYT*1 Activity) at Fujitsu General (Thailand) Co., Ltd.

Fujitsu General (Thailand) Co., Ltd., our manufacturer in Thailand, promotes the KYT activity companywide. The KYT activity is a method of predicting and pointing out potential hazards in work for the purpose of reducing accidents and disasters caused by human error.

In this activity, it is important to discover and analyze potential hazards in operations and workplaces, and to think of solutions, and to confirm the areas of danger and items to be conducted by finger pointing and calling. We will ensure safety in the workplace through the KYT Activity.

*1 Abbreviation of *Kiken* (Hazard) *Yochi* (Prediction) Training.

Create Workplace Where Employees Can Work Flexibly with Diversity

Topic 2

Priority Initiatives

Based on the Viewpoint of Giving "Support for Active Participation," We Aim to Create an Environment and Culture that Allows All Employees to Make the Most of Their Individuality and Abilities, and to Take on Challenges.

Policy

At the Fujitsu General Group, we have made the promotion of Diversity & Inclusion a cornerstone of our management strategy to achieve sustainable growth. In keeping with our Corporate Philosophy, we are working to create an environment in which diverse human resources can play an active role, and to improve our competitiveness through the development and utilization of such human resources. Currently, our efforts are focused on balancing childcare, long-term care, and medical treatment, and on creating an environment in which women, foreign nationals, people with disabilities, and seniors can play an active role in the company. We will, however, carry out these initiatives not only for people with specific circumstances, but also to create an environment where all employees can make the most of their individuality and abilities.

By creating an "Environment and culture where everyone can demonstrate their abilities and take on challenges," and further promoting Diversity & Inclusion, we aim to practice our Corporate Philosophy "Living together for our future."

Action

- Creating a workplace comfortable to work in for people with disabilities (initiatives to create an environment where employees can work flexibly by making the most of diversity)

In the Fujitsu General Group, employment of people with disabilities began in 1970, mainly through work on the production line at refrigerator plants. Following a shift of production operations to overseas and the discontinuation of the refrigerator business, Fujitsu General Heartware Ltd. (hereinafter referred to as FGH) was established in 2004 as a special subsidiary in order to continue to employ people with disabilities who were working at the time.

The members clean the common areas of the Headquarters' premises and offices and work in the mailroom handling internal mail. In addition, FGH is currently also responsible for packing and shipping promotional items, catalogs, and parts, shredding discarded documents, converting paper documents to PDF for data storage, dismantling and sorting air conditioner prototypes, distributing and collecting leased computers, as well as providing COVID-19 quarantine responses for infectious diseases, such as installing partitions for cafeteria seating and replenishing disinfectant solution.

Under our Group's Corporate Philosophy "Living together for our future" and with the basic philosophy, "Each person with disability works with a purpose of life as a member of society and creates the joy of contributing to society," FGH creates an environment where people with disabilities can work independently. It does this by devising work and instruction methods, such as using pictures and photos to show the members the places to keep organized, in the belief that "everyone has a special skill and is able to experience the joy that comes from work, regardless of whether or not they have a disability"

To create an environment in which not only FGH employees but also every employee of our Group can work with vitality, FGH employees uphold the motto "Cheerful greetings."



At the clean-up activity done by FGH employees

Employees of the Kawasaki Headquarters who work at the same site have commented that when they hear a cheerful "good morning" or "hello" from FGH employees, they feel positive, thinking "Okay, let's keep up the good work." Through the exchange of vigorous greetings, FGH hopes to contribute to the creation of a happy workplace atmosphere.

Key Initiatives

Diversity & Inclusion

■ Promoting women in the company

As part of the Diversity & Inclusion promotion, Fujitsu General Group is working on creating an organizational culture in which women can play an active role regardless of gender.

We believe that the success of women is indispensable for the growth of the company and the creation of innovation. In order to eliminate any situation in which gender is a barrier, we have conducted interviews at workplaces and with women themselves to ascertain the reality, conducted improvement measures, held roundtable discussions with women outside Directors, and conducted training for mid-level women employees.

As a result, the percentage of women in our Group's regular hiring in FY2021 was approximately 31%, and as of April 2022, there were 12 women in management positions and 16 women leaders who are candidates for the future management, excluding locally hired personnel overseas.

Currently, in line with the new action plan (see below), we are actively promoting motivated and capable women in order to enhance the empowerment of female employees.

Fujitsu General (non-consolidated) Action Plan Second Phase (from FY2021 to FY2026) in line with "Act on Promotion of Female Participation, etc."

- 1) Promote a total of 15 or more new female employees to newly appointed managerial and leadership positions (Grade L).
- 2) Increase the ratio of male employees (regular employees) taking childcare leave to 30% or more, with an average leave period of ten days or more.

■ Re-employment after retirement

In Fujitsu General Group (Japan), the mandatory retirement age is 60 years old, but we provide a place where those who wish to continue working after the age of 60 can work until the age of 65. As persons with management experience, utilizing their high level of knowledge and expertise, they are responsible for supporting managers by negotiating and coordinating with them to ensure a smooth operation of the organization, as well as for taking primary response to irregular matters and contributing to training of younger employees, while being responsible for tasks within the normal scope of their duties. Even after passing the official retirement age, these employees continue to contribute by sharing their specialized skills and business connections with more junior members of the company.

Create Workplace Where Employees Can Work Flexibly with Diversity

■ Recruiting foreign employees

In Japan, the Fujitsu General Headquarters also recruits foreign nationals.

Voice

I joined the company in 2014 and was assigned to the Air Conditioner Product Development Department. After about four and half years of design work at Kawasaki Headquarters, I have been working at North America R&D Center of Fujitsu General America, Inc. (FGAI) since 2018.

At Kawasaki Headquarters, I was responsible for developing controllers for a VRF system, a large-scale air conditioning system. I have been involved in a wide range of projects from wired remote controls used by end users to centralized controllers managed by building managers.



Fujitsu General America, Inc.
Yo Gyohan

Hoping to utilize my accumulated knowledge and experience in the field, I applied for a position at the North America R&D Center through the company's internal recruitment system and won the chance to work there. Currently, I participate in the product planning of controllers for North America, engaged in tasks from product planning to market launch. The North American market is becoming increasingly diverse in its requirements for controllers. Controlling an A/C via a smartphone app and connecting them to home automation are becoming standardized. Every day I enjoy the satisfaction of working with FGAJ employees to listen to the voices of the field and to plan and develop products suitable for North America.

Work-Life Balance

The Fujitsu General Group has established that "valuing and investing in our people" is paramount to its pursuit of business and as such, maintaining a healthy work-life balance is a fundamental cornerstone to support our Work-style Reform.

As an initiative to reduce long working hours, the Kawasaki Headquarters area sets a regular leave-on-time day once a week and recommends no overtime days. As a result of regular patrols by labor and management to encourage employees to go home on time, the percentage of employees leaving work on time in the Headquarters area on regular leave-on-time day has been roughly 90% throughout FY2021. To encourage employees to use their annual paid leave, it has been recommended that each employee takes no less than two days of annual leave every six months and includes a weekend or national holiday to extend the leave time beyond two days. In addition, from FY2020, we have increased the number of annual leave days set during the summer vacation period to four days, up by one day, to promote the use of annual leave.

■ Promoting overseas local employees to management positions

Fujitsu General Group has been appointing human resources with management responsibilities from local employees at overseas bases.

Voice

After working for another company for 15 years, I joined Fujitsu General do Brasil in 2011 as a financial coordinator. The corporate culture, the structure of the company, and the challenges of supporting other divisions as an internal service to the company's interests and proprietary issues, all of this was very new to me.

Since joining the company, I have learned the business and operation procedures in depth and have also had many meaningful opportunities over the past 10 years, culminating in my appointment as the local Finance Director in 2019. During this period, I was able to engage with the Company's top management and help expand the sales channels of our products in the Brazilian market.



Fujitsu General do Brasil Ltda.
Diretor Administrativo Financeiro
Mr. JOSE HENRIQUE VEDOVELLI

Also in 2015, I was able to meet in person at Kawasaki Headquarters with people who normally support our operations through emails and phone calls. There, I learned more through discussions about the company's business procedures and corporate culture, and it was a great experience that strengthened our relationship.

I will continue to do my best to contribute to the growth of the business and the company.

I am extremely honored and proud to be a member of the Fujitsu General family.

■ Supporting life fulfillment

The Fujitsu General Group has put in place various systems to enable its employees and families to lead healthy and fulfilling lives. In order to meet the diversified needs of our employees, in addition to our existing welfare system focusing on livelihood support (rent subsidies, company cafeteria, group insurance at preferred rates, cash for happy occasions or condolence), we have introduced the Cafeteria Plan that allows each employee to choose a menu that suits their lifestyle.

This allows employees to freely select and utilize the menu they wish to use from among those set by the company, focusing on childcare, long-term care, health, and self-development support, together with the benefit package services.

Furthermore, anticipating the era in which people will have 100 years of life, the Company introduced a new retirement benefit system, including the defined contribution (DC) pension plan in April 2021, to prepare for a postretirement life.

Create Workplace Where Employees Can Work Flexibly with Diversity

Dialogue with the labor union

The Fujitsu General Group has entered into a collective agreement with Fujitsu General Workers Union (union shop system) established in 1955, under the umbrella of the Japanese Electrical Electronic & Information Union and the Federation of All Fujitsu Workers' Unions, with mutual respect for their positions. The agreement stipulates the importance of communication between labor-management, such as "Establishment of Labor Council at Headquarters and Production Council at plants and other business sites for the purpose of mutual communication between labor-management and to maintain and improve labor productivity." The Central Labor Council and the Fall Labor Council, attended by the President and other corporate officers, are held regularly each year. In addition, the Labor and Production



A scene from the Central Labor Council meeting

Councils are held as necessary to explain management policies, business conditions, and business reorganization to employees, and to discuss various working conditions and improvements in the workplace environment.

Based on the union democracy, our Group fully cooperates with Fujitsu General Workers' Union, which is striving to enhance labor-management communication at all levels in order to make Fujitsu General Group a more "attractive, trusted and reliable company" in the eyes of customers, society and union members. At the same time, we are striving to maintain and improve sound and good labor-management relations through constructive dialogue based on mutual respect.

Social contribution by the Workers Union

Fujitsu General Workers' Union, which is working to contribute to society at large by addressing global environmental issues and solving national and regional problems, recognizes the social roles and responsibilities of a workers' union, and is engaged in various activities that contribute to society and local communities, such as "protection of the natural environment" and "support for education in developing countries," aiming at coexistence with people around the world, utilizing the network its parent organization has built.

■ Protection of natural environment

China Afforestation Volunteers scheduled to be dispatched, in line with the Federation of All Fujitsu Workers' Unions 4th China Desert Greening Project "Greening Project in Daoshan, Wuchuan County, Hohhot City, Inner Mongolia Autonomous Region," was cancelled due to the impact of COVID-19.

■ Education support in developing countries

The "15th Cambodia Terakoya Cooperation Volunteers" of the Federation of All Fujitsu Workers' Unions, which was scheduled to be dispatched from November 21 to 26, 2021, was cancelled due to the impact of COVID-19, but continuing our support, funds were donated to the National Federation of UNESCO Associations in Japan for the Angkor Terakoya Project in Cambodia in November 2021 and May 2022.

■ Great East Japan Earthquake Reconstruction Support Activities

Volunteers were scheduled to participate in the Federation of All Fujitsu Workers' Unions "Minamisoma City Coastal Disaster Prevention Reforestation Project" in October 2021 and May 2022. The purpose is to support areas where reconstruction has been delayed due to the tsunami and the nuclear accident by planting and removing underbrush in the coastal disaster-prevention forest along Fukushima Prefecture that was lost due to the earthquake. However, the events were cancelled due to the impact of COVID-19.

As an easier way to provide support, we collected points for the Bell Mark Education Grant Foundation's "Earthquake Relief Bell Marks," which are deposited at schools participating in the Bell Mark Movement that were affected by the Great East Japan Earthquake, to enable them to purchase the necessary equipment and teaching materials.

■ Welfare and employment promotion for the disabled

The Kanagawa Regional Council of the Japanese Electrical Electronic & Information Union to which the Kawasaki Branch of the Fujitsu General Workers' Union belongs is developing a wide range of welfare activities for people with disabilities. The Denki Kanagawa Welfare Center, a social welfare corporation, which was established by the Council (the late Mr. Hiroshi Asano, the first president, was from



A scene from the Tissue Paper Donation Campaign

Fujitsu General Workers' Union), is a rare welfare provider in Japan that is parented by a workers' union, and its activities to promote employment of people with disabilities are particularly highly appreciated both in and outside of Kanagawa Prefecture.

Fujitsu General Workers' Union has continuously participated in the disability welfare activities of the Kanagawa Regional Council of the Japanese Electrical Electronic & Information Union since 1972. The Tissue Paper Donation Campaign, which is an initiative to secure funds, has taken root at the Fujitsu General Kawasaki Headquarters, with members of the Workers' Union Kawasaki Branch calling on each and every person in the workplace to participate, donations equivalent to about 3,000 boxes of tissue paper are collected every year.

■ "Food Drive" Initiative for food donation



A scene from the One Cup of Rice Campaign

The Kawasaki and Ichinoseki branches are engaged in the Food Drive Campaign in which they collect donated food items and donate them to local support groups for the needy, children's cafeterias, welfare facilities, and other organizations in need of food. The Kawasaki Branch donated approximately 24 kg of rice from workplaces as part of the "One Cup of Rice Campaign," and the Ichinoseki Branch donated approximately 60 meals, including cup noodles and retort pouch foods, to food banks in their respective areas.

Voice Central Executive Committee Chair of Workers Union



Central Executive Committee Chair of Fujitsu General Workers Union
Yasuyuki Morikawa

At the Central Labor Council, which is held regularly every year, we, the Workers Union officers representing our union members, receive sincere and detailed presentations from our President Saito and other senior management regarding the company's business conditions and future management policies. In addition to deepening our understanding and sharing the contents with our workplaces, we aim to become a trusted and growing Fujitsu General Group from the standpoint of the Workers Union through labor-management dialogue based on the actual situation of workplaces such as how the management policy is implemented in workplace. Furthermore, with regard to the SDGs and other initiatives focused on by the company, we will proactively cooperate with the company by utilizing the wisdom and network accumulated by the Workers Union, as a result of steadily carrying out movements and activities over many years based on the spirit of mutual assistance.

Harmonious Coexistence with Our Planet



Harmonious Coexistence with Our Planet

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Environmental Vision

Topic 1

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

Policy

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




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

Action, Next Approach

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

■ Newly formulated Mid-Term Environmental Action Plan

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

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



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

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

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

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

Measures toward Carbon Neutrality

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

Environmental Vision



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

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

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

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

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

■ Initiatives

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

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

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

■ Initiatives

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

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

Fujitsu General Group Environmental Policy

Philosophy

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

Code of Conduct

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

Environmental Vision

Environmental Action Plan Stage IX (FY2019–FY2022)

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


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

Environmental Management

Environmental Management Promotion Structure

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

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



Green Procurement

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


Procurement activities based on Green Procurement Standards

The Fujitsu General Group is promoting green procurement activities in cooperation with Fujitsu Group companies. We support procurement from those suppliers who meet our requirements of green procurement based on the "Fujitsu Group Green Procurement Standards" shared within the Fujitsu Group. We also monitor the environmental management systems, CO₂ emission reduction, water resource conservation, and biodiversity conservation efforts of our suppliers through conducting the Fujitsu Group's common environmental survey while encouraging our suppliers to promote eco-friendly initiatives.

Green Procurement requirements for suppliers

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

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



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

Our Activities – Responding to Climate Change

Basic Approach

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

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


Key Initiatives

Reducing greenhouse gas emissions during product use

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

■ Pursuing energy efficiency


As a result of our efforts to improve the energy efficiency of newly developed products, CO₂ emissions from air conditioners developed and sold in FY2021 during product use were reduced by 45.3% compared with FY2013. We will continue to develop products with even greater energy efficiency to contribute to the reduction of greenhouse gas emissions.




Case

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


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




18-inch indoor unit




24-inch indoor unit



Outdoor unit



Optimization of exclusion volume with high-efficiency compressor



ENERGY STAR
www.energystar.gov

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

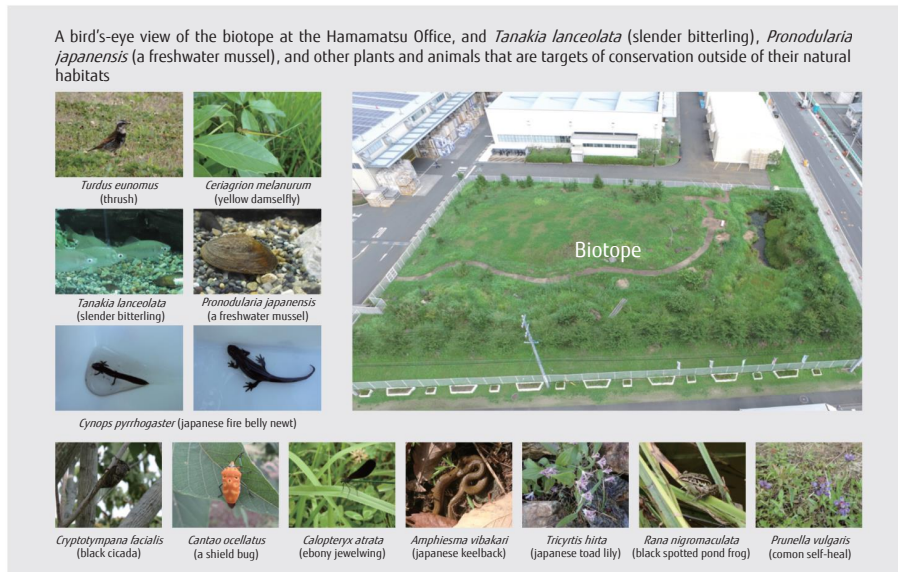
Our Activities – Other initiatives

Biodiversity Conservation

Creating a network of ecosystems by developing a biotope

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

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

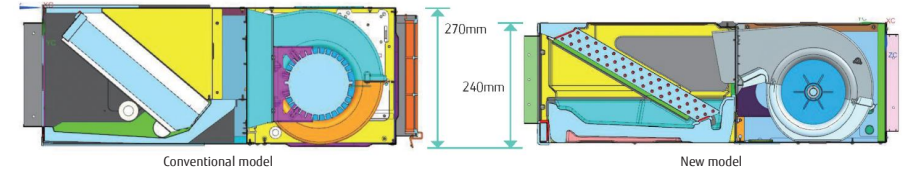


Efficient Use of Natural Resources

Product development for easier installation/maintenance and resource saving

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

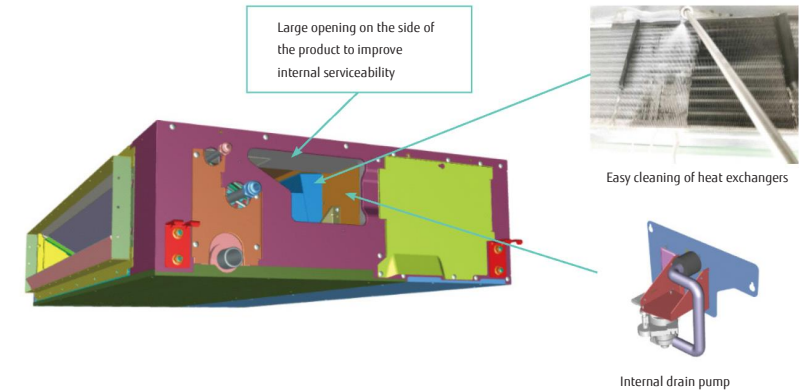
- 1) By reviewing the shape of an indoor-unit heat exchanger and blower fan, installation and maintenance have become easier even in a narrow space behind the ceiling.



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

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

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



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

Disclosure of Climate Change Information [Summary version]*1

– Disclosure based on TCFD

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

Governance

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

Strategy

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

Regarding the business risks related to climate change, we examined the following two scenarios according to the TCFD classification: (1) "Risks related to the transition to a low-carbon economy" which will mainly occur in the course of the 2°C scenario, and (2) "Risks related to the physical impacts of climate change" which will occur when the 4°C scenario is reached due to the failure to reduce global CO₂ emissions. We also consider the business opportunities and compile strategic initiatives to prepare for risks and take advantage of opportunities.

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

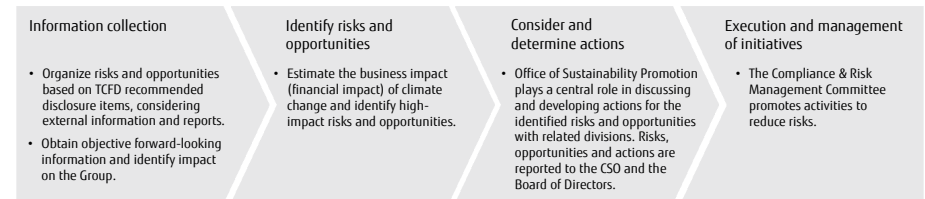
	Risk Item	Risk	Probability	Financial Impact	Action
Transition	Policy and Legal Risks	Tightening of refrigerant regulations	Extremely high	Extremely high impact	• Development of air conditioners using refrigerants with low global warming potential
		Tight supply and demand for electricity	Extremely high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

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

Risk Management

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

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



Risk Management System

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

Metrics and Targets

Mid-Term Environmental Action Plan

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

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

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



*1 Scope 3 Category 11
*2 For air conditioners

Governance

Governance



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Human Rights

Human Rights Policy

Basic Approach to Human Rights

The FUJITSU GENERAL Way, which represents the common values of the Fujitsu General Group, states "We respect human rights" in the opening line of the Code of Conduct.

This statement clearly sets out the company's position that "its activities will be based on respect for human rights, that diversity is to be embraced, and that no one shall be discriminated against on the basis of race, religion, disability, gender or sexual orientation, nor shall harassments be tolerated."

We strive to ensure that all employees of the Group demonstrate this spirit in action.

We believe that it is important to properly recognize human rights issues to cultivate a spirit of respect and a sense of the true meaning of human rights, and to act in a way that does not tolerate discrimination or other human rights violations.

It is the fundamental principle of our group that each employee of the Group should be conscious of the need to protect human rights and act accordingly.

The Group supports and respects the following international principles and standards, and will continue to promote human rights-oriented management.

- "International Bill of Human Rights"
- "Guiding Principles on Business and Human Rights"
- "ILO Declaration on Fundamental Principles and Rights at Work"
- "National Action Plan on Business and Human Rights"
- "United Nations Global Compact"
- "Convention on the Rights of the Child"
- "Children's Rights and Business Principles"

Scope of Application

This policy applies to all officers and employees of the Group. In addition, we will work with all business partners related to the Group's products and services to respect human rights and not infringe them.

Implementation of human rights due diligence

The Group will implement human rights due diligence in accordance with the procedures based on the "UN Guiding Principles on Business and Human Rights" and will endeavor to identify, prevent and mitigate the negative impacts on human rights.

If it becomes clear that the Group's business activities have caused or promoted human rights violations, or if indirect effects through business relationships, etc., have become clear, or even if they are not clear negative impacts - if it is suspected that there is a possibility of causing violations, we will correct and remedy it through dialogue and appropriate procedures.

Dialogue/Discussion

We will hold dialogue and discuss with relevant external stakeholders on responses to potential and actual impacts on human rights.

Education and Enlightenment

We will not only educate officers and employees, but also provide appropriate education and training to all stakeholders so that this policy will be implemented throughout our business activities.

Information Disclosure

We will disclose the progress of our efforts to respect human rights and the results on our website.

Key Initiatives

The Group recognizes that addressing the following human rights issues related to its business activities is an important element of human rights responsibility.

Prohibition of forced labor and child labor

We will not be involved in forced labor or child labor in all business activities in all countries or regions. In addition, regarding forced labor, we do not use or take part in it, and we do not make a profit.

Discrimination / harassment

We will respect the human rights of each individual and will not engage in unfair discrimination or sexual harassment due to race, skin color, religion, beliefs, gender, social status, family origin, disability, sexual orientation, etc.

Freedom of association

We respect the basic rights of our employees regarding freedom of association and collective bargaining.

Providing a safe, hygienic and healthy working environment

We provide a working environment where you can continue to work safely, hygienically and healthily.

Published: October 4, 2019
Revised: June 2, 2022
FUJITSU GENERAL LIMITED
President & CEO



Key Initiatives

Conducting human rights awareness training

The Fujitsu General Group strives to raise employees' awareness on human rights issues through regular education. As an opportunity for human rights education, we provide e-learning on the prevention of harassment and human rights risks in business activities during Human Rights Week every year. In addition, we promote human rights education for newly appointed managers and new hires.

CSR procurement

The Fujitsu General Group conducts surveys to check the status of compliance with the CSR Procurement Guidelines for suppliers. For the survey, we request our business partners to conduct a self-check assessment in advance. During the field survey, we check the status of CSR initiatives centering on human rights, health and safety and environment measures.

Establishment of human rights consultation / relief desk

The Fujitsu General Group has set up a "Corporate Ethics Helpline" for consultation and relief to protect employees' human rights, and it can be either reached through the division in charge or via an external law firm. All employees have been made aware of the helpline through the details posted on the company intranet as well as via e-learning.

The system provides a mechanism for the early detection and resolution of potential or actual violations of laws and regulations, internal rules and corporate ethics, as well as the prevention of a violation.

We have a system in place that enables an independent team of investigators to take responsibility for factual probes and, if necessary, take corrective action and prevent recurrence, whenever a report is filed or a request for consultation is received.



Corporate Governance

Basic Approach

The Fujitsu General Group believes that the basis of corporate governance is to increase management efficiency, such as expediting of the decision-making process, while at the same time ensuring transparency in the decision-making process and enhancing the internal control function over business execution.

Management

■ Corporate Governance Structure

The Fujitsu General Group has adopted the Audit & Supervisory Board Member and Corporate Vice President (executive officer) system to enhance management's oversight function and enable efficient and agile business execution. The Auditors conduct audits and provide supervision from a standpoint independent of company management. We believe that this system is effective in terms of our meeting the tenets of our corporate governance program.

As of the end of June 2022, there were 11 Directors (including five External Directors) and three Audit & Supervisory Board Member (including two External Audit & Supervisory Board Members).

Important management issues are discussed at the Management Committee (held twice a month in principle) attended by Corporate Vice Presidents (Corporate First Senior Vice Presidents and above), as well as at meetings of the Board of Directors, held once a month or on an ad hoc basis when necessary. The Corporate Executive Meeting, which consists of all Corporate Vice Presidents, meets three times a month in principle to deliberate and decide on specific important issues related to business execution, and seek approval from the Board of Directors on particularly important matters. In FY2021, 14 meetings of the Board of Directors were held (and one other meeting with a written resolution) with a 98% attendance rate of officers.

The Audit & Supervisory Board consists of three Audit & Supervisory Board Members (including two External Members) with the Corporate Auditors Division (one staff member) expected to assist the Members in fulfilling their duties. The Audit & Supervisory Board meets monthly on the same day as the Board of Directors or on an ad hoc basis when necessary. The Audit & Supervisory Board Members attend the Board of Directors to audit the proceedings of the meetings and the content of resolutions, and express their opinion when deemed necessary. Furthermore, Full-time Audit & Supervisory Board Members attend important internal meetings or sits on committees, such as the Corporate Executive Meeting and the Compliance & Risk Management Committee. A full-time Audit & Supervisory Board Member also meets on a quarterly basis with the President to provide audit findings and make recommendations based on the audit activities. In addition, interviews and reports were conducted 94 times a year with Directors, executive officers and senior managers in charge of each division. In the midst of the ban on overseas travel and voluntary refraining from visiting other domestic offices under the impact of COVID-19, 17 inspections were conducted this year (10 in Japan and 7 overseas) basically through remote audits using a videoconferencing system. However, audits were limited in scope, and excluded the physical inspection and manufacturing divisions. In principle, Full-time Audit & Supervisory Board Members hold quarterly meetings with External Directors to share their views on issues identified through audits. Reports of full-time Audit & Supervisory Board Members' activities are made to the Audit & Supervisory Board for proper sharing among Audit & Supervisory Board Members.

Internal audits are conducted by the Audit Division with nine employees, an internal organization dedicated to internal audits. The Audit Division reports on the status of internal audits to the Board of Directors periodically once a year.



Our Group's Corporate Governance Structure



Risk Management

Basic Approach

At the Fujitsu General Group, we strive to prevent and reduce risks that could significantly impact our business by conducting risk assessments related to compliance, crisis management, human resources, labor, safety & health management, IT security, environment and information management, amongst others. The process is overseen by the Compliance & Risk Management Committee.

Risk Management System

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

Key Initiatives

■ Risk Management

The Code of Conduct of the Fujitsu General Way, which sets forth the specifics to be taken into account as the basis for compliance at the Fujitsu General Group, is posted on the company intranet and also disseminated through training programs for executives and employees.

As part of our employee awareness-raising activities, we conduct training on the essentials of risk management for managers, who are responsible for on-site risk management and internal controls. We also conduct training on important laws and regulations relevant to each division's operations, such as the Anti-Monopoly Act, insider trading regulations, and the Subcontract Act, as well as on business and human rights, information leak prevention, etc. We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.



A scene from the Risk Management training

■ Risk Assessment

Each of Fujitsu General's divisions and Group companies conducts risk assessment to evaluate risks that are considered to have a significant impact if they are actualized and consider risk reduction measures.

Specifically, from the perspective of compliance, we have identified risks that may arise from the status of compliance with various laws and regulations such as the labor law, anti-monopoly law, bribery regulations, and environmental regulations applicable to our company, as well as risks that may arise from business activities such as product quality, IT security, natural disasters, and internal fraud. The Compliance & Risk Management Committee selects important themes that should be prioritized from a corporate perspective based on the degree of impact and the level of controls, and promotes risk mitigation activities.

■ Internal Reporting System "Corporate Ethics Helpline"

Fujitsu General Group has established the "Corporate Ethics Helpline" system, which ensures the protection of whistleblowers, as a means of direct reporting of compliance issues in addition to the normal business reporting channels. Through the use of this system, compliance issues are detected at an early stage and appropriate measures are taken. The Corporate Ethics Helpline also covers reporting of internal fraud, bribery, and other violations of laws and regulations.

■ Business continuity management

The Fujitsu General Group has formulated a Business Continuity Plan (BCP) for the purpose of ensuring the safety of employees and their families while continuing and operating its business in the event of an unplanned disruption or large-scale natural disasters. Disasters include, but are not limited to, a major earthquake or the spread of new infectious diseases. In order to ensure the effectiveness of the Plan, the Fujitsu General Group regularly conducts awareness-raising activities and BCP drills covering important business operations.

In response to the COVID-19 epidemic, we are striving to prevent infection and the spread of the disease, while continuing to maintain important business operations during the epidemic and fulfilling our social responsibilities.

■ Disaster initial response training

Every year we conduct initial response drills to prepare for events such as a Tokyo inland or Nankai Trough earthquake. In addition to the Human Resources Division, General Affairs Division and IT Division, the divisions responsible for business continuity of critical business operations participate in training sessions every year, and the participants are rotated every year to increase effectiveness.



A scene from the initial response drill at the time of disaster

■ BCP drill

We have formulated the BCP to ensure the continuity of important operations such as the shipment of various Fujitsu General products and the maintenance service of firefighting systems and disaster-prevention radio systems, which are social infrastructure, even in the event of a major earthquake or cyberattack. BCP drills are also conducted every year to ensure effectiveness.

Corporate Philosophy

Topics

Priority Initiatives

Understanding the Corporate Philosophy and Taking Action

Initiatives at Fujitsu General

■ Environmental Management System Promotion Department

At the regular weekly meeting of the department, each employee reports on the progress of their work and also presents a weekly review of "Our Philosophy." This is an opportunity for each member to carry out their work with an awareness of the Corporate Philosophy, as well as to gain insights from the good behavior of other members.



At the EMS Promotion Department activities

■ Information & Communication Systems Sales Division and Domestic Consumer Sales Division (Joint workshop)

The Information & Communication Systems and Domestic Consumer Sales Divisions have held joint workshops on the FUJITSU GENERAL Way (Corporate Philosophy and Code of Conduct) since January 2022, with the purpose of deepening interdepartmental exchange between employees working at the same sites and areas, learning about the FUJITSU GENERAL Way, raising awareness on issues, and sharing recognition while cooperating with each other.

For example, the Chugoku Branch discussed the words in the Corporate Philosophy that resonate, and why and what actions we should take to achieve it.

Also, the Kansai Branch exchanged opinions about the company's reason for being and connection with society based on the Corporate Philosophy "Living together for our future" and how we live it.

In addition, employees who work remotely can participate online, so that everyone can easily participate. We will continue to develop the FUJITSU GENERAL Way by listening to everyone's opinions, and by continuing to do so, we will deepen understanding of the FUJITSU GENERAL Way, which will lead to action.



At the training at Chugoku Branch (Hiroshima)

Initiatives at Fujitsu General Electronics Limited

Fujitsu General Electronics Limited ("FGEL") has, since April 2021, carried out activities to review the "Division Policy" which will be the basic guideline for sustainable development of FGEL, with selected members from each workplace.

We started with a firm consideration of the Corporate Philosophy, which is the compass of Fujitsu General Group, shared the contents of the discussion such as "FGEL's origin and current status" and "Our strengths, weaknesses and existence value" with the workplaces and created the policy while reflecting in it the opinions of members.

We would like to start by disseminating our Corporate Philosophy and the new "Division Policy" that the members have created, and then work to build understanding and action.



At the working group at Fujitsu General Electronics Limited

Initiatives at Fujitsu General (Shanghai) Co., Ltd.

For three days in May and June 2021, training sessions were held by the members of FUJITSU GENERAL Way (Corporate Philosophy and Code of Conduct) Penetration Project. In the opening remarks, the President (Fujitsu General (Shanghai) Co., Ltd.) commented that, in order to have FUJITSU GENERAL Way take root in the workplace, each member is expected to think, take action and lead in developing and promoting workplace activities.

The members representing each department were divided into four groups to learn how to build a team to have the FUJITSU GENERAL Way take root and had lively discussions on the draft of the implementation plan.

Then, naming the project "FUJITSU GENERAL Way Predecessors," the mission was set to "deepen understanding of our Corporate Philosophy by all employees, have a common recognition and create the future together, through promotion of FUJITSU GENERAL Way."



At the training at Fujitsu General (Shanghai) Co., Ltd.

Compliance

The Code of Conduct of the FUJITSU GENERAL Way, which sets forth the specifics to be taken into account as the basis for compliance at the Fujitsu General Group, is posted on the company intranet and also disseminated through training programs for officers and employees.

■ The Fujitsu General Group Code of Conduct

- We respect human rights.

We respect each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will we commit other violations of human rights. Such discrimination will not be tolerated. We will make every endeavor to be fully aware of human rights issues and foster respect and equality for all.
- We comply with all laws and regulations.

We respect and comply with all applicable laws, treaties, government regulations and statutes, customs and social norms considered to be fair. Violating laws or regulations.

We also conform to socially accepted business practices, use common sense in our dealings, and are careful to check whether our commercial terms are in line with local requirements. Customs vary from country to country.

Therefore, in addition to understanding the laws and customs of our home territory, we also will become familiar with and respect the laws, customs and ethnicities of other territories in which we do business.
- We act with fairness in our business dealings.

We treat customers, business partners and competitors fairly and with respect. We do not engage in practices which treat customers differently without justification. We do not use our position to secure an unfair advantage in dealings with business partners. We do not take advantage of competitors through unethical behavior or illegal means.
- We protect and respect intellectual property.

We are contributing to the establishment of a networked society by continuously creating new value and providing products and services on a global basis to meet customer needs. We recognize that the knowledge and know-how held by each employee give us a competitive edge in our business activities. We respect third-party intellectual property and utilize it only after having properly secured rights to its use.
- We maintain confidentiality.

We must have a proper understanding of the rules for handling different types of information and thoroughly comply with those rules. In addition, we are conscious of the vital importance of data security in our daily work so as not to unintentionally leak confidential information or personal data.
- We do not use our position in our organization for personal gain.

We do not use our position, role, or corporate information, or act in any way contrary to our corporate obligations, to seek or gain benefits for ourselves, our relatives, our friends or other third parties. We do not trade stocks or other securities using undisclosed "insider" information gathered from our organization or third parties.

■ Compliance Training for employees

As part of our employee awareness-raising activities, we conduct training on the essentials of risk management for managers, who are responsible for on-site risk management and internal controls, in order to raise their awareness. We also conducted 12 training sessions on important laws and regulations related to each division's operations in FY2021, such as the Anti-Monopoly Act, insider trading regulations, and the Subcontract Act, as well as on business and human rights, information leak prevention, etc. We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.

Two e-learning training sessions have been conducted for CSR Training, excluding compliance.

• Implementation Status of Each Training Program

Training	FY2021
Compliance Training	12 times
CSR Training (excluding compliance)	2 times

• Ethics Training for engineers

The Fujitsu General Group has established a corporate quality policy, and the first priority is to provide safe and high-quality products. Under the policy, in order to eliminate risks such as falsification of quality data, Ethics Training for Engineers is conducted to disseminate that "Quality should be secured by the organization through reasonable procedures and approvals" and "the approach should be shared by all."

■ Fair Trade Policy

The FUJITSU GENERAL Way's Code of Conduct states that "We act with fairness in our business dealings" and "We comply with all laws and regulations." We have established internal rules and conduct regular employee training in relation to legislation with high relevance to our business (e.g., the Anti-monopoly Act and the Subcontractors Act). We monitor our level of compliance as per the various regulations.

■ Anti-Bribery Policy

All members of the Fujitsu General Group follow the FUJITSU GENERAL Way of Code of Conduct principles: "We act with fairness in our business dealings" and "We do not use our position in our organization for personal gain." In further support of this, we have established the Anti-Bribery, Gift and Entertainment Guidelines to prevent bribery and maintain fair and equitable relationships with our business partners. Specifically, the provision of gifts or entertainment to public officers for the purpose of obtaining business favors is prohibited. In addition to prohibiting the giving of gifts or entertainment to persons other than public officers, etc., with the intention of inducing them to perform improper duties, it is also prohibited in principle to receive gifts or entertainment.

All officers and employees of the Company and its domestic affiliates are informed of the Policy through training in FY2021 and act in accordance with the said guidelines.

Furthermore, each of our overseas bases comply with anti-bribery regulations established based on the content of these guidelines and local laws and customs, and in FY2021, training was conducted to ensure compliance.

■ Preventing insider trading

Based on the FUJITSU GENERAL Way's Code of Conduct principles "We comply with all laws and regulations" and "We maintain confidentiality," the Fujitsu General Group has established the Regulations for the Prevention of Insider Trading to ensure prevention of insider trading to fulfill its corporate social responsibility. As an example, employees are required to make prior notification when buying, selling or otherwise trading the Company's specified securities. In addition, we provide internal training to our employees covering the subject of insider trading to ensure compliance with laws and regulations, and acquaint them with our internal rules regarding the proper handling of insider and confidential information.