

Risk type		Term	Global Risks	FANZ context	Key risk controls and mitigation and approaches
Transition	Policy/ Regulation	Short-to long-term	<ul style="list-style-type: none"> Increased costs due to stronger laws and regulations relating to greenhouse gas emissions and energy use (carbon taxes, energy-saving policies, etc.) Risk of lost corporate value if such laws or regulations are violated 		<ul style="list-style-type: none"> Ongoing reductions in greenhouse gas emissions (increased use of renewable energy, comprehensive energy savings) Strict compliance with laws and regulations through EMS Additional FANZ detail: Compliance with laws and proactive management of climate policy changes through FANZ' risk management approach, including Fujitsu's FANZ ELT Net Zero Steering Committee and Asia Pacific-level Risk Management Committee.
	Market	Medium and long-term	<ul style="list-style-type: none"> Surging electricity prices with the shift to a carbon-neutral world (widespread electrification, etc.) 	<ul style="list-style-type: none"> This risk is particularly relevant to Australia due to price volatility as the National Electricity Market transitions from fossil-fuel dominated generation to firm-fired renewables. This risk has high relevance to Fujitsu's Australian operations, in particular to our data centre customers. 	<ul style="list-style-type: none"> Reduced electricity consumption by formulating internal company standards and developing innovative technology, etc. Additional FANZ detail: <ul style="list-style-type: none"> Identification of energy efficiency, and cost reduction opportunities through the FANZ Data Centre Sustainability Working Group. Development of FANZ climate transition plan that reflects the needs of customers for low-carbon, cost effective products and services offerings.
	Technology	Medium and long-term	<ul style="list-style-type: none"> Risk of missing out on business opportunities if we fall behind in fiercely competitive technology development (energy savings, low-carbon services, etc.) and cannot meet market needs 		<ul style="list-style-type: none"> Promote innovation and develop products/services that address customers' climate change issues
	Reputation	Short-to long-term	<ul style="list-style-type: none"> Increased cost of responding to demands from stakeholders (investors, customers, etc.) Negative impacts on ratings and sales due to delays in responding to external demands 		<ul style="list-style-type: none"> Formulation and promotion of our Medium/Long-term Environmental Vision and Environmental Action Plan Proactive information disclosure to ensure transparency in our climate change strategy Additional FANZ detail: ongoing evaluation by FANZ of Australian and New Zealand regulatory approaches and societal expectations to minimise the risk of 'greenwashing' and 'green hushing' associated with environmental claims.
Physical (Natural disasters etc.)	Chronic/ Acute	Short-to long-term	<ul style="list-style-type: none"> Increased cost of responding to changing rainfall/weather patterns, higher average temperatures, higher sea levels, droughts, etc. Increased recovery costs when operations, including supply chains, stop due to increasingly severe abnormal weather events 	<ul style="list-style-type: none"> Heat stress was identified as the most material physical climate stressor for our assets – which could lead to increased cooling requirements resulting in increased PUE, and which could cause disruptions to our workforce. 	<ul style="list-style-type: none"> Implement measures such as greater multi-sourcing, stronger BCP measures, and conducting surveys of suppliers' business continuity systems Additional FANZ detail: <ul style="list-style-type: none"> Quantitative physical climate risk assessment (XDI) undertaken over strategic FANZ sites Focus of FANZ Data Centre Sustainability Working Group to drive continuous improvement in energy efficiency, including investigation into new technologies. Continual refinement of work health and safety management processes to minimise impact on workforce health. Assess potential water risks and undertake monitoring