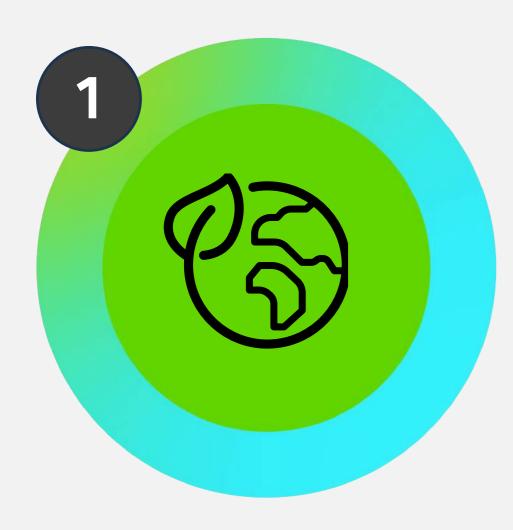
From reactive to proactive:

Embracing Net Positive in retail



Contents:



Introduction



Understanding the Net Positive imperative for retail



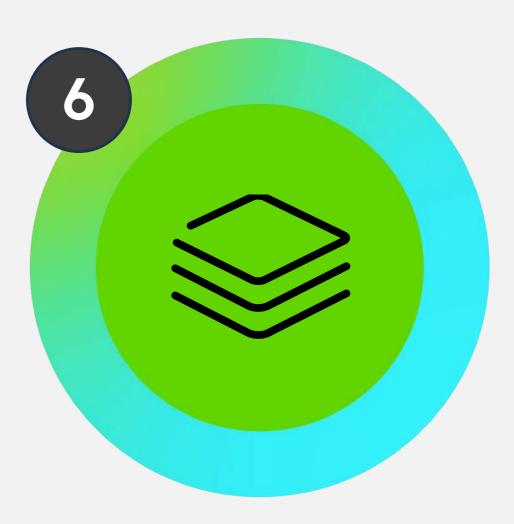
The will to change



Areas of opportunity



Fujitsu as a partner for success



Next steps: Embracing Net Positive in retail

1. Introduction

Retail has always been a major driver of progress — shaping economies, communities, and consumer lifestyles. But as the industry evolves, so must its approach to sustainability.

So far, sustainability efforts have largely focused on minimizing the bad like reducing plastic and monitoring emissions. But is there room to maximize what is good? We think so.

In today's landscape, Net Zero is no longer the finishing line; it's the starting point. And the future belongs to those who go beyond curtailing their negative impacts to actively restoring, replenishing, and regenerating the world around them.

Currently, according to <u>Fujitsu's Net Positive Index</u>, developed and researched by Economist Impact, just <u>4%</u> of organizations equally weigh financial, environmental, and social metrics.

To be truly progressive means embracing a 'Net Positive' mindset. That's a world where organizations not only minimize their social and environmental footprint, but also generate a lasting, positive impact for both.

The Net Positive Index reveals that sustainability and profitability are not mutually exclusive — in fact, they thrive together.

In this article, we'll explore:

- What Net Positive means
- How it differs from previous approaches
- Why it matters

Read on to find why retail is leading the way and what to stop, start, and continue doing to ensure a more ethical, prosperous future. One that's good for business, society, and the planet.





A business approach where companies not only aim to reduce their social and environmental footprint, but also actively create positive impacts that contribute to long-term sustainability and the well-being of people and the planet.

Delivering Net Positive means moving from being reactive to proactive

It's not just about being less harmful or wasteful; it's about anticipating and developing strategies to educate shoppers, improve supply chain transparency, respect staff well-being, and allocate resources back to the planet. So, as an organization, you can incrementally, positively contribute to people's daily lives.

In this era of unprecedented global crises such as climate change, cyber crime, and human rights issues, we believe a responsible and proactive contribution to the world is an imperative no organization should overlook.

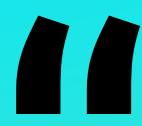
Retailers have a unique role to play in the pursuit of Net Positive. Everyone's a consumer, so retail is often on the vanguard of promoting healthy and responsible living. Being at the forefront of consumer behavior, in part, explains why retail has a more accountable role in driving Net Positive compared with other industries — especially when it comes to resource production, waste, and employment.

The Net Positive Index, an action-oriented framework for understanding how companies in five industries are pursuing Net Positive, reveals that retail is leading the way with an overall score of <u>57/100</u>, ahead of manufacturing, energy & utilities, and financial services. It's a good start but globally, we still have a long way to go. No industry is currently a 'Net Positive Leader'.

As part of Fujitsu's Advancing Net Positive Agenda, the Net Positive Index uses two key data sources:

- Industry level data the World Benchmarking Alliance's Social Benchmark dataset and the UN Global Compact database.
- 2 A survey of over 1,800 business executives across 17 countries.

Many organizations still see sustainability as a trade-off, with <u>53%</u> citing a conflict between sustainability goals and other business priorities. But the Index suggests this 'either-or' decision is a false dichotomy — sustainability and profitability can (and should) co-exist. <u>72%</u> of companies employing technology to support sustainability initiatives are tracking ahead on profit goals.



In a Net Positive world, retailers must not just examine what they can stop doing but ask "what can we start doing to have a positive impact on people and the planet?"



Richard Clarke, Executive Director for Global Retail, Fujitsu

Investing in Net Positive is no longer a choice—it's essential to grow your business

Consumers expect it and demand it. We know this because nearly half (47%) of today's consumers view sustainability as a key factor when deciding where to buy¹.

Fujitsu's purpose is to make the world more sustainable by building trust in society through innovation. We recognize success is intrinsically linked to the well-being of your workforce, the prosperity of partners, and the health of our planet. These values shape our approach to sustainable retail.

3. The will to change

The future of commerce relies on successfully integrating sustainability into operations to attract environmentally conscious shoppers and stand out in a competitive market.

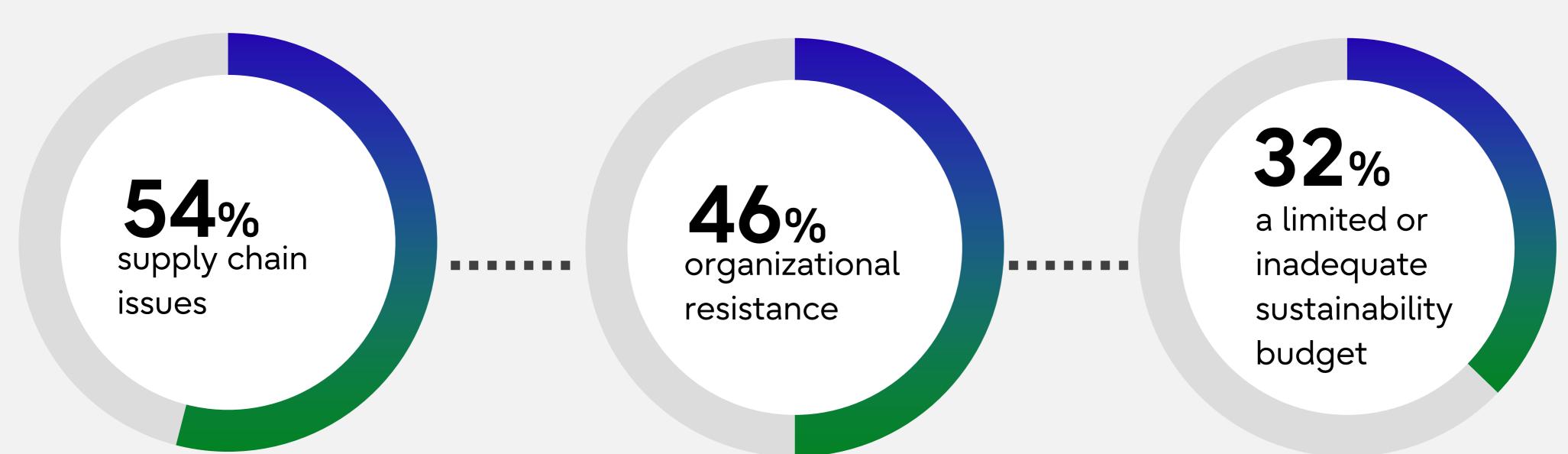
Contrary to popular belief, Net Positive is an approach that will contribute to growth.

The Net Positive Index reveals that <u>63%</u> of companies are beginning to integrate social and environmental targets alongside financial metrics. So, progress is being made as retailers undertake more commitments. In recent years, this is partly driven by shopping habits (72% of customers consider sustainability a crucial factor in purchasing decisions²) and partly by regulatory compliance.

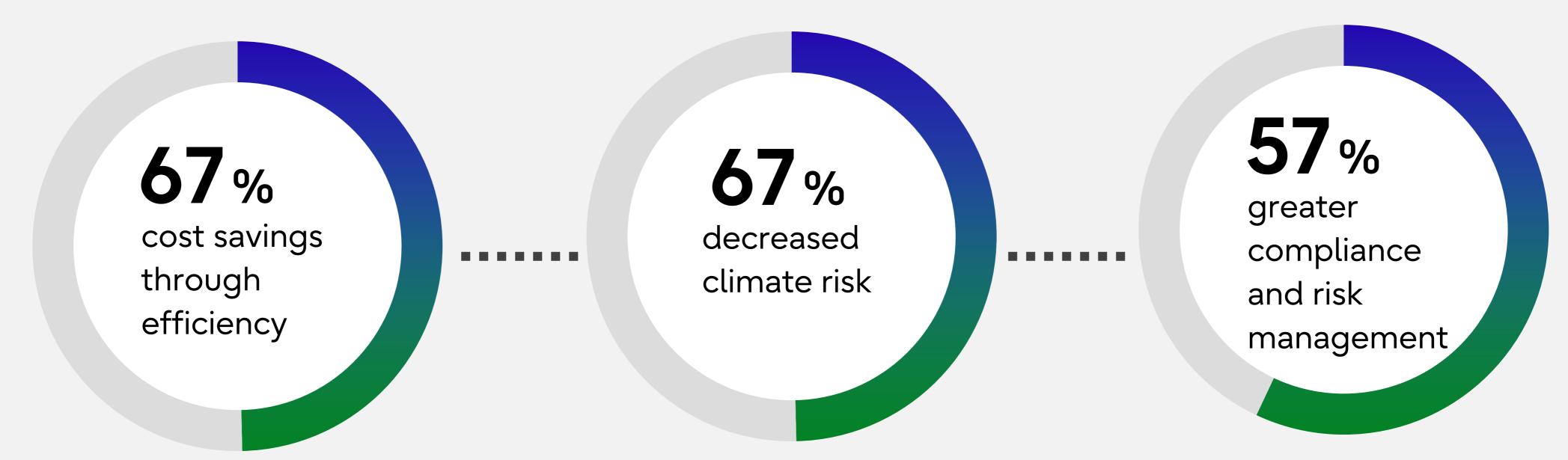


So, what's creating the gap between ambition and action?

As with every worthwhile journey, there are challenges that lie ahead. Among participants, <u>commonly cited barriers</u> to achieving their social and environmental goals include:



But participants also recognize there are multiple, <u>tangible business benefits</u> that come with adopting a Net Positive approach, such as:



Compared with other major industries, retail is performing the best overall on the Net Positive Index. But there is still a notable lack of commitment among peers, perhaps because sustainability has historically been viewed as a "nice-to-have". But it's no longer a niche aspiration.

As a consumer-facing industry, retail is in a unique position to guide consumers towards making more sustainable choices and drive upstream demand with third-party suppliers.

Breaking free from an 'ESG' mindset — a framework that prioritizes harm reduction — is key. Retailers need to show a willingness to go further and be agents of change. Those that do will quickly meet and exceed customer expectations, driving long-term business growth and profitability.

The next section explores how.



Sustainability applies across the value chain, not just in the boardroom. But limited visibility across your network, particularly around ethical conduct, makes it difficult to monitor and improve behaviors and operations.

Currently, just 26% of companies give NGOs or independent actors open access to review their supply chain (to assess supplier labor practices, for example). Although retailers are more likely to disclose practices in their value chain (58% compared to a 29% all-industry average).

Net Positive promotes greater accountability. And for that, you need transparency through better data management. This enables retailers (and their partners) to make more informed decisions, from protecting workers' rights to identifying high emission areas. Integration of AI, cloud technologies, and real-time data analytics can give you these insights.

It's important to apply this accountability across all parties, which calls for a more collaborative relationship between retailers and suppliers. That means looking at every area — from warehouse to store — to build collective responsibility and coach each other on driving a Net Positive approach. There's no room for a "them and us" culture.

Consumer education

As an industry, retail is often more exposed to (and the subject of) social expectations. With an increasing focus on ethical trading and community support, consumers expect organizations to be more responsible and less profit driven.

850/0

of respondents have a target to reduce negative impacts on local communities, whereas fewer (71%) have a target to advance positive impacts.

The onus isn't entirely on retailers, of course. Consumers must play their part too. This presents an opportunity to educate customers. For example, encouraging shifts in purchasing habits like accepting slower delivery times or a reduced availability of certain products to save on transport emissions.

Consumers will feel more invested in your sustainability initiatives if they see themselves as part of the mission. By shaping your strategies around social and environmental causes, you'll help to make sustainable behaviors more mainstream.

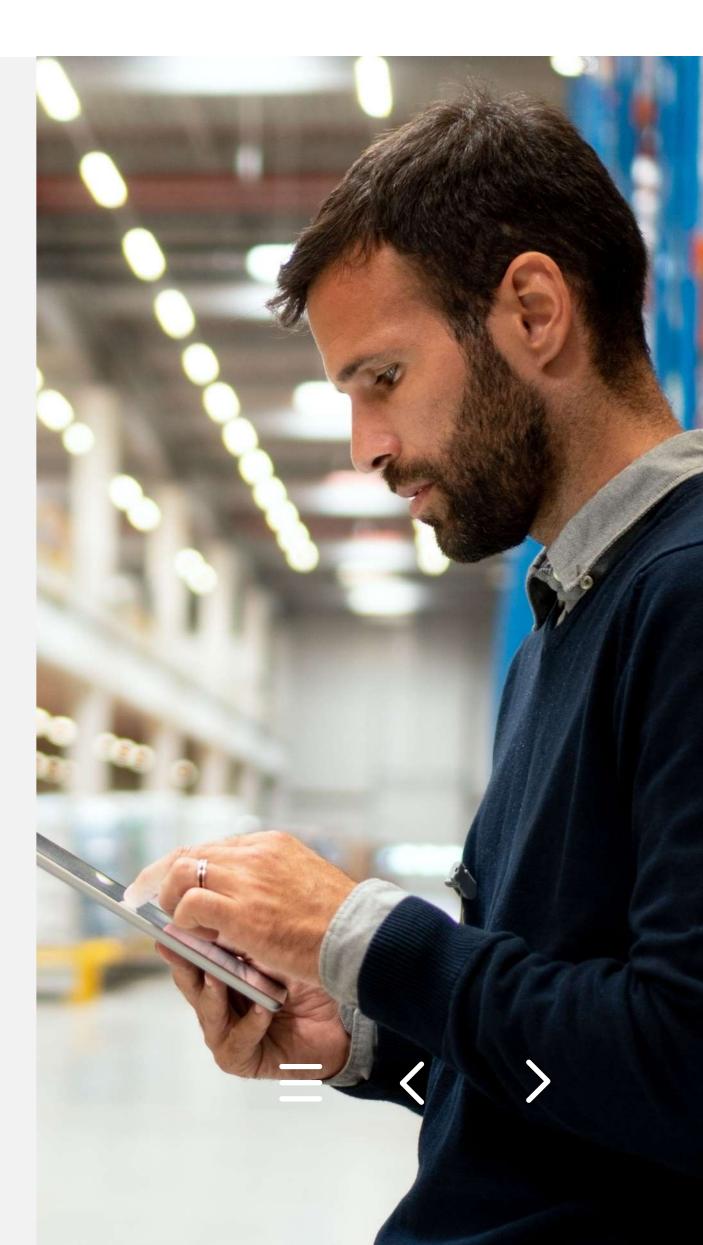
Al and computer vision help capture information to improve your sustainability handprint while enhancing the customer experience. These technologies enable you to make changes such as optimizing store layouts to encourage more sustainable choices. This makes sustainability more accessible and enhances customer experience by making it more personalized and convenient.

Internal operations and the role of technology

A Net Positive approach also requires a commitment to assess and optimize internal business models. Leaders need to harness the right, flexible tools to innovate and adapt at pace. And technology plays a critical role.

This is evident as 36% of retailers say data collection has helped their organization reduce its negative social and environmental impacts.

Technologies such as AI, IoT, and blockchain are key enablers, providing the data and control needed to optimize resource use, reduce waste, protect staff, and improve social standards, while meeting meet consumer expectations.



5. Fujitsu as a partner for success

Fujitsu has the cross-industry experience and sustainability leadership to bring retailers, manufacturers, public sector agencies, and technology providers together, in order to orchestrate new ways of managing resources and people, and serving consumers. Our holistic approach will help you prosper and deliver both business growth and sustainable outcomes.

Driving sustainable growth for Reitan Convenience Sweden

Reitan Convenience Sweden (RCS) needed cost-effective, high-quality support services and application development. Their ambition? To exceed customer expectations by making sustainability convenient.

We provided a full range of advanced store operation services, with end-to-end project management of store IT. RCS now has the tools to eliminate wasted cost, time, and emissions, and simultaneously enhance consumer experience across 400 stores, gaining their highest-ever internal customer satisfaction score of 94/100.

Read the full case study





Fujitsu's deep retail expertise helps us streamline our operations, enhance the store experience, and put sustainability at the core of our business.

6. Next steps: Embracing Net Positive in retail

In today's fast-evolving retail landscape, staying ahead requires operational agility, seamless integration of technology, and a forward-thinking approach to sustainability.

For retailers looking to accelerate their Net Positive transformation, we recommend this five-step plan:

Step 1 Rethink your operating model for sustainability

Review your operations to continue reducing your energy consumption and waste while planning to increase your social responsibilities and the well-being of people.

Step 2 Make the business case for meaningful change

Pursuing Net Positive will need investment in changing consumer purchasing behaviours, supply chain efficiencies, and employee well-being but loyalty, sales growth and profit will follow.

Step 3 Build Net Positive into your customer experience

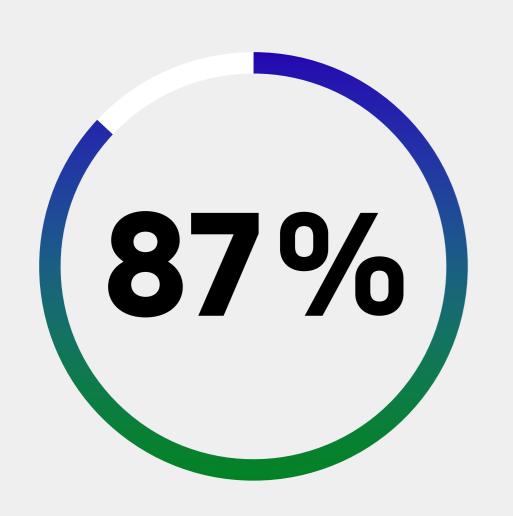
Embed Net Positive into your shopper journeys. Invest in consumer education, refillable packaging, merchandizing, store layout, and order fulfilment to make sustainable shopping choices affordable and rewarding.

Step 4 Don't go it alone

Create sustainability action groups with business partners, up and down the value chain, to build Net Positive awareness and collective responsibility for taking action and measuring results.

Step 5 Invest in the right technology

Implement AI-driven inventory, waste management and energy usage tech to measure performance and promote sustainable change. Data collection and analytics are critical to making the right decisions and keeping your data safe.

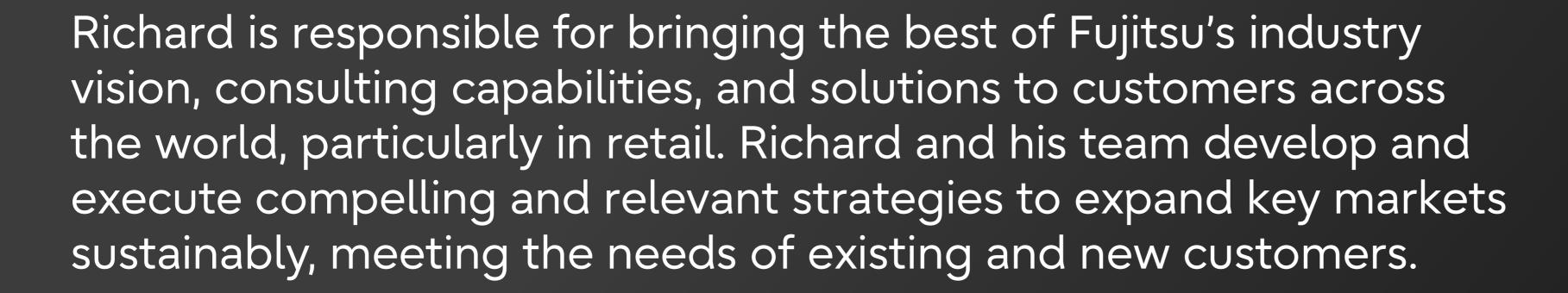


of companies already recognize the benefits of a Net Positive strategy — the time to act is now. It's not only prosperous; it's the right thing to do.







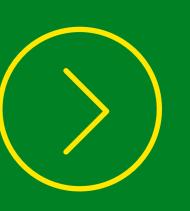


Ready to become a Net Positive business?

Assess your progress: Benchmark your organization against industry peers with our quick assessment tool.



Learn more: Explore our unified and future-proof approach to retail operations and consumer experience.



Get expert help: Contact us to discuss your Net Positive journey with Fujitsu Uvance Consumer Experience.

