

Fuji Electric's CSR Philosophy

Fuji Electric's CSR is summed up precisely in its Corporate Philosophy and Management Policy. To promote CSR activities, we have formulated a Code of Conduct as a guideline for all Fuji Electric employees to work in unison so that we can share the same values companywide. Our Code of Conduct reflects the February 2010 announcement of our decision to join the United Nations Global Compact, which defines 10 principles in four areas, and efforts to put these into practice.

Going forward, Fuji Electric aims to expand business globally. As such, we recognize the need to comply with the laws, rules, and business ethics of each country. We are also working to meet the expectations of our stakeholders by addressing societal issues including human rights and the global environment.

FY2011 Initiatives: Setting CSR Objectives as a Global Company

To reinforce our CSR management as a global company, in fiscal 2011 we conducted a comprehensive check of our main CSR responsible and CSR Promoting Departments, highlighting such areas as human resources, the environment, legal issues, procurement, sales, and clarified CSR objectives. We elicited the cooperation of Craig Consulting, to incorporate an objective, third-party perspective and conducted our activities in accordance with ISO 26000, the international standard for CSR.



Discussion between the main CSR responsible and CSR Promoting Departments

STEP 1

Preparation

We prepared a Fuji Electric-specific checklist, rewording the list into language to ease internal understanding, by revising an original checklist of 270 items created by a consulting company and based on ISO 26000.

STEP 2

Recognition and Valuation

Using this checklist, we grasped our current situation. Through this process, we recognized that issues existed in regard to the CSR initiatives in our supply chain, human rights efforts at overseas businesses, and in determining the status of CSR activities at subsidiaries in Japan and overseas.

STEP 3

Formulation of CSR Vision

Following internal discussions, we formulated a CSR Vision, which sets forth seven priority areas: corporate governance, customers, business partners, employees, global environment, communities, and compliance. We then clarified outstanding issues along the path to realizing the vision.

STEP 4

Establishment of Medium-Term Objectives

To realize the CSR Vision, we established goals on each issue, identifying their extent and the degree of result we expected to achieve by 2015. We also set indexes and numerical targets to indicate our degree of achievement.

FY2012 Initiatives

Breaking down the goals to be reached by fiscal 2015, we set targets for fiscal 2012 and began working toward these goals, chiefly through the efforts of our main administration department. Recognizing that having all employees act in a manner reflecting an awareness of CSR would play an important role in our ability to reach these goals, we mounted activities to entrench CSR management at Fuji Electric.

Furthermore, in fiscal 2012, we began work to determine the current status of CSR initiatives at subsidiaries in Japan and overseas.

The CSR Vision is indicated on our website, along with our fiscal 2011 results and fiscal 2012 targets.

Excite Employees, Inspire Pride

The general manager of Fuji Electric's President's Office, which has jurisdiction over the Company's CSR Promoting Department, invited the president of Craig Consulting, Mitsuo Ogawa, to participate in a discussion about Fuji Electric's CSR and to recount the process of preparing the CSR vision and targets for the Company.



(right) **Mitsuo Ogawa**
President, Craig Consulting

(left) **Yoshitada Miyoshi**
General Manager, President's Office

Make Initiatives Stakeholder-Oriented

OGAWA In July, Fuji Electric renewed its brand statement, *Innovating Energy Technology*. This new brand statement reflects Fuji Electric's brand promise: *Through our pursuit of innovation in electric and thermal energy technology, we lead to a responsible and sustainable society*. I believe that the commitment this expresses forms the foundation of Fuji Electric's CSR.

MIYOSHI Yes, that is right. We prepared the brand statement in consultation with employees worldwide. It encapsulates our desire to contribute to society on a wide-ranging global basis.

OGAWA The process of globalizing presents opportunities and risks. It gives Fuji Electric the opportunity to use its original technology to enrich local communities and their residents. That is to say, it is important for the Company to adopt a stakeholder-oriented approach.

MIYOSHI Overseas, our basic approach to meeting stakeholders' expectations is the same as in Japan. In response to the social problems of each region, our employees in these regions will deepen communication with local communities and work to help solve the problems.

Remain Alert to Change

OGAWA Companies must always conduct initiatives based on mutual understanding with stakeholders of priority differences. As companies globalize, the diversification of their stakeholders accelerates, and prioritization becomes increasingly complex.

MIYOSHI As one method of prioritizing our initiatives, we are using ISO 26000 to grasp their current standing and set targets. Based on these targets, we plan to consult with local personnel overseas to decide what types of initiatives to pursue going forward.

OGAWA On the other hand, companies have to consider risk. Recent efforts to gauge the current standing of initiatives have brought to light such problems as failure to check the actual circumstances of overseas subsidiaries and inadequate human rights measures. To manage corporate activities appropriately, companies need to remain sensitive to social trends and changes.

MIYOSHI With a view toward tackling the problems that emerged recently, we will prepare survey sheets and begin investigating the actual circumstances of domestic and overseas subsidiaries. Based on our findings, we will address problems with the subsidiaries in question and the divisions that manage them.

Become an Exciting Company

OGAWA The process of preparing the CSR vision and targets gave me the opportunity to exchange opinions with Fuji Electric's employees for over half a year. This left me with an impression of the seriousness of the Company's corporate culture and the passion of employees. I believe these attributes are Fuji Electric's most valuable assets.

MIYOSHI The project also gave me sense of the desire for change within the Company. I think an important task going forward is to consider how to translate this into companywide impetus.

OGAWA I would like to see Fuji Electric become a highly exciting company in which employees take pride in their work and discuss it with family and friends. I think having a tangible sense that the Company's day-to-day operations are useful to society will inspire such pride.

MIYOSHI I completely agree. The Company has recently decided on the CSR profile that it will target, and I think the practical efforts of our 28,000 personnel around the world will enable us to realize this profile, which is set out in the brand statement. As well as being a Company that benefits society and is dependable, we want to create workplaces that inspire as many employees as possible. Thank you for participating in today's discussion.