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EMEIA Green Procurement Sub-Master Policy

Sub-Master Policy Statement

This EMEIA Green Procurement Policy (GPP) is aligned to Fujitsu's Global Procurement Policy and applies to suppliers supplying Fujitsu entities in the EMEIA region. It applies to all product and service categories within procurement. The broad nature of Fujitsu's operations means that there are a wide range of suppliers that fall under this policy in terms of value of spend, category, location and environmental risk. As a result, a risk based, tiered approach for implementing the policy has been developed to optimise environmental outcomes while ensuring that all suppliers fall under achievable and relevant requirements.

Fujitsu recognises the importance of environmental sustainability. As a United Nations Global Compact (UNGC) signatory, Fujitsu is committed to embracing, supporting and applying the principles of the charter within our sphere of influence. The objectives of this GPP are to;

- Require supplier cooperation to allow us to fulfil our environmental responsibilities and objectives and to assist them in achieving theirs.
- Align green procurement practices in EMEIA with our global approach
- Outline our support of the environmental principles of the UNGC framework by implementing Green Procurement practices across the EMEIA region
- Communicate our expectations to our colleagues within the EMEIA Procurement community and to our suppliers across EMEIA

Fujitsu complies with all relevant environmental regulations and actively undertake initiatives to promote greater environmental responsibility (such as setting greenhouse gas emissions (GHG) targets with suppliers) and encourage the development and diffusion of environmentally sustainable technologies. Through this policy, we expect our suppliers to make reasonable efforts and disseminate similar practices through their own supply chains.

As a global ICT organization, Fujitsu Group is committed to sustainable growth and taking a systemic and sustained approach to environmental management. The Fujitsu Way clearly commits Fujitsu at a global level through our corporate value: "in all our actions, we protect the environment and contribute to society."

Across EMEIA, Procurement plays a significant role in ensuring that Fujitsu upholds this corporate value by ensuring that goods and services are procured from suppliers that operate on similar principles of responsible and sustainable business. As a result, it is essential that Fujitsu works with its suppliers to understand their impacts on the environment and to foster good business practice and collective action to safeguard the natural environment.

As part of Fujitsu's EMEIA Green Procurement Policy (GPP), all suppliers are required to acknowledge and adhere to the following principles;

1. Promote environmental sustainability within their own organization

Suppliers should actively promote a sustainable relationship with the environment across their internal operations through work policies, practices and staff training.

2. Procure goods and services based on environmental sustainability

Suppliers should consider environmental sustainability in their own procurement processes and promote best practice within their own supply chain.

3. Communicate critical environmental concerns

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Suppliers must comply with local environmental laws. The supplier should have a written environmental/ sustainability policy commensurate with the size and nature of its organization. Critical environmental concerns that pose a threat to the supplier's operations should be communicated to Fujitsu at the time of identification.

4. Communicate opportunities for positive environmental impacts

Suppliers should proactively communicate opportunities for sustainable business practices and changes to operations that could result in positive environmental impacts in the supply chain, providing such disclosure will not adversely impact the supplier's business or breach confidentiality.

5. Disclose environmental data and targets (where relevant)

Suppliers should, to the best of their ability, disclose their key environmental data targets at an organizational level to enable Fujitsu to understand our broader impact on the environment.

To be in full compliance, a supplier must meet the requirements of all relevant principles. Some provisions are absolute requirements as indicated by the term 'must'. We have more flexibility around other obligations where the terms 'should' is used. In such cases, Fujitsu will review progress towards these goals with the Supplier on an annual basis. Where obligations are caveated with the phrase "to the best of their ability" Fujitsu will work with the Supplier to agree a reasonable level of disclosure relative to their size and environmental impacts and review progress annually.

Across EMEIA, Fujitsu is committed to working with our suppliers to encourage an understanding of environmental responsibility and promote the disclosure of environmental impacts. Measuring and understanding the impacts of our suppliers and any known environmental risks is key to Fujitsu's ability to deliver on our responsible business approach and ensure the integrity of our value chain operations and wider business conduct.

Fujitsu recognises that it is appropriate to differentiate between suppliers when requesting environmental information. This differentiation is based on the materiality and scale of environmental impacts and considers factors such as the strategic nature of the supplier relationship, the value of spend and the environmental risk profile. Any supplier providing goods or services to Fujitsu EMEIA must subscribe to the minimum commitment (Level 1) through the on-boarding process. Additional requirements (as per principle 5) will be discussed with the relevant suppliers on an individual basis.

Implementation Levels

Three implementation levels have been defined to facilitate a GPP that creates consistency whilst recognising inherent differences across suppliers. The implementation levels are based on numerous factors including spend by Fujitsu and the environmental risks relevant to their business area. The implementation will map onto the pre-existing Quarterly Business Review (QBR) process, where this GPP will form a mandatory element of the QBR.

Level 1: All suppliers to Fujitsu EMEIA are required to agree to principles 1-4 of the GPP.

Failure to subscribe to the key principles would result in the discontinuation of them being a supplier to Fujitsu EMEIA or escalation. Where the supplier is not in full compliance with Principles 1-4, Fujitsu will review progress towards these goals annually with the Supplier. Level 1 – All suppliers are required to agree to Principles 1-4 of Fujitsu's EMEIA GPP. This level of implementation covers all suppliers engaged with Fujitsu regardless of contract value. Principle 5, which requires suppliers to provide environmental data is not required at this level. Small and Medium Enterprises (SMEs) provide many essential services and are critical to the supply chain. Fujitsu recognises that full reporting obligations may place a disproportionate burden on such suppliers relative to their size and environmental impacts. As a result, SMEs suppliers to Fujitsu are only obliged to adhere to Level 1.

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Level 2 is applied to all Suppliers that are part of the QBR process where the Fujitsu EMEIA spend is less than €5 million.

Level 2 – Suppliers are required to agree to the five principles of Fujitsu's EMEIA GPP and should, to the best of their ability, disclose core environmental data related to their consumption of energy and water and production of waste (where available). Supplementary questions on environmental policies, the use of environmental management systems and compliance with environmental law are also included to provide Fujitsu with key green procurement information. As part of the due diligence process, this information and progress towards full compliance will be reviewed on an annual basis with suppliers.

Level 3 is applied to all Suppliers that are part of the QBR process where the Fujitsu EMEIA spend is more than €5 million.

Level 3 – Suppliers are required to agree to the five principles of Fujitsu's EMEIA GPP and should, to the best of their ability, disclose more comprehensive environmental data. In addition to the information disclosed in Level 2, Level 3 implementation requires the disclosure of information targets for continuous improvement. As part of the due diligence process, this information and progress towards full compliance will be reviewed on an annual basis with suppliers. Additional disclosures that offer a deeper understanding of supplier impacts may be applicable and suppliers are encouraged to provide information on these impacts to Fujitsu where available. In all instances, suppliers should provide information at higher levels if available.

Authority & Accountability

The Policy Owner shall:

- a) Ensure that all relevant Employees are aware of and, where appropriate, trained in the operation of this Policy and any changes to it;
- b) Ensure that any changes to the Policy or its associated Processes are duly authorized, for example by a suitable Governance Meeting;
- c) Submit a regular report on the effectiveness of this Policy to the EMEIA Corporate Governance Committee;
- d) Ensure that Processes are specified and maintained to enable Fujitsu EMEIA to achieve its strategic objectives in respect of this Policy.

Employees

Each Employee in the organizations to which this Policy is applicable (see below – Applicability) must comply with it and with its associated Processes, which are published in the EBMS.

Any Employee found to be in breach of any Policy may be subject to disciplinary proceedings that may lead to dismissal.

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Applicability

This Policy applies to Fujitsu operations in EMEIA. This means that all Employees, Contractors, Working Partners and businesses carried on by Fujitsu Services Holdings PLC, Fujitsu Technology Solutions (Holding) BV and their subsidiaries, whether they be incorporated within Fujitsu EMEIA or not, and any other company or organization that is managed by the Head of EMEIA Region, except to the extent, if any, stated under Exemptions below, must comply with it.

Exemptions

None.

For Further Information:

For further information please contact EMEIA Procurement Enablers at Procurement.Enablers@uk.Fujitsu.com