



6. Moving to a circular economy: our product sustainability

We have been taking action to embed circular economy principles into our business, particularly for our products when it comes to 'closing the loop'.

For us, product stewardship is more than just recycling; it's building sustainability into the design process. Fujitsu sells a wide range of green-certified products such as its LIFEBOOK notebooks, FUTRO thin clients, ESPRIMO desktops, and CELSIUS workstations and displays. Furthermore, we are continuously expanding our green portfolio with new products.

Over two thirds of our business in ANZ is service-based, with products representing the remainder. Fujitsu Group leads the development, manufacture, and distribution of our products. In our region, we provide services to customers and take-back schemes for whole-of-life management.

Figure 2: Whole of lifecycle ICT assets



1 Product development and innovation

Fujitsu products are designed to be easily disassembled and the components recovered for re-use. We avoid using glues, adhesives and fused parts that prohibit repairs and complicate disassembly for recycling. Beginning in 2010, Fujitsu Group product designers now conduct regular study tours at product recycling centres so designers gain feedback from staff in charge of recycling. We've made more than 90 improvements to our products as a result of these exchanges.



5 Product stewardship and recycling

Fujitsu provides complimentary recycling of Fujitsu-branded hardware when it has reached the end of its useful life. Our eWaste recycling partner is audited annually by our sustainability team and located onshore in Australia and New Zealand, so customers can be sure any devices are processed in a facility that protects human health and the environment, where over 95 per cent of the product by weight is recycled. All Fujitsu-branded products, including accessories, are accepted for free recycling.

Fujitsu is a liable party under the National Television and Computer Recycling Act (NCTRS). Fujitsu is a member of the co-regulatory scheme Electronic Product Stewardship Australia (EPSA).



4 Consumption

We comply with the current ENERGY STAR version for relevant ICT equipment. This label gives a clear indication of a product's green credentials, helping our customers decide when purchasing and acting as immediate and visible proof that our products are designed according to our far-reaching corporate goals on energy efficiency and sustainability.



2 Responsible sourcing

Fujitsu is committed to phasing out hazardous substances throughout the supply chain and to the responsible capture and/or recycling of such substances. We have a stringent policy on the use of conflict minerals, (refer to compliance section 10 of this report) and Fujitsu Group audits suppliers annually.

Fujitsu's strategy incorporates packaging reduction and recyclability requirements from different regions. Packaging for consumer products conforms to the EPEAT Gold standard, which includes the requirement that packaging is over 90 per cent recyclable and all plastics are separable. The EPEAT program provides independent verification of manufacturers' claims, through a stringent certification process.



3 Manufacturing

We reduce the environmental load of our international factories by achieving the ISO 14001 certification. We also ensure that we work with suppliers with an environmental management system aligned to ISO 14001. Fujitsu is actively switching transportation modes to ocean shipments which have lower environmental impact than shipments by air, as well as promoting joint transportation with other companies.

Packaging sustainability

All packaging is managed under the ISO 14001 EMS performance improvement system and Fujitsu is a signatory to the Australian National Packaging Covenant. By signing the covenant, we have committed to collaborate to drive industry-led change and to meeting the Australian goal of having all packaging be recyclable, reusable, or compostable by 2025.

In addition to meeting our regulatory obligations, we measure, track and constantly improve our sustainable packaging performance.

Importantly, Fujitsu's ISO 14001 certified EMS covers warehousing, integration, staging, and distribution of computer equipment. The warehouse manages not only the safe recycling and disposal of end-of-life equipment but also the disposal of packaging including cardboard, foam, polystyrene, and plastic wrap.

We also source-separate batteries, toner, and CD/DVD media for recycling.

More than 87% of waste in our warehouse and distribution centre is diverted for recycling (measured by weight, excluding eWaste).

Fujitsu is working on a variety of methods for reducing its use of packaging and cushioning materials. Conventionally, a notebook computer is shipped individually packed in a cardboard box, but now, by packing several products in a single returnable container, we have reduced shipping space and cardboard waste. For larger products, we have replaced conventional cushion foam with returnable air packs. With this new packaging style, we are reusing packaging materials, and can use the same materials for various products.

Fujitsu's priority is product recovery and recycling (i.e. eWaste) from our enterprise customers and the community. As part of our eWaste recycling initiatives, we will also recycle packaging that the goods may be contained in.

A technology-enabled solution to help divert eWaste from landfill

The amount of eWaste being generated in ANZ is growing and Fujitsu is working to be part of the solution, both through end-of-pipe solutions and upstream lifecycle thinking. eWaste is Australia's fastest-growing solid waste stream (23.6kg per person annually) and up to 60 per cent is sent to landfill. In New Zealand the figure is slightly lower at 20.1kg per person annually.^{xii}

eWaste contains dangerous substances like lead, mercury, cadmium, and flame retardants, and accounts for 70 per cent of toxins in landfill. On the positive side, up to 95 per cent of eWaste (by weight) can be recovered for re-use, including scarce materials like gold and silver as well as commodities like glass and plastic.

At the June 2017 Fujitsu World Tour in Auckland, we launched our first ever smart eWaste bin which is now at a number of customer sites. The objective is to raise awareness of the issue and make it convenient for our customers to recycle eWaste in a secure and environmentally safe manner.

Smart bins were designed to raise awareness of eWaste disposal and to increase eWaste diversion from landfill. The smart bin solution is a completely self-contained unit that is attractive enough to sit out in the open in an office or community location, increasing the availability of eWaste recycling. It uses IoT sensors to alert when the fill level is reached, and Run My Process automation technology to book a collection when full.

The bins have been deployed to Fujitsu customers across Australia and New Zealand, providing an easy way to dispose of eWaste. The eWaste is then handled by a processing partner subject to thorough vetting to ensure eWaste is processed within Australia in a way that protects human health and the environment.

Table 4: Australia and New Zealand eWaste recycling figures (kg)

	FY 15	FY 16	FY 17
Total Fujitsu eWaste recycled	31,754	108,886	86,639
Total customer eWaste recycled	23,376	157,423	294,298
Total eWaste recycled	55,130	266,309	380,937



ICT's role in delivering a low-carbon world

The ICT industry is now estimated to be responsible for approximately two per cent of the world's total global emissions. This is predicted to rise to 14 per cent by 2040 if current increases continue.^{xiii} However, ICT also has the potential to reduce emissions by more than 20 per cent annually by 2020 (compared to 2006 levels) and Fujitsu is tackling this issue head on.

To achieve our sustainability visions, our goal across Fujitsu Australia and New Zealand is to play a pivotal role in driving down the impact of the ICT sector through ICT-enabling technology and to help reduce and, ultimately, reverse the current share of emissions produced by the ICT sector. That is, to harness the power of ICT innovations and solutions to the benefit of society as a whole.

Working upstream for the improved lifecycle of ICT, the Fujitsu ICT Sustainability Policy outlines disposal, infrastructure optimisation, energy management, and procurement approaches to limit the negative environmental impacts of its ICT-related activities. We continually work to improve environmental performance and comply with all relevant environmental legislation with regard to ICT.

Working downstream, we can measure and assess the full environmental impact of an ICT estate. Recognising the need to better understand ICT Sustainability a decade ago we partnered with RMIT and Connection Research to develop our own benchmark. Today it has grown to become the largest database of its kind in the world. With two global studies supplemented with local New Zealand and Australian benchmarks. We address customers' needs and improve emissions and cost savings by helping customers to understand their ICT sustainability baseline and identify the steps towards best practice.

The benchmark compares the customers' ICT sustainability readiness and maturity relative to our database of over 3,500 other organisations across all industry sectors providing specific opportunities and a clear sustainability roadmap.

Fujitsu has assisted customers to achieve these results:

"By increasing awareness and introducing leaner IT operating practices, including reducing our overall number of devices, we made significant savings facilitating a more sustainable IT infrastructure."

Simon Proust, Sustainability Project Manager, TAFE New South Wales ^{xiv}

Sustainability engagement and education

Our Sustainability eLearning courses and our Environmental Management System (EMS) training for employees at all levels gives them the knowledge and skills to ensure environmental improvement in their area of responsibility.

Recent actions include:

- mandatory Fujitsu, Sustainability and You course provides an outline Fujitsu's sustainability values and policies from both a local and global perspective. Last financial year, 2,484* people completed this across the region
- Sustainability and ICT course examines the environmental impact of ICT and the solutions to some of these challenges, and helps employees recognise how Fujitsu contributes towards developing a low-carbon society. Last financial year, 2,489* people completed this course
- Sustainability staff attending Cambridge University Sustainability Practitioner program and energy efficiency training for data centre managers.
- Fujitsu New Zealand invested in training local staff to develop knowledge and skills on sustainability through the New Zealand Sustainable Business Council.

*Training numbers include Australia and New Zealand permanent staff and contractors only.

Employee engagement in business sustainability activity is fostered and maintained through regular interaction via the Yammer Sustainability Group, postings on Fujitsu's Sustainability Intranet homepage, location meetings, and events. Topical sustainability webinars and lunch and learns are also held bi-monthly and consistently attract a wide audience of staff tuning in to learn about a range of critical sustainability topics. These topics have included: climate risks and solutions, delivered by Dr Martin Rice from the Climate Council Australia; and sustainability in the home.

We are currently creating a program of education and engagement around the Sustainable Development Goals (SDGs) for our employees, with a view to devising a regional approach to the SDGs, to be rolled out next financial year.



Sustainability Board

The Sustainability Board provides leadership and governance over Fujitsu's sustainability strategy and policy, and is accountable for the successful implementation of the program's goals and objectives. Chaired by the CEO, the Sustainability Board is the highest level of sustainability authority at Fujitsu and meets bi-annually to review the formal report from the sustainability team on the strategy's overall performance.

Thought leadership

Fujitsu is actively involved in and a contributing member of many local and global organisations that are committed to achieving quantifiable improvements to society's environmental impact.

Fujitsu is a member of:

- Australian Packaging Covenant
- Sustainable Business Council New Zealand
- Carbon Market Institute
- NSW Sustainability Advantage
- TAKE2 Sustainability Victoria
- Environmental Professionals Forum.

Fujitsu has contributed to:

- technical workgroups in the development of the NABERS for Data Centre rating tool methodology and publicly promoting the scheme in the ICT industry, including producing a video case study
- Australian government-led reviews of the National Computer & TV Product Stewardship Act
- New Zealand Government workshops on eWaste and Product Stewardship
- SMARTer2030 Report: Australian Opportunity for ICT-Enabled Emission Reductions, a collaboration with Telstra.

More information on Fujitsu's global leading-edge green ICT research and development can be found in the Fujitsu Group Environment Report.

Australia and New Zealand Sustainability Awards

Fujitsu continues to receive wide industry recognition in sustainability both locally and globally, and is considered a world leader in sustainability. Within the last three years, some of our most notable achievements include:



Nominated for three ARN Innovation Awards; Digital Owl solution selected as a finalist for the Emerging Technologies – Smart Technology award (2018)



ABA100 Winner of the Australian Business Award for Sustainability, ABA100 Winner of the Australian Business Award for Eco-Innovation (2017)



Finalist for the Communication for Change Banksia Award (2017)



Australian-first data centre portfolio to be rated under NABERS (average rating 3.75) (2016)

Fujitsu Group awards, ratings, and leadership



Dow Jones Sustainability Indices (World, Asia Pacific):
Fujitsu has been included 18 times in six consecutive years.



FTSE4Good Index Series: Fujitsu has been listed for the last eight consecutive years.



UN Global Compact: Fujitsu announced its support of the United Nations Global Compact in December 2009. The Fujitsu Group is committed to global CSR activities that uphold the 10 principles of the Global Compact.

UN Global Compact 100: Fujitsu has been selected for four consecutive years.



CDP: Fujitsu has been commended by CDP for its actions and has been selected for the CDP Climate Performance Leadership Index for three years in succession.



WBCSD: In 2018, Masami Yamamoto, Chairman of Fujitsu, was appointed as Vice Chair of the World Business Council for Sustainable Development.



WEF: Fujitsu supports activities by the World Economic Forum (WEF) to strengthen reliability and security through ICT cybersecurity.



Environment future challenges

- Attainment of 2020 targets: we're working on our renewables strategy and business travel reduction.
- The increase in eWaste requires Fujitsu to work with customers to support robust eWaste policies and practices. We aim to make eWaste recycling visible and easier to access, potentially expanding eWaste collection services at customer sites.
- Getting to zero 2050 with our 2050 energy and climate vision.
- Help New Zealand meet the challenge of implementing the proposed New Zealand Carbon Zero Bill 2050.