Guideline for activities for reducing CO$_2$ emissions

Activities throughout the entire supply chain from your company

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Fujitsu limited
Corporate Purchasing Unit
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“Global warming” raising an alarm to companies

- Paris Climate Agreement entered into force on November 4, 2016
  - All countries agreed to limit global temperature rise to well below 2 °C, and given the grave risks, to strive for 1.5 °C by 2050.
  - “Target setting for reducing CO₂ emissions”, “Review of the target”, and “Report to the United Nations every five years” are required.

- Required drastic social transformation
  1. "Energy saving", "Reducing CO₂ emissions", and "Tightening of regulations on carbon taxation"
  2. Expansion of renewable energy usage
  4. Creation of future technology

Influence to companies
- Companies will need to make their policies change drastically and to make extra efforts.
- The issues to have to tackle throughout the entire supply chain will increase.
Activities for reducing CO₂ emissions conducted by companies

Expansion of the activities from your company toward external companies step-by-step

1. **Decision-making**
   Decision of activities as your company

2. **Practical activities**
   - Setting of “Numerical targets”, “Policies”, and “Plans”
   - Management of the PDCA

3. **Activity developments**
   - Request for practical activities to suppliers
   - Activity developments toward external companies

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Your company

First-tier suppliers

Second-tier suppliers

First-tier suppliers

Second-tier suppliers
1. Decision-making

First step to activities:
- Approval of management layer
- Establishment of decision-making as a company

Examples for activities by whole company:

1) Strengthening of company structure:
   Establishment of activity structure, Cooperation with related department,
   Prize-giving of activities, Introduction of incentive

2) Reflection to business strategy:
   Realization of “Business risk avoidance” and “Creation of business
   opportunities” by activities for reducing CO₂ emissions

3) Cooperative structure with external organization:
   - Cooperation with suppliers
   - Information Exchange with environmental communities

I know how important for companies to reduce CO₂ emissions, but ……. 

“Manpower”, “Goods” and “Capital” are required for the activities.

Environmental policy
- Prevent global warming
- Prevent global warming

President & CEO
Tarou Fujitsu
2. Practical activities: Procedure for target setting

1. Setting of **Activity contents**
   1) Extract feasible activities in-house.
   2) Decide more suitable activities from the extractions.

2. Selection of **Progress Indexes** (Numerical data)
   Select CO₂ emissions data, or data leading to CO₂ emissions directly.
   (e.g. Power usage, Fuel consumption)
   * If it is difficult, select data leading to CO₂ emissions indirectly.
     (e.g. Control of time for lights-out, Holding of company training)

3. Setting of **Numerical targets**
   Set numerical targets specifying activity term and scope.
   * If it is difficult, set activity plans or policies.
2. Practical activities:
Examples for activity contents and progress indexes

Select activities to be conducted and progress indexes to be controlled.

<table>
<thead>
<tr>
<th>Activity items</th>
<th>Activity contents</th>
<th>Progress indexes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving energy (reducing lighting power consumption)</td>
<td>Switch off unnecessary lighting/install LED</td>
<td>Implementation rate/Installation rate/Energy-saving rate</td>
</tr>
<tr>
<td></td>
<td>Light off during break times</td>
<td>Time for lights off/Implementation rate</td>
</tr>
<tr>
<td>Saving energy (reducing common-use facility power consumption)</td>
<td>Stop of servers on holidays</td>
<td>Stopping time/Stopping rate</td>
</tr>
<tr>
<td></td>
<td>Reduce overtime hours/ specify days on which all employees leave work at the same time</td>
<td>Implementation rate per department</td>
</tr>
<tr>
<td></td>
<td>Utility time limits on reception/conference room</td>
<td>Utility time/Energy-saving rate</td>
</tr>
<tr>
<td>Saving energy (reducing air-conditioning power consumption)</td>
<td>Appropriate temperature setting of air-conditioning systems</td>
<td>Implementation rate/Implementation period</td>
</tr>
<tr>
<td></td>
<td>Installation of rooftop greening/wall greening</td>
<td>Implementation rate/Greening area per building</td>
</tr>
<tr>
<td>Saving energy (promoting of renewable energy)</td>
<td>Installation of green electricity systems</td>
<td>Installation rate</td>
</tr>
<tr>
<td>Saving energy (innovative changes of lifestyles)</td>
<td>Encouragement of bicycle commuting of employees</td>
<td>Number of employees taking part in the initiative/Implementation rate</td>
</tr>
<tr>
<td></td>
<td>Promotion of eco-driving</td>
<td>Implementation rate/ELV installation rate</td>
</tr>
<tr>
<td>Preserving biodiversity (preservation of CO₂-absorbing resources)</td>
<td>Implementation of forest-preservation activities</td>
<td>Number of activities/Number of participants/Forestation land area/Number of trees planted</td>
</tr>
<tr>
<td>Conservation of paper resources</td>
<td>Promotion of paperless</td>
<td>Reduction volume/Implementation rate</td>
</tr>
<tr>
<td>Promotion of environmental awareness</td>
<td>Raise awareness by in-house education</td>
<td>Number of attendance/Attendance rate/Test pass rate</td>
</tr>
</tbody>
</table>
### Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Methods</th>
</tr>
</thead>
</table>
| Construction of promotion system of the activities | - Plan-making before the construction  
- Selection of progress indexes of activities for milestone |
| Construction of cloud systems (Intensive treatment with servers) | Examples:  
1. Approval of activities  
2. Start of working group  
3. Assignment of responsible person  
4. Estimate guarantee |
| Visualization of electricity usage conditions of internal company portal | Autonomous management of lighting time of illuminations, and target setting |
| Activities for saving energy at a tenant office    | - Setting of autonomous targets or  
- Setting of action policies (e.g. Contribution to energy saving activities for clients) |
| Activities for saving energy at a client's office  |                                                                         |
2. Practical activities

Reference: Fujitsu Group Stage VIII Environmental Activity Survey Form for fiscal 2016

Conducted activities, and ratio of the number of companies conducting them

- It is more important to approach possible activities within companies, rather than relative merits of each activity.
3. Activity development to outside companies

Expansion of activities throughout the supply chain by activity development to suppliers

Why is “Activity development to suppliers” important?

**Social role of company**
- Implementation of comprehensive activities throughout the entire supply chain
- Global expansion of activities throughout the supply chain

**Business strategy**
- Business opportunity (e.g. “Improvement of company value”, “Creation of innovation”)
- Environmental risk avoidance of your own company by understanding of environmental awareness of suppliers

**Image enhancement of company**
- Target for evaluation on supplier’s governance for environmental activities in several *ESG surveys (e.g. Nikkei environmental management survey, CDP, Dow Jones, FTSE)

*ESG : Environment, Social and Governance
3. Activity development to outside companies

Examples for Activity development to suppliers

- Description in your “Green Procurement Direction”
- Holding a briefing session to suppliers
- Request by individual business meetings or by email
- Reflection of correspondent agreement

If you want, you can use this guideline for the following purpose:
- Explanation to your suppliers
- Request for practical activities

Fujitsu group requires suppliers to implement activities by “Fujitsu Group Green Procurement Direction” posted on the following URL.
http://www.fujitsu.com/global/about/procurement/green/
Final request: Conducting activities for reducing CO₂ emissions throughout the supply chain

Fujitsu Group alone has insufficient power for tackling environmental issues, e.g. global warming. However, conducting the activities throughout the entire supply chain enables great effects of overall society for reducing CO₂ emissions.

You are kindly requested to cooperate with the activity promotion.