Interview to Head of Corporate Environmental Strategy Unit

Special Feature 1: Fujitsu Group Environmental Action Plan Stage VIII Special Feature 2: Digital Innovation

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## Interview



Hideyuki Kanemitsu VP, Head of Corporate Environmental Strategy Unit



We Will Contribute to Overcoming Social and Environmental Issues Using ICT, with Our Sights on the Sustainable Development of Humanity and Society

Amid demands for the creation of innovation aimed at achieving sustainable society, the Fujitsu Group, as an ICT company, must encourage cooperation and co-creation more than ever, and must contribute to the shared objectives of humanity. Under this recognition, Hideyuki Kanemitsu, VP and Head of Corporate Environmental Strategy Unit, discusses the environmental management that the Fujitsu Group must pursue from here on out, along with key points of the new Fujitsu Group Environmental Action Plan (Stage VIII).

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Contribution to Society

How does the Fujitsu Group view social and environmental issues?

### SUSTAINABLE GOALS























### We recognize the modern age as one that calls for collaboration and co-creation aimed at achieving sustainable development, a shared goal of humanity.

The year 2015 was a milestone year in which two new policies were hammered out under global-level consideration of the future creation of sustainable society.

The first of these policies is the Sustainable Development Goals, or SDGs, adopted by the United Nations General Assembly. Under these, all UN member nations must work to achieve 17 goals that include the elimination of poverty and hunger, response to climate change, protection of the environment, and gender equality. High expectations are placed on investment and innovation by private companies as a driving force for meeting the goals.

The second policy is the Paris Agreement, an international framework for addressing global warming from 2020, adopted at the 21st Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change (COP21). As a globally shared long-term target for climate change issues, the parties agreed to keep the increase in average temperature below 2°C, while making efforts to further restrict it to 1.5°C. It is predicted that this measure will accelerate environmental investment aimed at adapting to the negative impacts of climate change.

We believe that these two policies suggest the need for a shift in approach to global environmental problems, from "individual response" to "collaboration and co-creation." In environmental conservation activities up to now, individual companies have worked to reduce the environmental impacts generated through their business activities, and, while expanding the domain of related management, have undertaken the reduction of environmental impacts along the entire supply chain. Over many years, this sort of approach has steadily yielded results in the form of environmental impact reductions. However, with fixed measures and policies having run their course and having been wrung dry, it has become difficult to expect significant environmental impact reductions from the extension of conventional approaches.

What is needed in response is a shift in the quality of environmental conservation activities. Looking ahead, we believe that there is a need to create innovation that will bring about positive impacts on the environment and society. Toward that end, instead of individual companies undertaking initiatives as in the past, collaboration and co-creation that cross national borders, industry boundaries, and other walls are necessary. Against a background that includes the globalization of economies and the advancement and proliferation of ICT, in recent years there has been increased attention on "Creating Shared Value," or CSV, as openness and flatness progress in the world. We believe this also has great potential for business. In every sector, it is certain that ICT will play important roles. We recognize that the world today is in an age that calls for collaboration and co-creation aimed at achieving humanity's shared goal of sustainable development.

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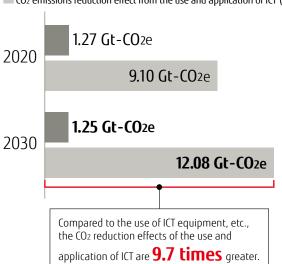
Data Overview

### Q2

What sort of impact will ICT have on social and environmental issues?

### CO<sub>2</sub> Emissions Volume of ICT, and the CO<sub>2</sub> Emission Reduction Effect of the Use and Application of ICT

CO2 emissions from the use of ICT equipment, etc. ("of ICT")
 CO2 emissions reduction effect from the use and application of ICT ("by ICT")



Graph created by Fujitsu based on the Global e-Sustainability Initiative's SMARTer2030 report.

### **A2**

# The evolution of digital technology holds the potential to create innovation that leads to sustainable development.

There are two aspects to the impact that ICT will have on the global environment. One is the negative aspect, from the increased energy consumption and increased greenhouse gas (GHG) emissions from the use of servers, PCs, and other devices. The other is the positive aspect that contributes to the resolution of issues such as climate change through systems and solutions leveraging ICT.

ICT is expected to undergo further proliferation and expansion while continuing its accelerated evolution. In order for ICT to remain a key technology that advances humanity and society, we have to minimize the negative aspect while expanding the positive. Achieving this requires that we consider countermeasures from two perspectives: reduction of the environmental impacts "of ICT" and reduction of environmental impacts "by ICT."

Under the "of ICT" perspective, for example, strengthening the development of environmentally conscious products will lead to the realization of more products that consume less electricity. Moreover, as cloud businesses expand and the number of data centers increases, optimizing the temperature and air conditioning control of data centers and otherwise promoting environmental consciousness is an important theme for ICT companies like Fujitsu.

Under the "by ICT" perspective, there are expectations for the creation of solutions that lead to overcoming problems and making improvements in the area of climate change and other issues that impede sustainable development. As an example of an environmental issue, the amount of power generated by renewable energy such as wind power can vary with the weather, making adjustment of supply and demand difficult. Addressing this through ICT to achieve technology that can measure wind flow and strength to predict the amount of power supply will aid in making wind power widespread.

In this way, we believe that digital technology is what will provide the motive power for undertaking both "of ICT" and "by ICT" at a high level. New digital technologies such as the IoT, artificial intelligence (AI), and robotics are beginning to build society beyond the next generation. The Fujitsu Group will lead the evolution of this digital technology, and, by making effective use of that technology, will support the resolution of environmental issues, new energy, disaster prevention, advanced agriculture, next-generation traffic management, manufacturing, and more, and will promote digital innovation that contributes to the achievement of the globally shared goal of sustainable development.

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**Q3** 

What are the results of Environmental Action Plan (Stage VII), which ended in FY 2015, and what issues remain?

#### Changes in the Fujitsu Group Environmental Action Plan



#### Stage VII (FY 2013-2015)

### Highlight the contributions from our business operations

- Provide solutions able to contribute to the reduction of GHG emissions by customers and society
- Consolidate the energy saving performance of data centers
- Strengthen the environmental features of products (energy saving, resource saving features)
- Generate technologies and solutions to address diverse social issues



Promotion of environmental management centered on the three pillars of contribution to customers and society overall, further reduction of our own environmental impacts, and conservation of biodiversity.

### Stage I-V (FY 1993-2009

Thorough enhancement of the Fujitsu Group's own consideration of the environment

## **A3**

# We cleared all 17 of the targets under the plan, and achieved certain results in "contribution to resolving environmental problems through our business activities."

The Fujitsu Group launched its succession of three-year Environmental Action Plans in 1993, and since then has promoted environmental management aimed at achieving the plans' targets.

FY 2015 marked the final year of the Environmental Action Plan (Stage VII) that began in FY 2013. Stage VII was built on two standpoints: "contribution to our society," under which we use ICT effectively to contribute to the reduction of environmental impacts, and reducing the environmental impacts of "our business," under which we work to reduce environmental impacts associated with the business activities of Fujitsu. In particular, we reaffirmed that the reduction in environmental impacts through the use of ICT is larger than the impacts associated with our own business activities, and more clearly worked out a stance of contribution to resolving global environmental issues through business activities such as the provision of sustainability solutions and reduction of GHG emissions through the provision of ICT.

As targets for our action plan, we set 17 items to be achieved by FY 2015, and succeeded in meeting all of them.

In particular, we are proud to have met high standards for two items directly connected to the problem of climate change: "contribution to society by ICT: reduce greenhouse gas emissions" and "efficient business operations: data centers." We also see these as significant in the sense that we made the effects of reducing impacts visible and showed society that these can be quantitatively manageable.

We achieved these targets because we expanded the lineup of environmental contribution solutions, which contributed to reducing customers' environmental impacts, and sales expanded. As this movement shows, market needs for environmental contribution solutions are increasing steadily. We see this as a major business opportunity for the Fujitsu Group, and will continue our efforts to create and expand environmental contribution solutions.

With regard to the item "efficient business operations: reduce greenhouse gas emissions" in the plan, our reduction of 35% greatly exceeded the target reduction of 20% or more (compared to FY 1990). We believe that part of the reason for this was the use of simulation technology in our plants and data centers, a major success in making effective use of ICT on our part.

In this way, we recognize that we have prepared systems and mechanisms for steadily achieving our targets. From here on out, we aim to further instill consciousness of "contribution to resolving environmental problems through our business activities" in each and every employee. We hope to consider and engage in initiatives that will promote autonomous thought and active involvement by every employee, so that we can lay the groundwork for each one of us to consider what we can do to reduce environmental impacts in our work.

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What are key points of the new **Environmental Action Plan** (Stage VIII)?

#### Features of Environmental Action Plan Stage VIII

Aiming for the Development of Sustainable Society and the Realization of Zero Emissions as a Long-Term Goal

Support the ability of customers to contribute to the resolution of social and environmental issues (achievement of the SDGs) through ICT services

Set targets along the entire value chain to achieve internationally adopted GHG emissions reduction targets

### We have prioritized "Support for contribution to SDGs through ICT" and "Reduction of GHG emissions along the entire value chain."

Fujitsu has based Environmental Action Plan (Stage VIII), which runs from FY 2016 to FY 2018, on the two policies for the construction of sustainable society that were adopted globally in 2015, as discussed in Q1. With the new plan inheriting the standpoints of "contribution to society" and reducing the environmental impacts of "our business" from Environmental Action Plan (Stage VII), we have set targets for 14 items.

In the action plan, we have set a basic policy of "aiming for the development of sustainable society and zero emissions as a long-term goal," with priority on "support for ICT services to enable customers to contribute to the resolution of social and environmental issues (achievement of the SDGs)" and "undertaking initiatives along the entire value chain to achieve internationally adopted GHG emissions reduction targets."

In "contribution to our society," we have worked to provide sustainability solutions that contribute to reducing customers' and society's GHG emissions through ICT services, and that contribute to customers and society by broadening the targeted domain from the reduction of GHG emissions to the sustainability of society. From here on out, we will further expand the contributions to customers and society that we have pursued, and, in line with the SDGs, will more understandably convey our contributions to customers and society, with our customers' customers in mind as well, and

connect this to the corporate growth through the creation and acquisition of business opportunities. We also hope to actively communicate the achievements of our contributions, and to help improve the timing for achieving the SDGs.

In reducing the environmental impacts of "our business," we will make efforts to reduce GHG emissions from our workplaces. Based on the Paris Agreement, we performed backcasting from Japan's FY 2030 GHG emissions reduction targets, and set a GHG emissions reduction target of 5% or more compared to FY 2013 for our workplaces. In addition, taking energy conservation in our data centers as a key theme, we acted ahead of other companies to set a clear numerical target of 8% or higher improvement in data center PUE\* compared to FY 2013, a goal that we are now ambitiously addressing.

With regard to environmental management, we will further promote globalization, will construct environmental management systems (EMSs) or systems conforming to EMS at all Group companies worldwide, and will expand the boundaries of our environmental management. In addition, with regard to initiatives incorporating not only the environment but also resolution of social issues, we will exchange ideas globally and otherwise work to strengthen global governance in our environmental management.

\* PUE: Power Usage Effectiveness, an indicator of data center energy efficiency.