



# INDEPENDENT ASSURANCE STATEMENT

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## Assurance Scope, Objectives and Methodology

### Objectives

Natural Capital Ltd (referred to as Natural Capital throughout the rest of this statement) was commissioned by Fujitsu Services Ltd to provide:

- an independent assessment of Fujitsu UK and Ireland's (referred to as Fujitsu throughout the rest of this statement) current 'Responsible Business' programme; and
- support for the implementation and continuous development of the Responsible Business programme strategy.

As part of this assessment, Natural Capital has undertaken an independent assurance of Fujitsu's 2014 Business in the Community (BITC) CR Index submission in conjunction with its third web-based CSR Report.

### Assurance Approach and Limitations

#### Assurance Approach

The assurance process very closely followed, although did not formally adopt, the principles in AA1000AS (2008) and also those in ISAE3000. It also made reference to principles and criteria drawn from the Global Reporting Initiative (GRI). The approach enabled the equivalent of a 'moderate level' Type 2 assurance (within the broad AA1000APS framework) to be adopted, covering:

- an assessment against the principles of inclusivity, materiality and responsiveness; and
- the reliability of specified sustainability performance information.

#### Assurance Limitations

The assurance covered Fujitsu's 2015 BITC CR Index submission (see scope below) as well as the current CSR Report and focussed on Fujitsu's systems and activities during the reporting period, with the following exceptions:

- The scope of work (see below) did not involve verification of financial performance data. The performance information included within the scope of the assessment was all of the key data and claims in the BITC CR Index submission and in the web-based CSR Report, together with additional information provided online, as part of the ISO 14001 Management System or clearly signposted from the website.
- Natural Capital's involvement with stakeholders was limited to reviewing internal and external stakeholder engagement processes and outcomes.

- Representative source data spread sheets on energy usage were reviewed on a sample basis only and did not include all data points. A separate external consultant as part of the Carbon Trust initiative assured the detailed greenhouse gas calculations. This work was therefore not replicated and Natural Capital's opinion in the area of overall greenhouse gas emissions is reliant upon the assurance opinion issued by the other party.
- Natural Capital reviewed yearly averaged data across all sites and representative source data on selected sites for both waste and recycling.
- On this occasion assurance visits to operational premises were limited to the corporate head office, Baker Street, London, and the Recycling Centre at the Warrington campus. Other site data were reviewed remotely and interviews with key Fujitsu employees based at other locations such as Bracknell were conducted by telephone and WebEx meeting.

## Methodology

The assurance engagement was undertaken between September and November 2014 and included the following:

- A full review of the 2015 BITC CR Index questionnaire responses and supporting information together with the BITC Analysis of the Submission report and the BITC Management Report from the previous year.
- A detailed review of a representative subset of performance documents and the processes used for gathering and consolidating data.
- A review of formal systems adopted and criteria used for reporting sustainability performance (e.g. ISO 14001).
- Assessment of supporting evidence for key claims in the CR Index Submission.
- Face-to-face interviews with representatives of Fujitsu's directors, senior managers and Responsible Business team.
- Attendance during Responsible Business Board Meetings as an observer.
- Comprehensive review of Fujitsu's approach to stakeholder engagement.
- An analysis of Fujitsu's current Responsible Business Report and its third web-based CSR report.

## Scope

The assurance process covered the following headings:

- Corporate Strategy
- Integration
- Management – including performance and impact in the following areas:
  - Community – looking at the Community Plan and current community partnerships
  - Environment – looking at environmental management in general and:
    - Climate Change (energy management)
    - Waste Management
    - Resource Use (IT hardware recycling)
    - Biodiversity
  - Marketplace – looking at dealings with the supply chain
  - Workplace – looking in particular at:
    - Health & Safety
    - Employee Wellbeing
    - Employee Engagement and Learning
    - Diversity and Inclusion

This framework was used to explore a wide range of key CSR performance areas.

## **Our Independence and Competency**

The directors of Fujitsu have sole responsibility for the preparation of the BITC CR Index submission and preparation of the CSR Report. Our statement represents our independent opinion on these documents and is intended to inform all of Fujitsu's stakeholders in a balanced way.

Natural Capital was not involved in the preparation of the CR Index submission or the CSR Report. However, as recognised in good assurance practice, Natural Capital has adopted an iterative process through undertaking scoping discussions, reviews and providing feedback on drafts of submissions and CSR Report material. As a result of this changes have been made during the preparation of final drafts.

The Natural Capital team comprised of Phil Say, Tiffany Bienfait and Leo Martin. Further information, including individual competencies relating to the team can be found at: [www.naturalcapital.co.uk](http://www.naturalcapital.co.uk).

## **Findings and Opinion**

### **Corporate Strategy**

#### *Corporate Vision, Values and Principles*

The assurance process found that Fujitsu continues to place CR values at the core of its business strategy. It retains a clear vision and a robust set of corporate principles to guide everyday business behaviour and these are communicated openly and transparently via the website.

#### *Governance, Leadership and Advocacy*

Fujitsu continues to demonstrate clear leadership responsibilities assigned to executive directors and this is delivered through both the Regional Leadership Team (RLT) and the Responsible Business Board. It is good to see that notwithstanding a recent reorganisation with a new Chief Executive Officer (CEO), that the Responsible Business Board is still led by the Chief Operating Officer and attended by the CEO, thus demonstrating continued leadership and commitment at the highest level to the responsible business agenda. There is still a strong advocacy for CR principles that can be seen from the activity of RLT and Board members.

It is evident from Responsible Business Board Meetings, including those Natural Capital has attended and/or reviewed, that all key CR areas remain the responsibility of appropriate executive directors making sure all issues are accounted for and are matched to the right sets of skills. Thus it is still evident to us that CR programmes are driven from the senior decision makers within the company.

We therefore continue to remain very impressed by the level of commitment shown by directors and senior managers and the hands-on involvement of all in the current programme of Responsible Business initiatives.

#### *Business Risk and Opportunity Management*

Systems remain in place to identify key social and environmental risks and opportunities and to ensure these are addressed by the principles and policies. There are robust business risk assessment processes linked to legal and regulatory compliance together with a more comprehensive procedure for assessing material issues with associated risks and opportunities based on a materiality matrix (see further comments later under 'Materiality').

Fujitsu has also addressed more deeply the 'Mega Trends' that might affect its business. The most relevant have not only been assessed within the materiality matrix but are now also the focus of a senior management working group. This is now ensuring that global megatrends are at the heart of the business decision making process and inform the business strategy in going forward.

## **Integration**

Fujitsu continues to implement and embed its Responsible Business Strategy throughout the business. Internal communication and employee training on key CR issues remains evident. Significant use is made of Café VIK as a powerful internal communications tool. High profile video presentations by senior executives continue to be regularly used to reinforce the company's values and approaches to CR, either via plasma screens (as regularly seen by us in the Corporate Office in Baker Street, London) around other offices or via the website and dashboard system.

### *Stakeholder Engagement*

Stakeholder engagement has continued to develop further on the back of a more detailed mapping exercise and a structured communications plan produced last year to ensure that this engagement contributes more effectively to the Responsible Business Strategy. There is an evident desire to communicate as effectively as possible to a wide range of stakeholders. A stakeholder panel was launched this year and the first meeting provided useful discussion and feedback suggesting that Fujitsu needed to align its Responsible Business Strategy with its overall business aims and goals. This resulted in a strategic initiative helping Fujitsu to identify its 'True North' (that combines vision with purpose) and realign elements of its Responsible Business Strategy. There is now a strategic newsletter that will be used as a rapid communications tool with the stakeholder panel and a wider array of stakeholders. The first of these covers a number of strategically important areas and demonstrates how Fujitsu has listened to feedback so far.

### *ISO 26000*

Fujitsu UK & I has aligned itself with the ISO 26000 standard to make sure that its socially responsible behaviour is integrated across the whole business. The company has found that the standard provides a comprehensive framework in which to embed its responsible business programmes and a useful set of requirements to benchmark itself against. Through carrying out a rigorous gap analysis it can demonstrate close alignment with the standard.

### *Reporting*

Public reporting continues to be a regular feature with publication of the third CSR report. It describes the new approaches being adopted both for stakeholder engagement and community action, and demonstrates in a transparent way that social and environmental issues continue to be incorporated into strategic decision making. This report has been independently assured by Natural Capital and further demonstrates Fujitsu's responsiveness and inclusivity in reporting on CR management practices and impacts. The report communicates on the company's approach to responsible business and includes key performance data and progress on targets.

## **Management - Performance and Impact**

### **Community**

Fujitsu has further strengthened its strategic and transparent approach to activities in the wider community. This year sees the development of a 'Community Strategy' that sets out in a fully transparent way its social action priorities over the next few years. This was a recommendation from Natural Capital last year and it is good to see all the positive ideas

and activities of Fujitsu now captured in a coherent plan. This clearly helps the company demonstrate that the focus of its community investment programmes is on areas where the business can achieve the most significant positive impact. This is further supported by evidence in the materiality matrix where the most significant community issues have been identified. The matrix has gone through a robust consultation process.

This means that Fujitsu's social action efforts are now focused on youth unemployment (addressed through activities such as apprentice and graduate schemes, involvement with the Prince's Trust and promoting Science, Technology, Engineering and Mathematics (STEM) careers in schools), social exclusion (addressed through initiatives such as the BITC - Business Connectors and the partnership with Shelter), armed forces involvement (addressed through initiatives such as Soldiers, Sailors, Airmen and Families Association (SSAFA) and 'Toe in the Water', digital divide (addressed by T4G and WISE initiatives) disadvantaged children (addressed by initiatives such as Children in Need and the new partnership with Action for Children). Significant progress was made in addressing social inclusion this year through the partnership with Shelter.

The current targets, management programmes and indicators are reported openly through the digital CSR report. These continue to become 'smarter' as the project has matured and significant progress has been achieved. The company's Impact on Society (IOS) groups continue to extend the outreach of the Fujitsu footprint into the community. A considerable amount of community performance information is now available on the website in the public domain.

## **Environment**

### **Environmental Management**

Fujitsu continues to operate its rigorous ISO 14001 system for environmental management and benefits from the feedback on its performance from external auditors and verifiers. This year sees the development of longer term 'visionary objectives' in a number of the ISO 26000 environmental topic areas. These take Fujitsu's breadth of vision forward over the next ten to fifteen years in some of the key areas.

Further progress in gaining stakeholder feedback on environmental issues has been made through both the materiality matrix consultation (both internal and external) and the intensive communications campaign with employees on biodiversity management through the local green teams. The annual CSR report continues to proactively publish the ISO 14001 programmes (targets and programmes) in the public domain for the third time. Further progress will be made as the stakeholder panel starts to provide more regular feedback.

### **Climate Change and Waste Management**

Through its certification to the Carbon Trust Standard and from the data reported in its third CSR report, the company continues to demonstrate year on year reductions in emissions of CO<sub>2</sub> and, together with a number of other initiatives (reducing travel, reducing waste to landfill and increasing recycling), is showing good progress in initiatives that will reduce its carbon footprint further and thus its contribution to the causes of climate change. Performance figures for both energy and waste are published in the online CSR report.

It is also encouraging to see in the waste management data that waste generation continues to be on the decline but equally important the proportion of recycled materials continues to go up and the volume sent to landfill continues to fall (the latter from 5% to just under 0.5%). It is even more pleasing to see that the company is setting waste reduction targets in an effort to cut waste out altogether. In terms of end-of-life electronic waste (see below) there continues to be zero waste going to landfill.

## **Resource Use**

The company's 'Recycle Services' based at the Warrington facility specialise in the recovery of legacy IT equipment through managing the recovery, reuse, recycling, resale and safe disposal of redundant IT equipment. It continues to maintain 0% waste to landfill for end-of-life assets. We visited this facility and were impressed by the organisation and running of the services. It is becoming recognised as a Recycling Centre of Excellence and is building up a portfolio of clients. The Centre of Excellence continues to support charitable donations of IT Equipment and ensures regulatory standards are met and end-of-life hardware returned by Charities is safely recycled. Performance data is published in the CSR report and confirms the achievement of the 0% IT waste to landfill.

This year sees the start of vigorous campaigns for both reducing waste at source (more sustainable use of paper and other resources) and reducing water consumption (with the assistance of newly installed smart meters). The early indications for both campaigns as evidenced by data gathered are positive with targets being exceeded.

## **Marketplace**

### *SME Suppliers*

Fujitsu continues to work closely with suppliers to ensure that procurement activities embody its Responsible Business values. Engagement continues to take place with suppliers, in particular SMEs to learn how they promote sustainability and how this might affect Fujitsu. There is a desire to lead and promote idea generation, collaboration and knowledge sharing with partner organisations and Fujitsu continues to put effort into this goal. The company continues to host supplier networking events aimed at strengthening joint work on charity and community projects. All of this is reported on transparently within Fujitsu's online CSR report.

### *Sustainable Products and Services*

Fujitsu is conscious that within the Group Business as a whole there are significant opportunities to assist society in addressing some of the world's environmental challenges. There is the recognition that deploying information and communications technology (ICT) in an intelligent manner can improve the efficient use of energy and other natural resources and reduce greenhouse gas (ghg) emissions. These are the thrust of current targets and progress has been made in reducing ghg emissions for customers as well as in increasing the energy (by some 50%) and resource efficiency (by some 20%) of newly developed products.

## **Workplace**

Workplace/employee issues have been reviewed from a CR perspective and further initiatives that involve staff have been successful this year such as the continuing 'Keep Shaping Our Tomorrow' initiative that also includes this year the campaign 'Proud to be Fujitsu', a new initiative that sought feedback directly from employees on the company's new vision and strategic direction the so-called 'True North', and further people development programmes with several aimed at improving management skills.

## **Health & Safety**

The focus continues on reporting the measurement and monitoring of all key health and safety areas, and data is available in the online CSR report. There continues to be a focus on maintaining and promoting a safe working environment and safe working practices through employee engagement and extending this out to the wider community. The internationally recognised standard OHSAS 18001 continues to be used to drive continual improvement.

## **Employee Wellbeing**

The wellbeing programmes continue to progress building on last year's programme and action plan. In response to feedback from Natural Capital in last year's assurance report Fujitsu has produced a more robust Wellbeing Strategy that sets out clear objectives, targets and action plans. Through monitoring and engagement with staff and a rigorous process of analysis Fujitsu has shown that the key wellbeing issues are mental health, musculoskeletal disorder and cardiovascular disease which are consistent with the sector and the UK more generally. The company continues to provide and promote a number of services, practical advice, initiatives and programmes to manage their impact.

Fujitsu's underpinning philosophy for enabling employees to reduce their personal health risks is to provide information, for example through the Wellbeing portal and 'Health Matters' website. This is then supported by the opportunity to establish personal health metrics on the basis that understanding this personal information is likely to inform and motivate lifestyle change. Opportunities for positive lifestyle change are also provided through campaigns, initiatives and participatory events like the Global Corporate Challenge. The results of these initiatives show that targets continue to be met and progress is made towards the ambition of *'an engaged workforce that is physically and emotionally healthy'*.

Further progress has been made in transparency as the strategy and performance data continue to be published in the CSR report on the website. As a verifiable database on the key health issues affecting Fujitsu continues to be gathered, this is facilitating the creation of 'smarter' objectives and targets.

## **Employee Engagement and Learning**

Fujitsu continues to operate a structured approach to employee development with mature Training and Development policies and an experienced Learning and Development (L&D) Team. A comprehensive Learning Needs Analysis is used to match needs to resolutions and within this framework learning continues to be targeted at the individual, helping employees develop their personal skills in ways that best suit their needs and career aspirations. Learning has taken on a new role for Fujitsu for delivering excellence in individual, team and organisational performance.

It is recognised that focusing on individual needs and meeting the career ambitions of employees creates committed and motivated staff that will in turn deliver significant business benefits. The activities and outcomes of these initiatives continue to be published in the CSR report which is openly available on the website.

## **Diversity and Inclusion**

Activities to address diversity and inclusion issues continue to be progressed in 2014. Data on objectives, targets and management programmes continue to be published in the CSR report on the website and performance is tracked. Data gathering has been reviewed and revisions made to improve the quantity and accuracy of information. Fujitsu continues to operate a range of supportive activities to promote diversity within the workplace and continues to show great commitment in this area. This has resulted in measured progress due to diversity and inclusion in a number of areas including attracting new employees, retaining existing employees and in particular employee engagement.

## **Inclusivity**

The assurance process has found that Fujitsu continues to make progress in its approach to engaging with and then collecting and analysing stakeholder feedback. Stakeholder groups where there is a mature level of engagement include employees, customers, suppliers (with

a particular drive on SMEs) and charitable trusts. Wider engagement has been the focus of a more structured approach to stakeholder communications and this is comprehensively covered in the CSR report on the web site. The establishment of a stakeholder panel has enabled Fujitsu to trial various methods for best engaging with a wider array of stakeholders and gaining constructive feedback. This has already enabled the company to closer align its Responsible Business Strategy with its overall Business Vision and Mission.

## **Materiality**

Fujitsu has developed this year a more robust approach to assessing material issues that now features a comprehensive materiality matrix. This matrix has undergone review through several stakeholder appraisals (including the stakeholder panel) and is used as a tool in assessing business risks and opportunities. Opportunities can now be taken to continue consulting with the stakeholder panel and other forums periodically (both internal and external to the company) on the materiality matrix to gain a wider perspective and ensure that emerging issues are addressed where appropriate.

## **Responsiveness**

Fujitsu continues to demonstrate responsiveness to a range of stakeholders with which close engagement has been established. This is clearly demonstrated through employee surveys, roadshows and engagement events, in specific community outreach initiatives such as the partnership with Shelter and the Children in Need campaign and with specific customer and supplier initiatives.

The web based CSR report now features several pages devoted to stakeholder engagement and includes sections that focus on stakeholder feedback and the stakeholder communications plan. These demonstrate Fujitsu's commitment to both communicating and acting on the communication. The continued implementation of the 'Stakeholder Engagement and Communications Plan' will increase the outreach to more stakeholders. The communications plan enables the company to put in place the procedures necessary to demonstrate timely and accessible responses to feedback received.

## **Reliability of Performance Information**

Based on the scope of the assurance process, the following was observed with regard to performance information:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information.
- The level of accuracy of sustainability performance information was found to be within acceptable limits. Nothing came to our attention to suggest that data have not been properly collated from information reported at the operational level, or that assumptions used were inappropriate.
- Data trails selected were generally identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data. We are not aware of any errors that would materially affect the data reported.
- The sustainability performance disclosures presented within the CR submission and online CSR Report appropriately reflect environmental and social performance achieved during the period.
- Overall, it is Natural Capital's opinion that the information presented within the CR Index submission and the online CSR Report is fair in all material respects. The Report was found to present a reliable account of Fujitsu's Responsible Business performance during the reporting period.



## **Observations and Recommendations**

Without affecting our assurance opinion Natural Capital also provides the following observations and recommendations.

### **Stakeholder Engagement**

Fujitsu has created a strategic stakeholder panel that can provide it with useful commentary and feedback on important elements of its responsible business strategy. Whilst this is by no means the only mechanism for gaining feedback from external stakeholders it is nevertheless a useful component of the stakeholder engagement plan and we would recommend ensuring that full value is gained from the panel during 2015.

The current stakeholder map as featured in the on line CSR report provides a useful overview of Fujitsu's array of stakeholders together with the primary and secondary mechanisms for communicating with them. Efforts should be made at every opportunity to prioritise and engage with these stakeholders, using the methods outlined so that Fujitsu can increase its profile as a company that is both inclusive and responsive to the needs and views of its stakeholders.

### **ISO 26000 Topic Area - Climate Change Mitigation and Adaptation**

Fujitsu is to be commended that in response to feedback from both BITC and Natural Capital it has developed more strategic and 'visionary' longer-term objectives and statements of intent starting with environment and its approach to climate change. This has resulted in looking as far ahead as 2030 and bringing its thinking in line with Government commitments. The objective for reducing the company's CO<sub>2</sub> emissions is underpinned by robust targets established for the next ten years. The company is also exploring a process of incrementally adopting renewable energy sources and has started with photovoltaic installations. This demonstrates a long-term commitment to tackling its contribution to one of the significant global environmental megatrends.

The challenge in going forward will be to integrate more of the upstream Scope 3 elements (indirect emissions of greenhouse gases e.g. from the supply chain) into its carbon management plan so that more of the company's value chain (upstream and downstream) is covered. The company has made a start by considering how it might set objectives for addressing sustainable resource use in manufacturing through collaboration with the wider group.

### **ISO 26000 Topic Area – Sustainable Resource Use**

Last year Fujitsu developed a position paper that looked at the business risks and opportunities posed by the decline of the earth's 'natural capital' (i.e. natural resources, biodiversity, ecosystem services). This year the company has looked at how the wider group is addressing natural capital issues especially within the supply chain and how this will help in setting environmental priorities for the medium to longer term. To help direct this analysis a 'Natural Capital Assessment' was carried out of global operations. This has helped with understanding how Fujitsu is dependent on natural capital and where the more significant environmental impacts arise. This and further analysis should be used to assist Fujitsu in establishing longer-term objectives and statements of intent around its use of resources and the consequential environmental impacts.

## **ISO 26000 Topic Area – Protection of the Environment, Biodiversity and Restoration of Natural Habitats**

Last year Fujitsu established a biodiversity strategy and action plan in response to recommendations the previous year from Natural Capital. This year Fujitsu has made significant progress with the implementation of this strategy. The company is to be commended on the speed with which it has put into action this plan and for the level of engagement with employees that has resulted in the progress made. At a local level substantial efforts have been put into boosting biodiversity in the land holdings around the offices and facility locations. An initiative has also been put into place to support the conservation of the honey bee and to create habitats and enhance biodiversity that will favour pollinators. This is helping to address the catastrophic decline in bees at both the national and even international level. This action plan is a welcome response to last year's recommendations and demonstrates how seriously Fujitsu is taking the issue of the global decline in biodiversity. This will provide opportunities for connecting with a wider range of stakeholder interests including local communities. We recommend that Fujitsu makes use of these opportunities and widens this initiative to gain multiple benefits including employee engagement and motivation, community outreach (e.g. local interest groups, communities, schools and colleges) valuable conservation work and the restoration of ecosystem services.

### **Wellbeing Strategy**

In response to Natural Capital's recommendations last year Fujitsu has developed a more strategic approach to wellbeing with a more structured plan that includes longer term objectives and targets based around some key goals. The company can clearly demonstrate how it is addressing the material wellbeing issues and this provides a robust framework within which the many initiatives can be placed. As performance data is gathered there is a growing database on which 'smarter' targets can be established. The company has demonstrated significant progress in its outreach to employee stakeholders and in their engagement with the programmes that target on improving health and wellbeing and to ultimately delivering the goal of *'an engaged workforce that is physically and emotionally healthy'*.

### **Natural Capital Ltd**



Edinburgh

November 2014



**Dr Phil Say**

*Director*

Supported by:

**Tiffany Bienfait – Consultant**

**Leo Martin – Consultant**