

## Corporate Social Responsibility Review – An Update to our Partners

### Introduction from Bernd Bischoff



Dear Partners,

It is my pleasure to introduce this short review of Fujitsu Siemens Computers' progress on corporate responsibility and sustainable development. The review covers activities undertaken during the last twelve months of business and follows the launch of our '*IT with a Sense of Responsibility*' website in 2007.

That website captured in greater detail the ways in which the Fujitsu Siemens Computers business is delivering upon its brand promise 'we make sure' with respect to society and the environment. This short review will bring together all key developments made during the course of the last year into one comprehensive review, enabling all interested parties to see the progress we have made and understand where we have been focusing our efforts in recent months as we further strengthen our global responsibility commitments. It includes updates across the environment, marketplace, workplace and community elements of our responsibility programme.

Let me briefly highlight a number of developments.

Supply chain responsibility continues to be one of the most significant issues facing our industry. It remains a priority focus area for Fujitsu Siemens Computers and the last twelve months has seen steady progress. Since announcing our intention to undertake random independent audits of suppliers in early 2007 we have undertaken our first corporate responsibility audit. Details of that audit are included within this review. Our 2008 audit process will begin once again in September 2008 and we are committed to publishing a summary of the results from those audits. This year also saw the publication of our key supplier list. The list is publicly available through our *Sense of Responsibility* website.

We continue to lead our industry in the development of advanced energy efficient products, both across consumer and business lines. By September of this year we had brought to market a number of new environmentally advanced products as part of our new Business Client range, each offering a variety of energy efficiency advances. Particular highlights include the 0-watt monitor, brought to market in August 2008, and our PRIMERGY TX150 S6 server; statistically the world's most energy efficient server. This year also saw the 15<sup>th</sup> anniversary of the Green PC from Fujitsu Siemens Computers. A number of our new green products are detailed within the Review. Everyday these innovations are enabling our consumers and business partners to reduce their environmental footprint.

With energy costs rising rapidly, along with business and consumer demand for greener products, our ability to harness a business model that places environmental innovation at its heart remains core to our future success. I am pleased with our progress and confident that we are well placed to reap the commercial rewards from the growing market for Green IT solutions.

Our responsibility to employees remains a core commitment. They drive our ingenuity and success and nowhere has this greater resonance than in our ability to live our sense of responsibility on a daily basis. From environmental innovation to community volunteering, our people make it happen. A company-wide staff CSR training was rolled out this month and is a key milestone in the development of our workplace responsibility programme. I am also pleased to announce the appointment of a new CSR Manager within the business. Whilst corporate responsibility is an integral part of our business and managerial responsibility, from October 1 this new position will provide additional capacity and coordination support – helping to drive our efforts and further improve our transparency.

Lastly I should mention Paderborn, the heart and engine room of Fujitsu Siemens Computers remarketing and recycling response since 1988. Paderborn will this year celebrate its twentieth anniversary and I am encouraged to report that this centre is now able to recover in excess of 95% the materials that went into building a computer at the beginning of its lifecycle. The site remains a critical component of our product lifecycle approach to environmental responsibility and its success over the years is a testament to the ingenuity and skills of our employees.

As ever Fujitsu Siemens Computers continues on its journey towards more sustainable business practice. We have made significant progress during the course of the last year, but an equal number of challenges lie ahead. Our commitment is to grasp those challenges in a spirit of innovation and transparency demonstrating to consumers, business partners and all our stakeholders that a good business is a sustainable one.



**Bernd Bischoff**

## Environment

### Product Development



Product energy efficiency remains the cornerstone of Fujitsu Siemens Computers' environmental strategy. Whilst we recognize and take steps to minimize the direct environment impacts of our business, our greatest ecological impact comes through the indirect use of Fujitsu Siemens Computers' products throughout their lifecycle and their disposal at end-of-life.

Accordingly, over the last twelve months we have made significant advances in the area of green product development. By September 2008, we had brought to market some 25 new products as part of our new Business Client range; each boasting a variety of energy efficiency and energy management innovations. From notebook computers, professional PCs to enterprise servers and data storage devices we continue to lead the industry in the development of environmentally advanced products.

A product highlight of 2008 was the unveiling of our SCENICVIEW 0-Watt Monitor at the annual CEBIT trade show in Hanover, Germany. This new 0-watt display, a world first, offers a variety of unique energy saving solutions.

Zero watt power consumption in power save mode: current displays consume power of anywhere between 1-3 watts, even when they are not in use. The 0-watt power save mode is able to recognize sleep-mode in the host PC using a switching element to cut the connection with the power line. This eliminates power consumption in power save mode. Once the PC comes out of sleep-mode our FSC patented solution switches the display back on automatically.

ECO button: state-of-the-art displays can reach brightness levels of up to 400cd/m<sup>2</sup>. Whilst this delivers advanced pictures in critical lighting conditions it consumes vast amounts of energy and does not allow for manual adjustment. The ECO button allows users to manually adjust brightness levels according to personal need, and can deliver energy savings of up to 50%.

Automatic brightness adjustment: a light sensor on the top of the display measures ambient light and adjusts brightness automatically according to the office environment. This function can be enabled or disabled by the user and, when in use, can deliver energy savings of up to 30%

Based on average usage and current prices we calculate our 0-watt Monitor has the potential to save up to 10 Euros-worth of power per monitor, per year. For companies that have several thousand monitors deployed, the savings can be significant.

Our SCENICVIEW Monitor enjoyed considerable recognition at its launch at CEBIT. The product was named 'Innovation of CeBIT 2008' by over 300 journalists, and was awarded 'The Best Green Product and Technology at CeBIT'. It was also named the 'Innovation Award 2008' by the Initiative Mittelstand.

To date we have received several thousand commercial orders for this product across the EMEA region. The 0-watt technology is available in our SCENICVIEW Premium Line ECO across 20-22-24 and 26-inch widescreen monitors. Such demand demonstrates both high levels of public interest in eco-friendly technology and our ability to innovate for the environment at no extra cost to the consumer.

### Professional PCs and Notebooks

We have made a number of Green additions to our Business Client line of Professional PCs. This includes our **ESPRIMO Q5020**. Equipped with an Intel GM965 chipset and Intel Core 2 Duo processor this PC sets new energy saving standards among professional PCs without losing performance. The **ESPRIMO Q** can deliver energy cost savings of up to 16 Euro a year compared to a three year old standard PC. We also launched our **ESPRIMO E/P 5720** and **5925**. These professional PCs contain an 80+ power supply enabling energy savings of up to 45% when compared with a standard three-year-old PC

Additions to our notebook range include the LIFEBOOK P7230. This Notebook has been labeled with the respected Nordic Swan Eco Label for its advanced levels of energy efficiency. It is one of the first and only notebooks to receive this internationally recognized label. As of April 2008, all our Professional Notebook series were Energy Star 4.0 compliant.

## Servers

Servers consume vast amounts of energy and we have made significant progress in bringing to market a number of highly advanced energy efficiency models. These models go above and beyond performance improvements made on similar Fujitsu Siemens Computers' models only a year ago. They include our PRIMERGY Advanced Efficiency Line which we showcased at CeBIT in 2008.

Within the Advanced Energy Efficiency Line our **PRIMERGY TX-120** is one of the most energy efficient servers in the world. It boasts a number of impressive statistics from its 163 Watt of power consumption when fully employed to the use of the latest Dual-Core Intel® Xeon® UP processor 3070/3040, Hot-plug 2.5-inch SAS HDD28. All this is achieved with a minimum noise level of 31 decibels (dB) in operation delivered through a compact chassis of only 99 x 340 x 399 mm.

The **PRIMERGY TX150 S6** - also launched during the past year - is statistically the world's most energy efficient server. Based on current SPECpower testing it was the first server to achieve a 1000-plus rating. The TX150 is the undisputed world leader in levels of energy efficiency.

Here at Fujitsu Siemens Computers we are proud of our ability to innovate and roll-out some of the most ecologically advanced products on the IT market today. As of last year, Green PCs made up some 73% of all our PCs sold to business customers – a testament to the growing market for Green IT and our ability to harness its commercial benefits. We will continue to build on this solid progress over the course of the next year.

### Green IT Products 2007-2008

- SCENICVIEW 0-Watt Monitor
- ESPRIMO Q5020
- ESPRIMO E/P 5720/5925
- LIFEBOOK P7230
- PRIMERGY TX-120
- PRIMERGY TX150 S6
- PRIMERGY RX300 S4



## Chemical Use

Fujitsu Siemens Computers is committed to eliminating the use of harmful and potentially harmful substances in its products and production processes in order to minimize risk to end users and to the environment. This strategy is captured in our strict in-house Environmental Guideline FSC03230 and forms the basis on which all Fujitsu Siemens Computers' products are designed.

During the course of the last year we have further strengthened our commitment to the phasing out and elimination of hazardous substances. In dialogue with a number external organizations we have agreed to the complete phasing out of PVC and BFR in our products by 2010 provided our suppliers can provide us with suitable alternatives. We are actively working with suppliers to achieve this.

To ensure these standards are maintained throughout the product supply chain Fujitsu Siemens Computers contractually requires all suppliers to adhere to our list of hazardous substances. We conduct random tests across all purchased components to ensure compliance against that list.

More recently we undertook a series of steps to extend our positive influence throughout the supply chain and to help us achieve our goal of phasing out PVC and BFR by 2010. Through the use of random surveys we now ask and encourage selected suppliers to define a timetable detailing the phasing-out and substituting of chemicals on the hazardous substances list. Information from these surveys will help us better understand the issues facing our suppliers, thereby more accurately informing our global strategy on the phasing out of PVC and BFR. We will communicate further on this process during the coming year.

The use of Antimony trioxide and Antimony compounds in our products is also avoided under Guideline FSC03230; this covers the use of Beryllium, related alloys and compounds, as well as phthalates. In fact our existing policy to eliminate brominated flame retardants (BFRs) by 2010 will also lead directly to the elimination of Antimony trioxide; just as our phasing-out policy on the use of PVC by 2010 will result in a significant further reduction of phthalates.

## Climate Change

During the last year Fujitsu Siemens Computers has affirmed its support for global mandatory cuts of Greenhouse Gas emissions of 50% by 2050 (based on 1990 levels) and cuts of 30% across industrialized countries by 2020. We recognize the social, environmental and economic impacts of climate change just as we understand the energy impacts of our business and the role we can play in the development of energy efficient solutions for the IT market.

IT-equipment worldwide is responsible for 2% of CO2 emissions, equivalent to the same amount of CO2 emitted by global air travel. The need for rapid advances in energy efficiency is self-evident. Indeed, electricity demand is the fastest growing energy end-use category across the European Union and in the absence of any concrete policy action to counteract current trends, demand is projected to grow heavily within the next 20 to 30 years.

Fujitsu Siemens Computers therefore fully supports current efforts by the European Commission, under the EuP Directive 2005/32/EC (EuP = Energy-using Products), to reduce energy consumption through the embedding of environmentally conscious product design in legislation. The 'Implementing Measures' based on the EuP Directive will come into legal force by the end of 2008.



Throughout the last year Fujitsu Siemens Computers has taken additional steps to support and exceed European environmental protection regulations. We go beyond standard requirements in the provision and sharing of environmental data relating to our products. This includes the publication of energy consumption values according to standardized measurement criteria of Energy Star 4.0 and the publication of information on Energy, Environment and End-of-Life treatment. We are also actively contributing to and supporting the proposals from the preparatory studies for the EU Commission regarding energy-using products. At the end of this co-ordination process, the preparatory studies will result in the Implementing Measures which will be binding for the related industries.

We firmly believe the provision of energy and environmental product data is critical to the success of current and future energy efficiency legislation. We are committed to providing that data (e.g. in our Energy White Papers) and to working closely with the relevant bodies of the European Commission in doing so. During the last year we further underlined this commitment by joining both the 'Green Grid' and 'Climate Savers Computing' initiatives, and through the publication of SPECpower benchmark results for PRIMERGY servers and clients. We will continue to lead and pursue this agenda during the next 12 months of activity.

## Green Policy

The terms Sustainability and Corporate Responsibility, and the issues that underpin these concepts, have redefined what it means to be a successful business in the twenty-first century. None-more so than at Fujitsu Siemens Computers. Our history of environmental innovation stretches back twenty years, when we first recognized the value of being a sustainable business.

A further milestone in our journey toward responsible business practice, Fujitsu Siemens Computers is currently working on the development of an all-encompassing Green Policy for the business. This policy will internally and externally define our commitments as they relate to a comprehensive range of environmental issues, from product energy efficiency, to water use, to environmental management and reporting. Once finalized and integrated the Green Policy will form a blueprint for our ongoing environmental activity and aspirations. We will regularly review and update it to reflect technological advancements and changes in the regulatory environment.

Fujitsu Siemens Computers has been actively consulting external stakeholders in the development of the Policy, and we look forward to announcing and implementing it during the next twelve months of business activity.



## Remarketing and Reuse

This year Fujitsu Siemens Computers celebrated the twentieth anniversary of Paderborn, the site of our remarketing and recycling division in Germany since 1988. Recently relocated to a larger modern facility in the Heinz-Nixdorf-Ring industrial park, Paderborn was originally established to store used assemblies and components before evolving over the years into a full-service provider for used computer systems. The site is now responsible for the refurbishment, remarketing and safe disposal of used computer systems built by Fujitsu Siemens Computers.

Our current approach to remarketing and reuse is built upon the knowledge and experience gained through twenty years of take-back and end-of-life processing at Paderborn. This experience has proved that the foundations for a successful remarketing and recycling operation are laid during the design phase of new products. That is why we place such emphasis on our in-house guideline, *Environmentally Responsible Product Design and Development* (FSC 03230). This guideline stipulates design criteria for the development of all new products consistent with the need to reduce waste, minimize energy consumption and eliminate hazardous substances. The success of this guideline and approach is supported by the figures: we calculate that well in excess of 95 percent of the materials that went into building a Fujitsu Siemens computer at the beginning of the lifecycle can now be recovered in our recycling center at Paderborn.

Our Business customers have been making use of the recycling center in Paderborn for many years. Celebrating its twentieth anniversary has provided us an opportunity to both reflect upon the success of its operations and to consider the driving role it has played in informing our broader environmental product strategy over the years.

In April 2008 Fujitsu Siemens Computers published a stand-alone Environmental Report detailing the activities and progress of our Remarketing and Recycling Division. The Report provides information around our take-back and recycling strategy, our portfolio of remarketing and recycling services and the ecological processes employed at our Paderborn facility. The Report is currently available for download on our *Sense of Responsibility* website.

### Remarketing Business Policy

- Remarketing division management assumes responsibility for the quality of the services provided and for protection of the environment.
- We feed the experience we have gained from the recycling of products and materials into the design and development of new products.
- Managers play a key part as role models in fashioning the behaviour of employees with regard to quality and the environment.
- We constantly aim to improve our results and processes, and in particular to optimize the impact of our activities on the environment.
- We assume full takeback responsibility for all IT products introduced into the market in Germany by Fujitsu Siemens Computers GmbH.
- We use our influence to persuade our recycling partners to do as we do and use recycling methods based on the “best available technology”.
- We assign staff of the right caliber to ensure that we exceed statutory requirements in minimizing our impact on the environment and that the business policy is implemented effectively.
- We provide interested members of the public and authorities with all information relevant to the environmental repercussions of our remarketing activities.



### Waste Management Programme - South Africa

Fujitsu Siemens Computers recently became the first IT Company to offer a take-back programme in South Africa. As part of the pilot scheme we launched a policy for the take-back of Electronic Equipment including notebooks, PCs, monitors, photocopiers and calculators. This was enabled through our relationship with South Africa retail partner, *Makro*, and our electronics recycling partner *Desco*.

Allied with a marketing and PR campaign encouraging customers to recycle their e-waste, branded recycling containers were placed outside a pilot *Makro* store allowing customers to drop-off their e-waste. One of the largest retailers in South Africa *Makro* has an active customer based of some 1.7 million.

Following results and measurements from the first two months of activity we aim to roll out this take-back programme across 12 remaining *Makro* stores. This will deliver one of the biggest consumer focused recycling programmes and campaigns in South Africa to date.



## Business Drivers

At Fujitsu Siemens Computers our approach to environmental responsibility is underpinned by the view that responsible business practice delivers tangible business benefits. It differentiates us within the market, reinforces our brand and provides new avenues for us to engage consumers and stakeholders. It can also deliver significant cost savings, both for our clients and across our own business operations. This proves it is possible to reach a balance between ecology and economy. Below are some examples of customers who have chosen and benefited from our environmentally advanced IT products including detail around internal activity undertaken at Fujitsu Siemens Computers.

### HypoVereinsbank



HypoVereinsbank Information Services GmbH (HVB IS) is the IT service provider of HypoVereinsbank. The company is one of the largest full-service IT providers in the European financial services sector. Their client, the UniCredit Group, was seeking to deploy a virtualization strategy for its data centers in order to reduce costs through energy use minimization and to deliver greater IT flexibility in terms of server deployment and operation.

HVB IS had previously used some 650 server boxes for work preparation and production. This was proving expensive to operate due to high power consumption and intensive administration. The server boxes were also taking up considerable floor space. Following a preliminary analysis HVB IS turned to Fujitsu Siemens Computers for assistance in an extensive reorganization of the data center.

Our programme began with the consolidation of the 650 physical servers. The plan was based on server virtualization with VMware ESX Server, PRIMERGY BX600 Advanced Blade EcoSystem and server blades with low-voltage AMD® Opteron processors. Designed for continuous high-efficiency operation the BX600 series is open to future processor technology. Its design features centralized power and cooling components to eliminate the complexity of conventional server infrastructures with no single point of failure. It can also be seamlessly scaled with the use of virtualization solutions such as VMware ESX Server and guarantees a highly agile IT operation.

To date this consolidation programme has delivered a major reduction of infrastructure costs to the UniCredit Group above and beyond initial expectations. This includes energy savings, cooling, freeing up of floor space and improved server administration. Some 1,400 virtual machines are now running on 55 of our PRIMERGY BX630 Blade Servers with VMware ESX-Server. The latest calculations indicate that this is delivering some 2 million KW/h of electricity savings per year resulting in a yearly reduction of 1,240 tons of CO2 emissions. This goes beyond our initial energy savings predictions of 1.2 million KW/h of electricity per year. Due its success HVB IS is currently planning a more comprehensive virtualization programme for its data centers.

### Norddeutscher Rundfunk (NDR)



Norddeutscher Rundfunk (NDR) is a non-profit public corporation that broadcasts a wide range of radio and television programming as well as complementary online offerings. NDR Television accounts for 17.5% of total ARD programming and contributes popular productions such as "Tagesschau", "PANORAMA", "Anne Will" and "Großstadtrevier".

In order to support its daily output of attractive programming NDR requires an extremely dynamic data system that can handle some 50 applications. The public corporation turned to Fujitsu Siemens Computers to provide an optimal server platform for implementation of a complete consolidation, virtualization and automation strategy. NDR IT decision-makers wanted to deploy server technology that would provide a flexible pool of resources to support all applications.

Our PRIMERGY Blade EcoSystem was chosen by NDR due to the standardized technology used within the PRIMERGY Blade Server architecture. The architecture enormously simplifies installation and

system recovery. It also offers a high level of investment protection since the same chassis can accommodate different blade server generations and models. NDR deployed 36 PRIMERGY Blade Servers with Intel® and AMD® processors.

Our solution provided significant performance and cost efficiencies. The server farm is roughly half its former size whilst performance has doubled. NDR's annual server investment has been reduced by an average of 40% and operating costs are also significantly lower. PRIMERGY Blade Servers are extremely energy-efficient and NDR was able to cut power consumption by 50%. A high-performance cooling system also means that energy savings are not eaten up by additional expense for air conditioning. NDR now has a server platform that is easy to administer and provides ideal support for virtualization and automation.



## SOS Kinderdorf



SOS-Kinderdorf e.V. in Germany operates some 46 facilities with 2,500 employees. In addition to 15 SOS Children's Villages this includes an array of youth, training and vocational centers as well as village communities, educational facilities and maternity centers. An effective IT infrastructure is a therefore a necessity to SOS-Kinderdorf e.V.

Aligning with their ethic of responsibility towards children and young people, SOS-Kinderdorf have long required their IT partner to exhibit strong environmental credentials. Fujitsu Siemens Computers were originally selected as an IT partner of choice due to a strong focus on customer driven solutions, quality and environmentally friendly solutions.

We recently expanded our support to SOS through the large scale roll-out of energy efficient ESPRIMO professional PCs. The ESPRIMO PC utilises energy-saving AMD processor technology cutting power consumption by some 30 percent when compared with standard computers. This, the silent operation of the PC, and the fact that our ESPRIMO PC is manufactured in Germany under high environmental standards ensured we remain the partner of choice to SOS Kinderdorf e.V.

## Practising what we Preach

Whilst simultaneously using technology solutions to help other businesses improve their environmental performance, Fujitsu Siemens Computers has also revised its own internal operations. We have taken measures across all departments, processes and resources that have resulted in visible cost reductions and significantly less energy usage. A two year project, this has yielded impressive results and has gained us cost savings of some 20 percent.

The process began with green projects which promised a return on investment in less than one year and were straightforward to apply. An example of this was creating energy settings for PCs and setting energy and environmental efficiency definitions in our computing centers. As a result the Augsburg computing center reduced its CO2 consumption by nearly a third and web conferencing and presentations reduced travel impacts considerably.

The computer centers are often a large internal investment and are an essential part of Fujitsu Siemens Computers and its operations. We addressed the demands of the centers by examining all components to evaluate potential savings in energy. Using virtualization technology from VMWare, machines with high capacities were optimized. This was then rolled out to other affiliate centers, for example, installing BladeFrame systems which reduced energy consumption in the server pool by approximately one quarter. Once the center's lighting was switched from externally controlled systems, the focus then moved towards monitoring temperature with hybrid acclimatization systems also lowering costs by 20 to 30 percent.

Energy consumption at the workplace also became a central focus in the choice of equipment and led us to choose integrated power management, ECO buttons and innovative cooling systems. Using energy saving flat screens with preset reduced brightness lessened the energy consumption of the monitors by 40 per cent. Printer usage was another area in which steps were taken to reduce unnecessary costs. Having fewer centrally placed same brand printers helped to reduce consumption. This was supported by simple measures such as double sided printing and black/white printing. Costs and energy consumption have also been kept down by the fact that almost 70 percent of employees at Fujitsu Siemens Computers work with laptops which require only half as much energy as normal desktop computers. Collaborative solutions such as Webex, Office Live Meeting and Net-meetings also reduced the company's travel expenses.

The overall impact of the environmental measures was surprising even to those responsible for them. Not only was return on investment achieved in less than one year, but the cost savings for electricity and consumable materials were quickly reflected in the budget. The fact that employees are increasingly supporting and facilitating environmental initiatives shows that awareness is increasing. A team is tracking the remaining heat nests in computing centers; additional virtualization, consolidation and automation will increase equipment loads and storage pooling will receive back up pooling using Fujitsu Siemens Computers' Contractor.



## Fujitsu Siemens Computers - Italy goes Green

Over the last year, Fujitsu Siemens Computers in Italy has been implementing a series of measures designed to minimize the company's impact on the environment. Measures have included a switch to renewable energy supplies and technological improvements to lighting systems.

Electricity is now purchased from 100 percent renewable sources such as solar power and hydroelectricity. Motion sensors have also been integrated throughout the office into the lighting system to ensure that lights are used only when needed. We calculate these measures have already led to annual savings of some 11,000 Euros.

Fujitsu Siemens Computers in Italy has also adapted its car policy to encourage the use of dual-alimentation cars by employees. These cars run on liquid fuel and petrol and are subsidized by Fujitsu Siemens Computers. We estimate the introduction and subsequent take-up of this car policy has led to a 25-30 percent reduction in car emissions when compared with the previous year.

In addition to these measures, our office in Italy has undertaken a number of other initiatives. These include a commitment to 100 percent recycled paper and internal paper-saving measures, delivering, we estimate, a further 13,000 Euros of savings annually. Agreements have also been made to source fair-trade and organic products from Ctm altromercato, Italy's largest alternative trading organization.

These measures and activities demonstrate a real win-win for Fujitsu Siemens Computers, both minimizing our impact on the environment whilst delivering tangible business benefits.



## Supply Chain Management

Managing social and environmental risk in our supply chain continues to be a business priority for Fujitsu Siemens Computers. We recognize our responsibility to maintain and continually improve standards among our supply chain partners and during the course of the last twelve months we have undertaken a number of concrete actions to further embed transparency and responsible supply chain management into our daily business processes.

Our overarching approach continues to be informed by our membership of the United Nations Global Compact and the 10 social and environmental principles it enshrines. These principles, drawn from globally accepted Conventions and Declarations, currently form the basis of our stand-alone supplier Code of Conduct and are integrated into all our Master Purchasing agreements. Suppliers are contractually bound to adhere to these standards and to ensure compliance we undertake random independent audits across ten percent of our supplier base annually. This figure of ten percent represents around 40% of Fujitsu Siemens Computers supply chain purchasing by volume.

Since developing the stand-alone supplier code of conduct and the announcement of our intention to randomly audit suppliers in 2007, Fujitsu Siemens Computers has undergone its first ever annual social and environmental audit process. Separate from our bi-annual supplier reviews this independent auditing process is specifically designed to monitor supplier compliance with contractually agreed standards for social and environmental conduct. We employ a third-party auditor to conduct the audits and the process lasts for up to a month.

We were pleased to report no major violations of our supplier code of conduct although a number of minor documentation issues were raised with a key supplier. Since this issue came to light we have engaged that supplier directly and triggered a process of cross-company managerial learning with one of our top performing suppliers. This process of cross-company learning is designed to encourage a spirit of dialogue among suppliers and their managers fostering performance improvement through the sharing of workplace best-practice. We have made it known to that supplier our intention to carry out a re-audit during the course of our next annual independent audit phase. This is expected to begin in September 2008 and we will make public a summary of the findings.

Our supplier monitoring and auditing processes continue to evolve and in early 2008 Fujitsu Siemens Computers joined the Global e-Sustainability Initiative (GeSI) – a global partnership of ICT companies working to further sustainable development and foster continual improvement in sustainability management and best practice. Supply chain management is a core component of GeSI activity and through its collaborative partnership with the Electronics Industry Code of Conduct (EICC) the GeSI supply chain working group works to develop and disseminate consistent tools and processes to measure, monitor and enhance supply chain responsibility.



An active member of the GeSI, we recently introduced the EICC supplier questionnaire as the basis of our independent supplier audits. The EICC code and its constituent tools are globally recognized by a multi-stakeholder community and its activities sit at the forefront of efforts to improve social and environmental conditions within the electronics supply chain. Fujitsu Siemens Computers' suppliers will now be expected to provide structured information against an industry consistent set of issues, from labour practices, health and safety to the environment. This will take effect from September 2008 as our annual audit phase begins.

To further affirm our commitment to supply chain transparency and best-practice we published a list of our Supply Chain Contributors in May 2008. This list can be found on our corporate responsibility website and it will be regularly reviewed and updated to reflect our changing supplier base. Its publication stands as a significant milestone in Fujitsu Siemens Computers' evolving approach to supply chain management.

During the course of the next twelve months we will continue to communicate on our supply chain practices, engaging with all interested stakeholders in a transparent manner. This will include the publication of results from the 2008 phase of our supplier audits.

### **Stakeholder Engagement and Memberships**

During the course of the last year we have continued active engagement with a range of stakeholders across a number of business issues including chemicals and supply chain management. We believe this ongoing engagement – a dialogue based on transparency and trust - helps drive more sustainable outcomes, both for the Fujitsu Siemens Computers business, and the environment and society on which those business operations impact. Indeed, we recognize many of the sustainability challenges facing our industry today will only be met tomorrow through effective sector and civil society collaboration.

In line with this engagement commitment we extended our corporate responsibility memberships to the *Global e-Sustainability Initiative (GeSI)* and the *Green Grid* during the last twelve months of business activity. Founded in 2001 in response to the Millennium Development Goals, the GeSI is a global partnership of ICT companies working to further sustainable development and foster continual improvement in sustainability management and best practice. Through our membership of the GeSI we have been actively enhancing our response to responsible supply chain management. Details of how we have been leveraging our involvement in this partnership can be found in the supply chain management section of this report.

The Green Grid is a consortium of IT companies and professionals seeking to lower the consumption power of data centers around the globe. Bringing together industry, consumers, government and non-governmental organizations, the Green Grid aims to increase and promote energy efficiency within data centers and IT service delivery. As a member we have committed the company to develop and offer products that meet or exceed energy efficiency standards.

Resource constraints naturally minimize the number of initiatives and partnerships we can engage in as an organization. However, we regularly review our role in collaborative CSR based initiatives in order to determine where we can have the most positive impact and where we can generate most value.

## Workplace

Throughout the last twelve months Fujitsu Siemens Computers has maintained its investment in workplace responsibility programmes. Training and Development, Flexibility and Awareness, and Health and Safety continue as priority focus areas, reflecting our long-term commitment to our employees.

Complimenting and supporting our existing programmes we have recently undertaken a series of additional workplace activities. This includes roll-out of our Fujitsu Siemens Computers Corporate Compliance Programme, and company-wide CSR training for employees.



### Corporate Compliance Programme

Integrity and ethics are the lifeblood of any sustainable organization as much as they are the backbone of good corporate governance and robust risk management. Stakeholders, from consumers to policy-makers, increasingly demand high standards of ethics and compliance and view them as indicators of a healthy sustainable business.

That is why, upon its formation in 1999, Fujitsu Siemens Computers introduced its company-wide Ethics Policy. That policy was built upon our 'we make sure' philosophy forming an integral part of our corporate values and culture. It laid out ethical guidelines for all Fujitsu Siemens Computers' employees, emphasizing a range of important issues from the importance of mutual respect and honesty, to fair competition, to health and safety in the workplace.

Over the course of the last year, reflecting the growing compliance agenda, we undertook significant steps to enhance our approach to ethics and compliance. In April 2008 we evolved our Ethics Policy into a more comprehensive Fujitsu Siemens Computers Corporate Compliance Programme. Designed to prevent and handle ethical misconduct more efficiently and sensitively the Programme also seeks to provide employees with a safety net when they are unsure about how to raise work related issues or grievances within the company. We view the programme as much about our workplace responsibility toward employees as it is fulfilling legal requirements.

Fujitsu Siemens Computers' employees are now expected to live up to those high standards communicated in both the Compliance Programme and our Ethics Policy which has also been updated. Having named an existing manager to the role of Corporate Compliance Officer we believe a pro-active approach will further encourage high standards of ethical culture across our business operations.

### Employee CSR Training

In September 2008 Fujitsu Siemens Computers rolled-out a company-wide CSR training. Training was made available to all staff through a web-based training tool, enabling maximum staff engagement across our EMEA business region.

The training programme seeks to equip employees with an enhanced understanding of the business implications of corporate responsibility, our responsibility approach and strategy, and detail on how Fujitsu Siemens Computers is managing its responsibilities to deliver greatest value to the economy, society and environment.

We expect strong uptake for the training programme demonstrating both the centrality of the CSR agenda to our business and the desire of our employees to put in context the good work they are doing on a daily basis. We will look to build on this staff training during the months ahead.

## Community

We continue to support local communities around the world through a mix of staff volunteerism and engagement in charitable causes. Our employees are actively encouraged to pursue their personal charitable interests and Fujitsu Siemens Computers is committed to supporting these projects through product and in-kind donations where possible. A selection of community engagement highlights from the last year is provided below.

### FSCgoes4kids campaign – Swaziland

Following our successful project with World Vision in Gilgal during 2007, we recently engaged in a further humanitarian project in Matsajeni, Swaziland as part of our FSCgoes4kids umbrella campaign. A poverty-stricken country suffering from the effects of an HIV/AIDS epidemic with an infection rate of 42.6 percent, Swaziland is in urgent need of external assistance.

Children suffer disproportionately the consequences of this problem and through its Neighborhood Care Points (NCP) World Vision is helping to care for orphaned and vulnerable children. Neighborhood Care Points provide schooling and meals whilst also providing day-to-day care for very young children. This allows their elder brothers and sisters to attend school.

Through our sponsorship of World Vision in Swaziland, Fujitsu Siemens Computers is helping enable the development of several new Care Points and training for some 36 volunteer teachers.



**Reducing the digital divide - Italy**



Fujitsu Siemens Computers in Italy has been actively addressing digital divide issues through its long-term partnership with Informatici Senza Frontiere (ISF) – an Italian charity devoted to digital divide issues through projects across Italy and the Developing World.

Launched in 2007 with a donation of 30 notebooks to the computer room of a children’s hospital in Brescia, Lombardy, the tie-up between ISF and Fujitsu Siemens Computers now aims to roll-out a number of additional projects in the coming years. Discussions around a specific new project involving channel partners are already well advanced. This project aims to broaden the objectives and deliverables of the partnership.

**Support for Liberia**

Inspired by the ‘Mercy Ships’ initiative – a hospital ship which delivers medical treatment to people in need – Ad van Ginnekan, a Fujitsu Siemens Computers colleague, teamed up with three other radio amateurs to support a humanitarian project in Monrovia, Liberia. The aims of the project were threefold: to raise money for a healthcare clinic treating patients with malaria and HIV in Monrovia, to raise awareness around the ‘Mercy Ships’ initiative, and to support the few local radio amateurs by establishing a radio station in Monrovia.

Travelling to Liberia, the team of four contacted radio amateurs around the world and began their campaign. The short-wave radio amateurs were asked to contact a specially installed radio configuration in Liberia and to confirm each successful contact by sending a postcard along with a donation to the Dutch DAGOE Foundation, which supports the charity project.

The initiative was an overriding success with some 28,000 short-wave radio contacts logged, over 10,000 US dollars in donations received, and over 50,000 visitors to the ‘Mercy Ships’ website. Fujitsu Siemens Computers provided support to Ad van Ginnekan and his team through the donation of three LIFEBOOK C1410s.



**Helping Children in Tunisia**

Since 2006, Fujitsu Siemens Computers and Siemens have been working together with the SOS Kinderdorf (SOS Children’s Village) in Tunisia.

Both companies recently joined forces on a new project. Supported by Nokia Siemens Networks, the distributor BITS Informatique, and the IT services provider FOCUS, they are financing the construction of a new house in Gammarth, in the north of Tunisia. The house will be kitted out with appliances from Bosch Siemens and with eco-conscious ESPRIMO Green PCs. The building will be home to eight children between the ages of eight months and ten years. It is planned that at least one of the children moving in will complete an internship at Siemens and, after finishing their studies, will go on to work for a company within the Siemens group

SOS Children’s Villages was founded in Austria in 1949. The organization operates 450 SOS Children’s Villages around the world, providing a home, family life and education to approximately 50,000 abandoned, orphaned, or otherwise deprived children. We are committed to supporting the development of a further house in the SOS Children’s Village in Sillana over the next few months.

