# CSR Conversation

Learning from Model CSR Companies: Fujitsu's Global Approach to Social Responsibility

In June 2017, Sogo Fujisaki, Senior Director of the CSR Division at Fujitsu Limited, visited the head office of Casio Computer Co., Ltd., to talk with us about CSR. With 160,000 employees worldwide, Fujitsu has long been known as one of Japan's leading electronics companies and ICT vendors, and it has also captured the social spotlight for its advanced CSR activities. Noriaki Kimura, Manager of Casio's CSR Promotion Office, talked with Mr. Fujisaki about Fujitsu's initiatives. He asked about the Fujitsu Way, the corporate philosophy that supports Fujitsu's global approach to social responsibility, and about what Fujitsu is doing to help achieve the UN Sustainable Development Goals (SDGs).
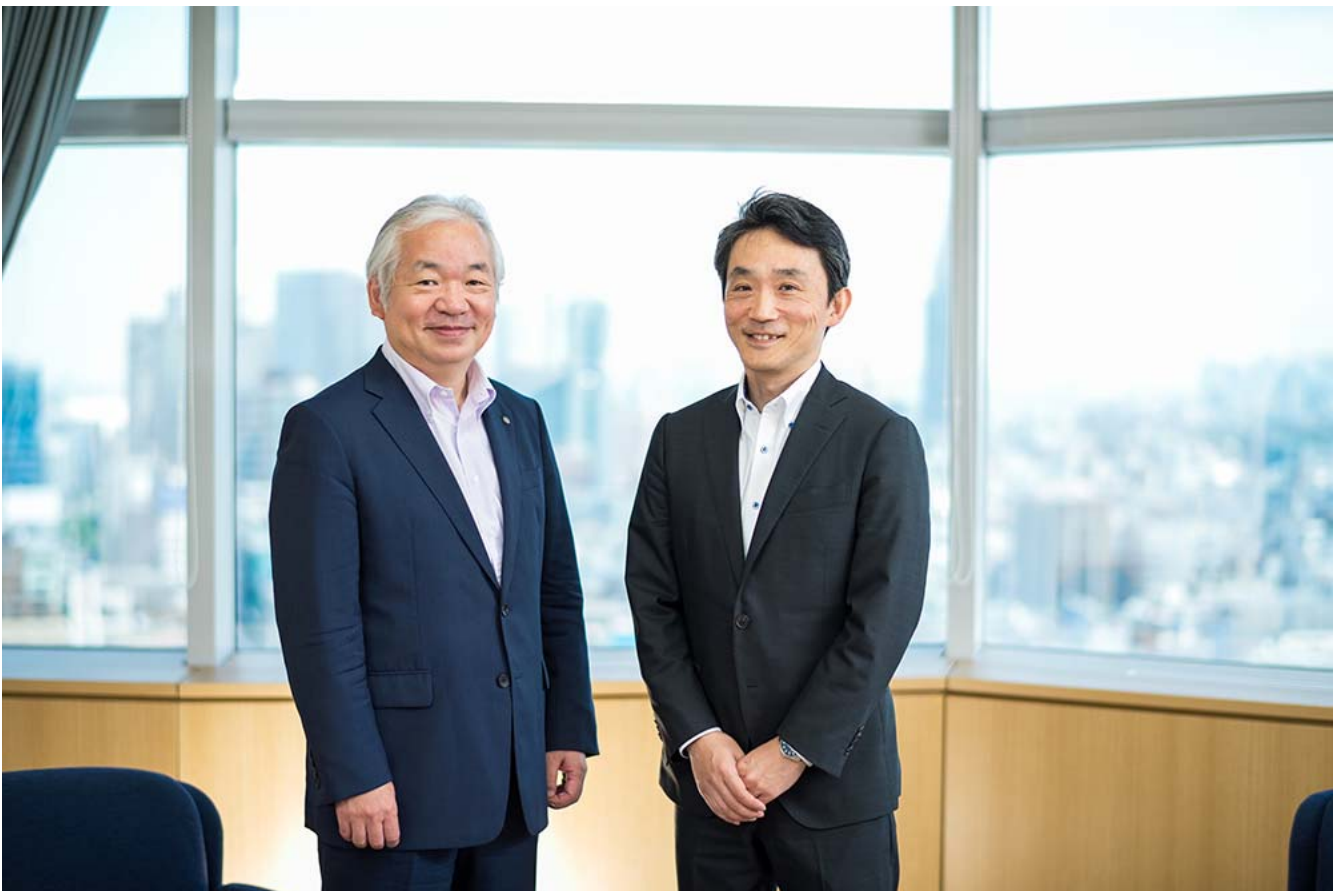
Sogo Fujisaki, Senior Director, CSR Division, Fujitsu Limited (right), and Noriaki Kimura, Manager, CSR Promotion Office, CSR Promotion Department, Casio Computer Co., Ltd.

Establishing FUJITSU Way and gaining employee understanding

Kimura   Thank you for being here today. To start off, please tell us how the Fujitsu Way was established.

Fujisaki   The first edition of the Fujitsu Way was established in 2002, when the term "CSR" was just becoming popular. Prior to that, we had a company policy, "Reliability and Creativity," that stood for offering outstanding technology to customers who put their trust in us. Instead of neatly arranging that phrase with new terminology, we decided to take the opportunity to integrate documents such as our Corporate Vision and Corporate Values, since we wanted to preserve these original concepts.

Kimura   In particular, I feel that the key phrase, "contribute to the creation of a networked society that is rewarding and secure," in your Corporate Vision is unique to Fujitsu.

Fujisaki   I agree. Of course, the core purpose of our business is to provide value to our customers through networks using ICT. Many of our customers are social infrastructure administrators such as government agencies, hospitals, and financial institutions, so we have a strong commitment to providing ever-better products to them.

Kimura   The Fujitsu Way has been translated into multiple languages and you have various mechanisms for ensuring employee understanding within the company. What kind of initiatives have you launched so far?

Fujisaki   I think there are several levels of employee understanding. In the initial stage of introducing the Fujitsu Way, the main measures involved preparing posters and small cards, and conducting e-learning. We repeatedly informed employees in various settings that the Fujitsu Way had been created, and explained its content. However, in terms of employee understanding on the practical level, we are still trying out various approaches. The suitable approaches vary by country, and sometimes there are challenges.

Kimura   On the executive level, was a consensus quickly reached on establishing the Fujitsu Way as the foundation of Fujitsu's management?

Fujisaki   Yes, that went quite smoothly. I think the top management quickly understood that the values represented by the Fujitsu Way were very important and needed to be properly shared.

Kimura   Did your CSR Division play a central role during its establishment?

Fujisaki   Because the CSR Division did not exist at the time, it was enacted as a cross-divisional measure with the involvement of the human resources and legal departments. So, nobody felt that it was a decision made in some particular part of the company.

Kimura   That probably made value sharing a smooth process at Fujitsu. Which department was put in charge of promotional activities, such as material translation and poster creation?

Fujisaki   That was performed by the Fujitsu Way Unit, which was created at the same time. However, the Fujitsu Way contains so many elements that it cannot be promoted by one department alone. For example, the legal and compliance departments are largely responsible for the Code of Conduct, and our CSR Division is in charge of areas related to the Corporate Values. The allocation of roles sort of fell into place naturally. In addition, there is a Fujitsu Way Promotion Committee, in which managing directors and above participate. This committee reviews the content of the philosophy three times a year.

Kimura   I have heard you also have an organization called the CSR Global Community.

Fujisaki　　We renamed the CSR Promotion Leaders, who had been appointed at sites in and outside Japan, as part of an effort to give them a more practical role. One leader from each site or department and persons at a general manager level position participate in the Community, which aims to promote individual measures in collaboration among relevant departments. In the Community, they share best practices within their organizations.

Kimura　　I see. As a global initiative, Casio has been holding CSR Leader Meetings for about a year and a half, and we would like to extend this measure to Casio's group companies in and outside Japan as well. The meetings provide intensive training for CSR Leaders, who then return and share new insights with their respective organizations. What do you think about this kind of bottom-up approach?

Fujisaki　　I think it is very important, and we are also very concerned about how to achieve this. So far our focus has just been on promoting awareness of the Fujitsu Way, through efforts such as posters and workshops. However, measures relating to vertical governance, as required to satisfy global norms, such as ISO 26000 and the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, are gradually growing in importance. On the other hand, while the younger generation's CSR awareness is very high, we are still figuring out how to foster bottom-up activities and encourage their participation. Combining both top-down and bottom-up activities is a serious challenge. I think we would like to learn from Casio's efforts in this respect.

Kimura　　Your CSR Policy lists five priority issues. How was it enacted?

Fujisaki　　It was enacted in 2010, through cross-organizational efforts involving our newly established CSR Division, as well as human resources, legal affairs, and procurement. However, at that time, the definition of CSR had not yet been firmly established, and there were a few missing areas such as the defensive posture of CSR. Specifically, we feel that the management cycle approach is still not spelled out well enough, so we'd still like to revise the policy in the future.

Understanding the SDGs

Kimura　　I'd like to talk about the Sustainable Development Goals (SDGs). Since being adopted at the United Nations in 2015, I feel they have rapidly become a common reference point for people around the world. What kind of initiatives is Fujitsu working on?

Fujisaki　　We are promoting both top-down and bottom-up efforts related to the SDGs. One example is that we are holding executive-level round-table discussions and forums on how Fujitsu should position the SDGs as important management objectives. The other day we invited guests from the United Nations Development Programme and the World Economic Forum to our Fujitsu symposium to discuss the topic of how companies should work towards SDG achievement by 2030. One key point raised was the need to scale up problem-solving efforts. Rather than just being satisfied that the company is performing some beneficial activities, we should identify critical global problems that need to be addressed, in accordance with the scale of the company and the expectations of society. Especially in the case of Fujitsu, we are transitioning from a conventional product business that creates and provides products, to a service business that helps solve problems by providing services. When thinking about what issues to address, I felt that a "common reference point" like that provided by the SDGs is very important. The executive officer in charge of Fujitsu management strategy was also at the symposium. He said, "The SDGs provide an important common reference for Fujitsu employees worldwide. With over 100,000 employees in almost 100 different countries, the SDGs will enable us to pull together and work towards shared goals, while also engaging people outside the company."

Kimura   How about your bottom-up efforts?

Fujisaki   At present, we are working together with our environmental headquarters and others. As part of the environmental management system, we are asking each division to list initiatives that can contribute to the SDGs, and we are advancing internal promotional activities with the marketing headquarters. Workshops are also being held for sales, system engineering, and other departments.

Kimura   There are 17 SDGs, as you know. Are any of them a particular priority for Fujitsu? Of course, with a company of your scale, I'm sure most of them are relevant.

Sogo Fujisaki, Senior Director, CSR Division,
Fujitsu Limited

Fujisaki   As you say, almost all of them are relevant to us in some way. While trying to address all of them is good for raising awareness, it's not very suitable as a way for the company to set targets and transform itself. The goals we should be aiming for are the ones that best match our interests and capacities as well as society's expectations of us. So, an example that immediately relates to us are the goals related to food. Currently our Akisai Food and Agriculture Cloud service is used by about 350 agricultural providers, and there may be other contributions we can make on the distribution side to eliminate food waste. Based on this, we want to contribute to the SDG 2, "zero hunger," as well as SDG 3, "good health and well-being." We now have a network with about 7,000 medical institutions and nursing caregivers, so I think that there is something we can do using that. Then there is the SDG 9, "industry, innovation and infrastructure" which is the work we are doing in our main business. SDG 11, "sustainable cities and communities," is also related to our work on disaster prevention, transportation optimization, and smart city development. Those are probably the main priorities for us. We'd like to issue a clear statement about this in the very near future.

Kimura   Is it a statement of how your company going to promote SDG initiatives?

Fujisaki   It will be a definition of how Fujitsu understands the SDGs and embraces their importance. Within the company, more and more departments are starting to talk about the SDGs by linking them with their businesses. This is the first step, recognizing that issues we thought were other people's problems are actually also our own. In some cases, however, the process gets stuck at this stage, and the SDGs become just a PR tool. If you just utilize the SDG wording, but do not connect it with the organization's self-transformation, then it becomes a meaningless arrangement of the latest jargon. I think a statement is necessary to call attention to this point.

Kimura   It seems that recognition of the SDGs is still low. Have you made any efforts to improve that at Fujitsu?

Fujisaki   We address the SDGs at workshops and in-house lectures, in addition to the executive-level round-table discussions I mentioned earlier. Various elements need to come together for employees to thoroughly understand that the SDGs will actually become a part of their business activities; otherwise it is impossible to generate momentum. This is why we want to incorporate SDG elements into our management policy. Even at the round-table discussion with our outside directors held last year, one of them made a very critical comment, saying he could not see the overall strategic picture concerning the SDG initiative. With that in mind, I think awareness among top management is increasing regarding the need to explain our objectives properly in words.

Translating global norms for internal stakeholders

Noriaki Kimura, Manager, CSR Promotion Office, CSR Promotion Department, Casio Computer Co., Ltd.

Kimura   You have been preparing integrated reports since 2015. Did you experience any internal difficulties in the transition to integrated reporting?

Fujisaki   Four or five years ago when we first started talking about adopting integrated reports, the IR team remarked that it wasn't necessary as investors never ask about non-financial information.

Kimura   How did you persuade them?

Fujisaki   The opportunity for me to press for integrated reporting at Fujitsu was in the existence of the International Integrated Reporting Council (IIRC); we are a member of its business network. It was not an idea that I came up with on my own. I initially told others at Fujitsu that integrated reporting was becoming commonplace internationally, and if we didn't do it, external stakeholders would criticize us, and there would be risks involved. So I convinced them that we had better consider it. I talked about things in this way not just regarding integrated reports, but also about our CSR activities overall. I explained that I was not just talking about what they needed to do as a department, but also the upper layer of global stakeholder expectations, or corporate norms, such as the ISO 26000 standard. You could say I was using repeated persuasion, while highlighting the risks. I had to help people understand that there were gaps between global expectations and the current situation at Fujitsu, and that we needed to close these gaps.

Kimura   Is it the role of the CSR department to "translate" and convey such external norms to those inside the company?

Fujisaki   You may be right. After all, when faced with something they do not understand or they cannot do, people tend to not want to do it or look at it again, especially when there is both lack of understanding and capacity. I think it is important to first help people understand the need for change and then increase what they can do about it. It took quite a while for us to get integrated reporting going, but it seems the turning point came when the IR team realized that integrating CSR elements into the annual report was also useful for their own work. Before reaching that point, many executive-level round-table talks were held with long-term investors and others. Then, as time went by, executives who initially only talked about integrated reporting using borrowed phrases, gradually began to speak about it in their own words. Then, even when talking with customers, those executives likely realized that comments that had previously gone straight over their heads were now making sense. That was the point where things really changed.

Kimura   That is a very helpful story, since we are now considering integrated reporting at Casio. Finally, as someone looking at Casio's CSR activities from the outside, could you share with us your opinions and expectations?

Fujisaki   I think it goes without saying that Casio has a very strong track-record in terms of activities that link its products with society based on "Creativity and Contribution." I'd like to hear more detail about this. If I had to say something, I'd say that, since the Casio brand is known worldwide and you have a core strength in devices, I think Casio could collaborate more with companies from different industries and with UN agencies to widely publicize the various activities that you already do. A host of new possibilities could be opened up by combining your strengths with the different strengths of other companies and organizations.

Kimura   Thank you for taking time to talk with me today. This was a very valuable experience.