



## CSR Report 2014

Fujitsu Group Detailed Version

shaping tomorrow with you

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## The Power of ICT\* for sustainability and beyond

Now is an age when all types of things, from devices to social infrastructure, are connected by networks.

A Human-centric era has arrived for ICT industries. People are connected to one another by smart devices and we are able to gain knowledge through the cloud. Starting from "human activity," the Fujitsu Group is working to analyze in real time the vast information gathered in these digital worlds,

and bring about transformation in society by giving rise to new knowledge. Going forward, we will continue to make the "power of ICT" instrumental in the actions and decisions of those who confront diverse social challenges.

\*ICT: Information and Communication Technology

Society in 2020

## Toward a Hyper-Connected World where Everything is Connected through the Internet

The number of global Internet users has surpassed 2.7 billion, while the number of appliances, vehicles, and other devices connected to the Internet grows beyond 10 billion. Sensors are even being embedded with social infrastructure such as roads, bridges, and electric power equipment, letting people capture the state of things over the Internet in real time. Expanding in front of us is a hyper-connected world in which people are connected to each other more deeply than ever.



## We Create Human Centric Innovation

### Fujitsu empowers the creativity and problem-solving capabilities of people, and provides ICT environments for the creation of new innovation.

In a hyperconnected world there are three key dimensions for the creation of innovation - people, information and infrastructure. Fujitsu aims to realize business and social value by providing solutions and services that bring together these three dimensions, we call this approach

Human Centric Innovation. As an innovation partner for customers, Fujitsu will provide a portfolio of necessary technologies and services, and will focus on business activities to realize innovation.

#### **Realizing Human Centric Innovation from Three Dimensions**



#### Human Empowerment Connect people and empower

#### Connected Infrastructure

Connect everything and optimize business and social infrastructure

Creative Intelligence

Create knowledge from information

#### Society in 2030

### Modern Society Faces a Mountain of Issues that Threaten the Sustainability of the Earth and Society.

The spread of ICT has brought the people of the world closer together, and creates a driving force behind global economic growth and affluence. At the same time, there is no denying the series of distortions appearing in the growth of modern society, including the worsening scale of climate change and natural disasters, and the shortages of food, water, and energy that accompany population increase.



## We create Social Innovation

## Together with customers, Fujitsu will advance the social innovation that will resolve societal issues through the power of ICT.

Numerous governments, NPOs, NGOs, and international institutions are cooperating to resolve a mountain of global social issues. Fujitsu believes that we can contribute to more speedy resolution of these issues by effectively using the human resources, technologies, expertise, information infrastructure, and other resources held by companies. The power of ICT is moving beyond the creation of business efficiency and transformation of processes, and now holds the power to transform society. Business innovation will develop into the construction of value chains that extend beyond specific industries, and will lead to the achievement of better societies. With the power of ICT as our leveraging point, Fujitsu is working to realize a Human Centric Intelligent Society in which all can participate proactively in the creation of a sustainable society.



#### Conceptual Image of Human Centric Innovation

## Fujitsu is Taking up the Challenge of Human Centric Innovation.

#### Pursuing Sustainability as a President's Mission

As a member of society, a company cannot conduct its businesses if a healthy Earth and society are not sustained. In that sense, the pursuit of sustainability is the ultimate mission borne by corporate management. To make this a reality, it is vital that companies introduce management systems related to respect for human rights and to legal compliance, as a social license to operate. It is also vital that companies continue to generate fair profits while contributing through their business to the resolution of global-scale issues.

To pursue sustainability, we must ascertain the essence of the technological shifts that are taking place today. In many regions of the globe, the evolution of ICT is bringing about a hyper-connected world by which people and things are always connected. As an example, a Fujitsu smartphone has performance comparable to that of a supercomputer from just over 10 years ago, and contains 7 types of sensors. Along with automobiles and appliances, the number of "things" that will be connected over networks in the coming several years is said to be between 50 billion and 1 trillion. Massive data generated through advanced processes in cloud computing will bring about an age in which new knowledge is created.

ICT is evolving quickly, and sooner or later will surpass the capabilities of humans. At that time, the question will be whether we will be governed by ICT or whether we will make use of ICT from a human centric standpoint to bring peace and prosperity to humanity. Fujitsu is pursuing ICT that will aid judgment and action so that people can live better lives. We believe that under this premise, humanity will for the first time realize a safer, more prosperous, and sustainable human centric intelligent society.

## Stepping Forward from Structural Reform to the Creation of Social Innovation Business

Through fiscal 2013, we achieved our prospects for structural reform. From this year, we will take a new step forward to pursue sustainable growth as a company.

Our approach for doing so is to make the power of ICT an aid in resolving societal issues. ICT is moving beyond the transformation of processes (i.e., business innovation), and now holds the power to transform society. In order for humanity to sustainably secure food and resources and to prosper, we must drastically transform how we manage issues such as water, soil, and energy. Fujitsu believes that ICT holds the power to lead us toward the resolution of such issues. To leverage this power in future growth, we are taking up the challenge of creating Social Innovation business that will tackle global-scale issues such as agriculture, medicine, and education. Moreover, we will reallocate our investment, human resources, technology, and other management resources to bring about human centric innovation.

Naturally, we do not subscribe to the belief that humanity will achieve happiness simply by advancing the use of ICT. We must reduce the energy consumption of ICT itself, through means including the efficient operation of datacenters. Moreover, connecting people to one another brings about good and bad results globally. As an example, there has been a dramatic increase in social risks such as human rights and labor issues, cyber attacks, dissemination of false information, and infringement of intellectual property in supply chains or in digital companies. Given these risks, and given our social responsibilities as an ICT company, Fujitsu hopes to partner with governments and related bodies and contribute to the creation of environments in which people can use ICT with freedom, safety, and equality.

#### Meeting the Expectations of Our Stakeholders

To put sustainable business into practice, Fujitsu has signed the UN Global Compact and supports its 10 principles in the areas of human rights, labor, the environment, and anti-corruption. In addition, under the Global Matrix structure that we began in March 2014, we are leveraging the ISO26000 framework to introduce a CSR management cycle at 122 Group companies in Japan and overseas.

Through business activities based on the expectations and requests of our stakeholders, Fujitsu will continue to build on our brand promise of "shaping tomorrow with you" as we contribute to the creation of a sustainable society.



Amid the rapid increase in the world's population, the number of people living in "megacities" with populations of 10 million or more is expected to increase from the current 3.2 billion to 5.0 billion by 2030. While urbanization brings abundance and convenience to people and prosperity to cities, it also invokes a variety of problems, including environmental issues such as air pollution, waste, noise, and energy shortages, traffic issues such as congestion and accidents, and shortages of housing and medical facilities.

In Japan and overseas, Fujitsu is using the big data generated by the activities of people in cities to advance safer and more comfortable future urban development, based on the needs of people in local communities.

#### Comprehensive Agreement with Kawasaki City on Sustainable Community Development

Resolving urban issues involving traffic congestion, the environment, energy, and other concerns is vital to the achievement of global-scale sustainability.

Kawasaki City, which has a population of over 1.45 manufacturing technology paired with globally leading environmental technology that has overcome pollution. embrace 16,500 Group company employees in Kawasaki. Successful and Happiest City is aiming to build a society



engagement, and are working together toward promoting a

The partnership seeks to implement advanced technology and expertise of Fujitsu. The partners also agreement, both parties will leverage big data concerning

#### Areas of Collaboration

- . Continuinty development using icf . Cultivating the next-generation of human resource talent that will flourish globally . Forming a vibrant community . Creating an environmentally friendly community . Promoting contributions to the international community and industrial development with cutting-edge technology

Case of Human Centric Innovation 1 Responding to Urban Issues

## Sustainable Urban Development to Resolve the Issues of Congested Cities

#### VOICE

## Aiming to Create a "Most Successful and Happiest City, Kawasaki"

Norihiko Fukuda



Kawasaki (ity is honored to enter into a comprehensive

agreement with Fujitsu, a partner and leading representative of industry. Since taking office as Mayor in November of last year, I have come to keenly appreciate the importance of dialog. This is because the expression of concerns by people is what leads to the gathering of solutions and knowledge. I would like to break through "can't-do" thinking by using new technology and tackle all sorts of issues together with Fujitsu, to make Kawasaki the most successful and happiest city in Japan.

In the 1960s and 70s, Kawasaki City joined hands with companies to refine environmental technology for the resolution of pollution issues. I believe that this success story will set a positive example for China and Southeast Asian nations that continue to undergo rapid growth. Fujitsu's advanced initiatives even include the export of an ICT-based environmental monitoring system to Saudi Arabia.

From here on out, I hope to utilize Fujitsu's technology for big data and consider long-term policy measures based on population trends, as we continue to formulate new general plans for Kawasaki City. Taking the comprehensive agreement as an opportunity, I look forward to consultations with Fujitsu on urban development using ICT, resolution of issues, and many more things. As we create results together with Fujitsu, we will communicate these to other cities as the "Kawasaki model," and will contribute to the happiness of people the world over.



## A big data analysis project to envision the city 30 years from now

Amid increasing attention on the use of big data, the city of Hamamatsu in Shizuoka Prefecture is taking the lead among municipalities in the use of big data for future urban development.

From September 2013 to March 2014, Fujitsu worked with Hamamatsu to augment the public data held by the city by collecting residents' comments through questionnaires and interviews and through comments directed at the city in online articles and social media, Through the use of analytical tools, Fujitsu was able to uncover the expectations and thoughts of residents toward the city. While making use of this information in day-to-day municipal governance, Hamamatsu also put it to use in the Hamamatsu Future Design Conference that set forth a vision for the city 30 years from now.

#### Overall Image and Process of the Analysis



Formulation of Hamamatsu's new comprehensive plan (FY2015-)

#### In China

### Providing vehicle maintenance service in partnership with a telecommunications carrier

In China, which accounts for approximately 23% of the number of new cars sold globally, there is widespread public concern about air pollution and frequent traffic accidents—especially in urban areas—resulting from an increase in the number of vehicles.

Fujian Fujitsu Communication Software Co., Ltd. is collaborating with telecommunications carriers in China to provide major logistics companies with a one-stop, smart-vehicle management service for eco-driving and vehicle safety. This service has improved fuel efficiency by more than 20% and reduced the number of accidents by

approximately 50% in some cases. Fujitsu will continue to

rujitsu will continue to make contributions to improving the urban traffic environment and safety in China and in countries around the world through the use of ICT.



# Toward the Construction of ICT Environments to Support Advanced Medicine, and toward New Services to Care for Mental Health

In 2030, seniors aged 65 or older are expected to account for 31.6% of the population of Japan. Limiting the accompanying increase in social security, including medical, expenses has become an urgent issue. Achieving a society in which people can live healthy and long lives requires that regions come together to nurture the health and medical industry and the medical partnerships that support the health of every citizen. At the same time, maintaining and enhancing mental health is a key issue, with companies called upon to boost their efforts to check on employees' mental health burdens.

Amid this, Fujitsu is aiming to provide diverse ICT solutions to support preventive medicine and individualized medicine. An example is digital medical records, with which Fujitsu has a wealth of experience. Fujitsu is also taking up challenges such as support for drug discovery using supercomputers, and the creation of services to sustain mental health in disaster-stricken areas.

#### Establishment of the Next-Generation Healthcare Innovation Center for Medical Innovation and the Creation of a Healthy Society

In December 2013, Fujitsu established the Next-Generation Healthcare Innovation Center to tackle diverse medical-related issues facing Japanese society. The mission of the Center is to create new business in health promotion, early disease detection, prevention of disease exacerbation, new drug creation, and individualized medicine by taking full advantage



of ICT and working with progressive research institutions and medical facilities.

In particular, Fujitsu will leverage its track record and expertise in electronic medical record systems, in which we hold the leading share of adoption in Japanese medical institutions. We aim to achieve individualized medicine and to construct next-generation electronic record systems that are integrated with genome data and daily lifestyle information, in addition to existing treatment information. In partnership with Japanese and foreign pharmaceutical companies and research institutions, Fujitsu is also engaged in "In Silico drug discovery" using supercomputers. By using simulations, this enables significant reduction in the time required to identify compounds that work to curtail the outbreak of diseases.

From here on out, Fujitsu aims to leverage the advanced technology and expertise we have built up through our business, and to contribute to the realization of innovative medicine and the formation of a society that supports people's health.

#### VOICE

#### Without ICT, New Healthcare will Never Develop



Hiroshi Tanaka Ph.D. & Dr. Med., Professor, Medical Research Institute Tokyo Medical and Dental University

My research has centered on two fields: bioinformatics and medical informatics. For about two years now, I have been working with Fujitsu on a new integrated database in hopes of eventually reflecting genome and health-related information in electronic medical records and helping medical professionals diagnose and treat conditions in a "total" package that includes environmental and genetic (genome-related) factors. The Next-Generation Healthcare Innovation Center is instrumental in combining all the genome-related information that I have gathered over the years with Fujitsu ICT.

Why did I decide to pursue joint development with Fujitsu? I have plenty of relationships with many other companies, all of which have similar perspectives on and approaches to genome usage and other topics. Fujitsu, however, was the only one to start at the idea development step, put the project under the president's direct control, and work as quickly as possible to make something of it. In Fujitsu, I see the spirit of challenge and the flexibility it takes to accept change. The company also boasts an extensive ICT background and infrastructure in wide-ranging sectors of the healthcare field, including electronic medical record systems, regional healthcare integration, and supercomputer-powered organ simulation.

In that sense, I hope Fujitsu continues to blaze trails as the leader of genome medicine in Japan. There is no way to develop new healthcare without the aid of ICT. Fujitsu, I believe, is going to play a vital role in propelling Japanese healthcare forward.



#### In Iwate Prefecture and Fukushima Prefecture

#### Disaster reconstruction support: Disaster prevention and security systems, and guardian support systems for citizens living in temporary housing

In the process of reconstruction following the Great East Japan Earthquake, we recognized that, besides building infrastructure, preventing isolation through person-to-person communication is an important issue.

Fujitsu is addressing this issue by using ICT to allow local governments to enhance their information delivery capabilities, and for victims to receive mental health-care.

In lwate Prefecture, we are cooperating with the city of Oshu to build up a mechanism for unified management of disaster prevention and security information, as well as for dissemination of information by mobile phones, SNS, and other means. In this way, we help local governments to make optimum decisions and to deliver information properly to residents.

In Fukushima Prefecture, we are partnering with the city of lwaki and with lwaki Meisei University to construct a

guardian support system composed of health information management and stress checking functions, so that we may support the mental health of citizens living in temporary housing.



Temporary housing in Iwaki Fukushima Prefecture

#### In Ireland

### Using sensing technology to support safe and secure independent living in an aging society

The use of ICT is being investigated to address social issues brought about by the aging of society.

Under the theme of support for health in everyday lifestyles, Fujitsu has launched the KIDUKU Project<sup>\*1</sup> to provide monitoring and assistance for independent living by seniors and patients in smart houses in Ireland. The project is a collaboration between Fujitsu and two Irish research institutions, TRIL and CASALA.<sup>\*2</sup> Both of these institutions are engaged in advanced initiatives involving the use of sensing technology.

In this research, we collect data from the daily lives of seniors and patients through a variety of sensors. The aim is to develop a system and construct solutions for health management and daily living assistance that pairs expert medical knowledge with data visualization and analysis technologies. The system is expected to aid the optimization of treatment plans through ongoing observation of illness, and to facilitate communication among concerned parties.

Through the project, Fujitsu aims to make use of ICT in assisting independent living in an aging society.

\*1 KIDUKU: The name of the project incorporates the meanings of Japanese words for awareness (of changes in conditions) and building (of good relations between Ireland and Japan).

- \*2 Two research institutions in Ireland: • TRIL (Technology Research for Independent Living): A medical research institution
- ring freemosping research involving sensing technologies.
   CASALA (Centre for Affective Solutions for Ambient Living Awareness): Operates and
- CASALA (Centre for Affective Solutions for Ambient Living Awareness): Operates and conducts testing in experimental smart houses equipped with sensing environments.

Case of Human Centric Innovation 3 Responding to Environmental Issues

## From Reduction of Environmental Impacts to Effective Use of Natural Energy and Renewal of Natural Capital

While economic globalization brings new abundance to the world, the emergence of global-scale environmental destruction, shortages of resources, energy, food, and water, and other worldwide issues threaten the sustainable development of global society. In order to resolve these issues, companies must take the lead in correctly understanding the negative environmental impacts of their own activities, and must strive to restrict these. At the same time, companies are being called upon to make effective use of renewable energy such as solar power and wind power, and non-depleting resources and wastes.

Fujitsu provides systems that use ICT to accurately assess environmental impacts and systems that optimize the use of natural energy. Together with universities and research institutions, Fujitsu is engaged in developing systems for water filtration and water circulation that make use of supercomputer-based simulation.

#### Using Supercomputers to Create Sustainable Water Resources

By 2030, global demand for water is expected to exceed supply by 40% due to population increase and the progress of urbanization and industrialization. For this reason, securing supplies of water for households, industry, and agriculture needed to achieve and sustain a comfortable





living environment will be an important challenge.

To address this issue, Shinshu University is undertaking the development of water filtration membranes using nanocarbon and other innovative materials, as well as systemization technology that uses these materials for fresh water generation and water circulation.



#### Aiming to Create Water that Contributes to Comfortable Living Environments around the World



#### Morinobu Endo Distinguished Professor Institute of Carbon Science and Technology Shinshu University

Over 1.1 billion persons are unable to secure safe supplies of water, and lack access to safe drinking water. Over 2 million children lose their lives every year due to contaminated water. The "Global Aqua Innovation Headquarters for Increasing Water-sustainability and Improving Living Standards in the World" plan, proposed by Shinshu University and others to tackle these issues, was selected in October 2013 by the Ministry of Education, Culture, Sports, Science and Technology as a core COI (Center of Innovation) location.

Through a nationwide organization across Japan, this project is aiming for the commercialization of a revolutionary fresh water generation and water circulation system that can extract water from diverse water sources, contributing to the production of resources and preservation of the environment and providing safe and reliable water on a broad global scale. While water generation functionality has been achieved through carbon membranes in the past, the issue from here on out is the creation of innovative functionality. The adoption of Fujitsu's supercomputer for research in mechanism analysis is expected to enable dynamic analysis of water molecules, which had been impossible until now. I hope to build a site for the creation of local new industries and for social contribution through scientific research and practical applications that are compelling to and are needed by people around the world. Development of the water filtration membrane in particular calls for complex analytical work and simulation at the atomic level, requiring a supercomputer with powerful calculation ability. Fujitsu met Shinshu University's needs with a supercomputer system composed of a PC cluster of 16 PRIMERGY RX200 S8 units and a FUJITSU Supercomputer PRIMEHPC FX10. The research is expected to

#### In the Canary Islands

#### Achievement of optimal energy management and stable supply of energy to outlying islands

In the Canary Islands (autonomous region), with a population of 2 million people, abundantly available renewable energy, including sunlight and wind power, is widely used for power generation to benefit from the geographical features of the region. However, due to problems such as inaccuracies in weather forecasts and difficulties in power management, the Canary Islands have depended on Mainland Spain, which is 1,100 km away from the islands, for some of its power supplies.

Fujitsu has provided ITER\* with a system composed mainly of high-performance computers in order to solve these problems, thereby achieving an approximately 75% reduction in energy costs from the mainland.

Utilizing renewable energy is a basis for sustainable development. Fujitsu will continue to make effective use of ICT in order to support the Canary Islands' further economic growth.

\*1TER: The Technological Institute of Renewable Energies Natural energy research facility founded by the island Council of Tenerife in 1990





ITER Data Center

Wind power generation (image)

yield results that will enable the extraction of household water, industrial water, and agricultural water from seawater or even water mixed with oil.

Through the power of ICT, Fujitsu will contribute to the resolution of water issues and other social transformation on a global scale.

#### In the Six Global Regions of the World

## Supporting the management of global environmental data through environmental management solutions

As global environmental issues deepen, the demands placed upon companies to disclose environmental-related information are increasing day by day. At the same time, the globalization of economies is accelerating, and the integration of environmental management across multinational workplaces has become an issue that companies must address.

Honda Motor Co. Ltd, which operates its various business in six regions of the earth, faced issues in the accurate collection and aggregation of environmental impact data. In response, Fujitsu provided Eco Track, a SaaS-based environmental management information system. This flexible, Excel-based solution simplifies form creation, the setting of request routes, and data aggregation work, as well as enables drastic improvements in data accuracy. With this system, Honda is beginning to achieve short-term data sharing and analysis. The company intends to switch from the use of SaaS to private cloud-based operation, and will further improve and strengthen the system's functionality.

Fujitsu will continue to support the environmental management of Honda Motor as it works to realize its vision of "the joy and freedom of mobility and a sustainable society where people can enjoy life."



The geographical characteristics of Japan and Southeast Asian nations place these countries at high risk for typhoons, floods, earthquakes, tsunami, and other natural disasters. In this region, a variety of data on past disasters is being used to create disaster readiness measures for strengthening embankments and other structures. It is impossible to build seabed-sited or land-sited breakwaters of two or three times the usual height in preparation for a once-per-millennium earthquake. After the Great East Japan Earthquake, the approach is increasingly being taken to minimize damage through life-saving disaster mitigation.

Fujitsu has developed systems that aggregate and use volumes of past data to aid disaster readiness. Together with this, we have proposed mechanisms for disaster mitigation that predict damage through sensors that assess weather conditions and changes in the natural environment in real-time.

#### Leveraging Japan's Knowledge of Disaster Countermeasures to Build a Disaster Information Management System for Indonesia

Like Japan, the island nation of Indonesia is geographically prone to natural disasters. Disaster countermeasures are a pressing issue especially in the capital region of Jakarta, the political and economic center of the country.

The Regional Disaster Management Agency of Jakarta's

local government investigated the adoption of a system to improve disaster information management, which had been a time-consuming manual system. Fujitsu built a Disaster Information Management System (DIMS) for the agency by leveraging expertise that had been built up in supporting disaster countermeasures in Japan. Fujitsu developed SMS-based





Urban area during flooding

information broadcasts matched to the local conditions of Jakarta, as well as a portal site, based on functions provided in Japan. DIMS enables centralized management of river level information, automated warnings, real-time information collection from disaster sites and unified display of the information, which helps the agency make rapid decisions such as issuing evacuation orders during disasters.

Fujitsu continues to contribute to disaster countermeasures in Jakarta through efforts to enhance the system, such as information sharing with other agencies, and to improve system operation and maintenance support.

#### Case of Human Centric Innovation 4 Responding to Natural Disasters

## Toward a Safe and Secure Society that Combines Disaster Readiness and Disaster Mitigation Perspectives





#### Toward Sure and Effective Disaster Mitigation Activities

The solution from Fujitsu has helped us in accelerating information management during disaster mitigation process, particularly during the great flooding that hits DKI Jakarta. Back when we still used manual systems during the 2012 flooding, it took five days to receive integrated data, such as flood points and inundated areas. Meanwhile our web portal, which should provide information to the public, did not function effectively. In the January 2014 floods, however, with the support of Fujitsu's disaster management information system, we were able to obtain real time information, and distribute it on time, to ensure effective coordination in the whole disaster mitigation process.



Bambang Surya Putra Head of Informatics Section BPBD DKI Jakarta

#### In Japan

### Creating a high-reliability system for weather information, emergency warnings, warnings, and advisories

Japan's geographical characteristics make it a country always under the threat of frequent typhoons, earthquakes, and other natural disasters.

Reducing the damage from such disasters calls for constant monitoring and prediction of phenomena that may lead to disaster – weather, the ocean, earthquakes, volcanoes, and more – and 24-hour, 365-day provision of accurate information.

By constructing the Automated Meteorological Data Acquisition System (AMeDAS) and the Automated Data Editing and Switching System (ADESS), Fujitsu is supporting the Japan Meteorological Agency's work of observation, monitoring, prediction, and reporting. The weather observation and the information, warnings, and advisories provided by AMeDAS and ADESS help enrich daily life, and are used broadly as information that contributes to disaster prevention and mitigation, traffic safety, and industrial development.

Fujitsu will continue to support the growth of the system with high reliability, and will contribute to the realization of a safe and secure society through advanced ICT.



Forecast operations room

#### Constructing a water resource management system to support flood and drought countermeasures in China

In China

The direct economic losses due to natural disasters in China average over 200 billion yuan (about 3 trillion yen), with flood- and drought-related damages particularly severe.

In addition to provincial water resource management, the Water Resources Department of Jiangsu Province was faced with the priority issue of readying an information system for flood and drought countermeasures. In response, Fujitsu worked with the Water Resources Department to construct a system for water resource monitoring, control, and early warning. Through this system, Fujitsu is meeting

the province's need for water resource security and for accurate and rapid transmission of water level information to water resource departments and other government bodies during floods or droughts.

From here on out, Fujitsu will contribute to natural disaster initiatives for which international cooperation is considered necessary, and will contribute to safety and security worldwide through ICT.



Lower reaches of the Yangtze River



Simulation of tsunami caused by a massive earthquake in the Nankai Trough Image source: Toshitaka Baba, Japan Agency for Marine-Earth Science and Technology (JAMSTEC)



## **6** Key Persons Speak Out: Making Use of a Variety of Managerial Resources

Through the use of the power of ICT, the Fujitsu Group is working to realize a safer, more prosperous, and sustainable Human-Centric Intelligent Society. Achieving this requires that we combine a variety of managerial resources to create social and economic value. Fujitsu will proceed to deliver integrated and easy-to-understand information, so as to create a better future together with customers, investors, and our other many stakeholders throughout society. In this section, a number of key persons responsible for worldwide management at Fujitsu speak out on a variety of initiatives.

#### **Financial Accounting**

More details at http://www.fujitsu.com/global/about/ir/library/annualrep/

## Through the application of IFRS, we are undertaking information disclosure in line with global standards.

Fujitsu has set the global expansion of its business domains as one of the pillars of its medium-term management plan, and has expressed its intent to globally strengthen its human resources development, site improvement and expansion, M&A, and other strategies.

From the first quarter of fiscal 2014, Fujitsu has voluntarily applied the International Financial Reporting Standards (IFRS) in its consolidated financial reporting, and will conduct information disclosure in line with global standards. Our aim is to achieve consistent business management domestically and overseas through IFRS. Recent years have brought global demands for companies to disclose not only financial information but also non-financial information that indicates growth potential from a medium-to-long-term perspective, such as the companies' environmental stance and relationship with society. Responding to this shift, Fujitsu is investigating appropriate disclosure of information to its investors and other stakeholders.

#### Technology and Service Vision

## As a foundation for all corporate activities, Fujitsu set out concepts of technology, products, and services which will support a Human Centric Intelligent Society.

In April 2013, the Fujitsu Technology and Service Vision (FT&SV) was released defining our vison of a Human Centric Intelligent Society, realized through technology and service concepts embodied by our portfolio of offerings. Human Centric Innovation, our core value proposition, is detailed in the 2014 edition of FT&SV (revised and released in April 2014). It is a new approach to innovation, where new value is created by bringing together three key dimensions: people, information, and infrastructure. FT&SV underpins the entire operation of Fujitsu Group worldwide. In order to deliver the values set out within FT&SV, we will strengthen our business execution structures and resources globally, thereby enhancing research and development as well as sales and production capabilities.



Kazuo Yuasa Executive Vice President Finance Division and IFRS Office Corporate Finance Unit

#### Performance Targets under the New Medium-Term Plan (billion yen)



#### More details at http://www.fujitsu.com/global/vision/index.html



Yoshikuni Takashige Vice President Portfolio Strategy Div., Marketing Unit

#### The Values Offered by Fujitsu





#### Environment

More details at http://www.fujitsu.com/global/about/environment/index.html

Yasuhiro Yamaguchi

Green Strategy Div., Corporate

Environmental Strategy Unit

Vice President

## As we engage in our Environment Action Plan, our highest priority is on working through our business to expand the reduction of GHG emissions to customers and all of society.

The Fujitsu Group, which has pursued the principle of "operating in harmony with nature" since its founding, positions global environmental preservation as a priority management issue. As deploying ICT in an intelligent manner enables more efficient use of resources and energy and can contribute to the reduction of greenhouse gases, Fujitsu Group aims to expand the use of ICT throughout society. At the same time, we will develop and offer products with excellent energy efficiency and work to expand their use by customers and society.

As the environmental impact reductions that we have undertaken also have an effect in reducing costs, we are extending their scope to include datacenters, which undergo rising environmental impacts and operating costs as our cloud business grows, and advancing our activities aimed at reducing impacts. Finally, through FY2015, we will engage in our Environmental Action Plan (Stage VII), which aims to reduce both our own environmental impacts and those of society. Amount of Contribution to Reducing GHG Emissions through the Provision of ICT: Our Targets and Performance





#### Human Resources

More details at http://www.fujitsu.com/global/about/csr/activities/employees/education/

## While formulating a human resource strategy for achieving our vision, Fujitsu has begun building a global personnel platform.

Hiroshi Hayashi Executive Vice President Head of Global Human Resources Unit

From April 2014, the Fujitsu Group is building a five-region structure directly under the President for strengthening our global business, and is speeding up decision-making related to cooperation and cultivation of market strategies in each region. To formulate a human resource strategy that will achieve our business strategies and vision, Fujitsu's Human Resources Strategy Committee, which is composed of Corporate Executive Vice Presidents and higher-level management, deliberates on themes such as how the company should address global human resources foundation and training programs.

To achieve the deployment of the right global human resources in the right places, Fujitsu is also undertaking development of a global personnel platform that will unify the bases for our employee compensation systems. To promote diversity, we are also working to improve environments for participation by diverse human resources, regardless of nationality, gender, age, disabilities, or values.

### Reviewing Our Business Structure to Strengthen Global Business



**6** Key Persons Speak Out: Making Use of a Variety of Managerial Resources

#### **Research and Development**

#### To achieve our vision, Fujitsu is formulating a roadmap and undertaking research and development in each of four domains of innovation.

Toward the realization of Fujitsu's vision of Human Centric Intelligent Society, Fujitsu Laboratories Ltd. engages in research and development under three approaches: support for judgment and action through ICT (Human Empowerment), the creation of knowledge through the use of information (Creative Intelligence), and optimization through the connection of people, things, and social infrastructure (Connected Infrastructure). Together with a shared platform to support these, we have formulated a research and development roadmap for each of four innovation domains, and are promoting and using open innovation together with universities and research institutions in Japan and overseas. At the same time, we will accumulate research results based on the use of the above in commercialization, standardization, and other efforts, and will work to secure technological superiority.

#### Information Security

More details at http://www.fujitsu.com/global/about/resources/reports/securityreport/2014-securityreports/index.html

Themes of Leading Research

Fujitsu Group

Connected

Infrastructure

Shared Platforms

Approach to innovation

Human Empowerment

Creative Intelligence

#### We have organized an expert security team to achieve a cloud with high safety and reliability.

While a hyper-connected world generates opportunities to change business and society, it also increases the threats of cyber attacks and leakage of personal private information. In order to realize its vision of a comfortable and safe network society, Fujitsu is focusing on information security that supports ICT. One representative initiative is Fujitsu Cloud CERT\*, a dedicated cloud security team established to protect cloud services, which handle customers' valuable assets, from security incidents. This team, which has official consent from Carnegie Mellon University (U.S.) to use the CERT name, is the first cloud CERT organization in the world. In January 2014, Fujitsu also established the Security Initiative Center, offering one-stop support for the drafting of customers' medium-to-long-term security strategies and the execution of specific measures. From here on out, Fujitsu will achieve ICT environments for the ongoing maintenance of high-level security in terms of both organization and technology.

#### More details at http://jp.fujitsu.com/group/labs/en/



Masayuki Kato Head of R&D Strategy and Planning Office, Fujitsu Laboratories Ltd.

### Fujitsu Laboratories' structure 4 domains of innovation

Ubiquitous Innovation Development of front technology and creation of services that connect people, information, and infrastructure

Social Innovation Expansion of social business through the use of information and data

ICT Innovation Development of new integrated ICT platforms that bring about new value

Manufacturing Innovation Development of hardware and software technology vital to the technology value chain

Security Technology Center,

Cyber Defence Office Cloud Business Unit

am to achieve Masayuki Okuhara





\* CERT: Computer Emergency Response Team, a dedicated team that responds quickly and precisely to emergency situations in computer environments.

### Five Priority Issues and CSR Activity Medium-Term Targets

The Fujitsu Group conducts CSR activities in line with five priority issues. In setting priorities, we have considered the Global Reporting Initiative guidelines and other internationally recognized CSR norms, identified global social problems, and held repeated discussions to decide those which Fujitsu should address as priorities. In addressing the five priority issues, Fujitsu will set shortand medium-term objectives and follow the PDCA cycle in making actual progress. Through these efforts, we aim to deliver ever-stronger responses to the needs and expectations of stakeholders, while contributing to the sustainable development of society and the planet.

Basic Policy	Category	Medium-Term Targets (FY 2020)			
Basic CSR Management	Promoting CSR Activities Across the Group	<ul> <li>We have CSR management processes in place across the Group and implement CSR initiatives in line with global standards, including those for value chains.</li> </ul>			
	Implementing the PDCA Cycle Based on Our Vision	<ul> <li>We work continuously to bring our CSR efforts to the next level by setting shared short and medium-term targets for the entire Group an utilizing the PDCA (plan, do, check, act) cycle.</li> </ul>			
	CSR Penetration and Execution	<ul> <li>Fujitsu Group employees take it upon themselves to promote CSR with a comprehensive view to economic, environmental, and social dimensions.</li> </ul>			
Priority Providing Opportunities and Security Through ICT > P.23	Providing New Values Through ICT	<ul> <li>We are using global cutting-edge computing to generate simulations of the future, and employing them to help solve an array of tough problems like climate change, resource shortages, and disaster damage. In addition, we are globally deploying ICT-enabled solutions for various issues affecting cities, food, medicine, education, and more</li> </ul>			
	Increasing ICT Accessibility	<ul> <li>So that as many people as possible in the world can leverage ICT to pursue their potential, we are opening doors to cyber society, providin devices and interfaces that are easy to use for all, and offering system: supporting ICT deployment to developing countries.</li> </ul>			
	Reliability and Security through ICT	<ul> <li>We deliver reliability and security through the stable operation of ICT systems, the infrastructure underpinning economic and social activity. Further, we provide ICT solutions to realize highly secure environments where personal and proprietary information is protected.</li> </ul>			
Priority Protecting the Global Environment P.25	Benefitting Customers and Society	<ul> <li>By providing technologies and solutions, we are moving closer to our target of reducing CO<sub>2</sub> emissions by 30 million tons a year in Japan by 2020, and helping to cut greenhouse gas emissions worldwide.</li> <li>We are advancing and taking concrete measures regarding all of the items outlined in the "Business and Biodiversity Initiative" leadership declaration.</li> </ul>			
	Pursuing Internal Reforms	<ul> <li>The Fujitsu Group boasts world-leading overall energy efficiency in each of its business fields, including software services, hardware products, and electronic devices.</li> </ul>			
Priority Embracing Diversity and Inclusion > P.27	Corporate Culture Reform	<ul> <li>We offer a good working environment for everyone, thanks in part to measures to further human rights promotion and diversity.</li> <li>Our corporate culture fosters ongoing creation of new knowledge and technologies inside and outside the organization through open and free discussion from a wealth of perspectives.</li> </ul>			
	Helping Individuals Flourish	<ul> <li>Fujitsu is creating workplaces in which employees recognize each other, and can exhibit the full added value they possess to contribute to the organization.</li> </ul>			
	Promoting a Work-Life Balance	<ul> <li>We are helping every employee to achieve a work-life balance and maintain a mutually beneficial relationship with society.</li> </ul>			
Priority Developing Human Resources for Their Contribution to Society and the Planet > P.27	Working to Develop Employees Who Can Support a Truly Global ICT Company	<ul> <li>We are contributing to the advancement of society by fostering business leaders that can balance the pursuit of business strategies with the creation of social value.</li> <li>Every employee grasps and acts in accordance with our corporate philosophy to create new value for society.</li> </ul>			
Priority Communicating and Collaborating with	Stakeholder Communications	• We have forged relationships built on trust with diverse stakeholders by maintaining mutual lines of communication.			
Stakeholders	Collaboration with Stakeholders	<ul> <li>Fujitsu Group employees practice optimal collaboration with stakeholders in delivering value which meets society's needs.</li> </ul>			
	Harmony with Society	<ul> <li>Most employees take part in social contribution activities that leverage their strengths.</li> </ul>			

#### Our Approach to CSR

#### Reflecting the Fujitsu Way, Our Corporate Philosophy, in Our Action

Since its establishment in 1935, Fujitsu has contributed to the development of public infrastructure through innovative information and communications technologies. The ideas and spirit of successive leaders who paved the way for the Fujitsu Group's success are condensed and codified in the Fujitsu Way, which forms the core of our management practices.

For the Fujitsu Group, Corporate Social Responsibility (CSR) means putting the Fujitsu Way into practice to address a variety of social issues and contribute to a sustainable, networked society.

#### Our Corporate Philosophy "FUJITSU Way"

On April 1, 2008, Fujitsu announced a fully revised Fujitsu Way.The Fujitsu Way will facilitate management innovation and promote a unified direction for the Fujitsu Group as we expand our global business activities, bringing innovative technology and solutions to every corner of the globe.

The Fujitsu Way provides a common direction for all employees of the Fujitsu Group. By adhering to its principles and values, employees enhance corporate value and their contributions to global and local societies.

#### Promoting Group-wide Dissemination

Each president of the Fujitsu Group companies or business units nominates Fujitsu Way leaders, who disseminate the Fujitsu Way to its all employees.

Consulting with their presidents, the Fujitsu Way leaders plan appropriate activities in alignment with their business strategies. Discussion on the Fujitsu Way and daily activities helps to understand their roles from the perspective of larger society.

#### Providing More Fujitsu Way Tools

Wallet-sized cards and booklets explaining the Fujitsu Way are distributed to Group employees around the world, with posters also posted at workplaces.

An e-Learning course on the Fujitsu Way is open to be offered in 16 languages to all Group employees. In FY 2013, more than 1,000 employees took the course. By March 31, 2014, 150,000 employees have taken the course and learned the corporate philosophy.

In addition, a video of president Yamamoto explaining the underlying meaning of the Fujitsu Way is on the corporate

intranet. The video includes a message about Fujitsu's contribution to society through its business activities. Many general group training courses

provide opportunities to think about the daily activities in the story of Fujitsu Way.



Fujitsu Way wallet-sized cards

#### FUJITSU Way

Corporate Vision	Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.			Global Citizenship	We act as good global citizens, attuned to the needs of society and the environment. We think from the customer's perspective and act	
	What we strive for:			Perspective	with sincerity.	
	Society and Environment	Ve for: In all our actions, we protect the environment and contribute to society. We strive to meet the expectations of customers, employees and shareholders.		Firsthand Understanding	We act based on a firsthand understanding of the actual situation.	
	Profit and Growth	We strive to meet the expectations of customers, employees and shareholders.	omers, ples	Spirit of Challenge	We strive to achieve our highest goals.	
_	Shareholders and Investors	We seek to continuously increase our corporate value.		Speed and Agility	We act flexibly and promptly to achieve our objectives.	
Corporate	Global Perspective	We think and act from a global perspective.		Teamwork	We share common objectives across organizations, work as a team and act as responsible members of the team.	
a l	What we value:					
e Va	Employees	We respect diversity and support individual growth.		We respect huma	an rights.	
Values	Customers	We seek to be their valued and trusted partner.	Code	We comply with all laws and regulations.		
			ofCo	<ul> <li>We act with fairness in our business dealings.</li> <li>We protect and respect intellectual property.</li> </ul>		
	Technology	We seek to create new value through innovation.	Conduct	We maintain confidentiality.		
	Quality	We enhance the reputation of our customers and the reliability of social infrastructure.	<b>A</b>	We do not use or	ur position in our organization for personal gain.	

### **CSR Policy and Promotion Framework**

#### **CSR Policy**

CSR at Fujitsu is practiced by implementing the Fujitsu Way. In all its business activities, by implementing the Fujitsu Way in light of the expectations and needs of multiple stakeholders, the Fujitsu Group contributes to the sustainable development of society and the planet. Our CSR initiatives focus on the five challenges below.

In addressing these challenges, we demonstrate a commitment to responsible business operations as a global ICT company.

## To Advance CSR Activities as an Integral Part of Business

In December 2010, the Fujitsu Group established a corporate social responsibility (CSR) policy and determined five priority issues around which it will focus its CSR practices.

Based on this CSR policy, the Group will focus on five priorities in a more forceful response to the multiple needs and expectations of stakeholders so as to contribute to the sustainable development of society and the planet, discharging its responsibilities as a truly global ICT company. In addressing the priority issues, Fujitsu will set short- and medium-term objectives and follow the PDCA cycle in making actual progress. This progress will be disclosed within and outside the company and shared while CSR activities are being made an integral part of management.

In setting priorities, the CSR Promotion Committee, which has representatives from all concerned departments of the Company, formed a basic strategy working group that considered the Global Reporting Initiative guidelines and other internationally recognized CSR norms, identified global social problems, and held repeated



Masami Fujita Corporate Senior Executive Vice President and Representative Director (Head of Global Corporate Functions)

discussions to decide those which Fujitsu should address as priorities. Two dialogue sessions were also held with stakeholders, in which they were represented by outside experts, deepening our understanding of their needs and expectations.

\* The Fujitsu Group's Stakeholders: The Group sees its customers, employees, business partners, shareholders and investors, and global and local communities as its stakeholders. Government authorities, NPOs, and NGOs are particularly important stakeholders in these global and local communities.

#### Five Priority Issues

Fujitsu will focus on the following five priority issues in implementing its CSR practices. By pursuing these issues, Fujitsu will promote responsible management as a global ICT company.

#### Fujitsu Group CSR Policy



#### Contributing to Sustainable Futures for the Earth and Society

21 Our Approach to CSR 22 CSR Policy and Promotion Framework 24 United Nations Global Compact 25 Socially Responsible Investment (SRI) 25 CSR Activities Utilizing ISO 26000

	FY 2013 Targets	FY 2013 Performance		FY 2014 Targets
Promoting CSR Activities Across the Group	<ul> <li>Create improvement process suggestions for issues identified in FY 2012, and extend these across Group companies.</li> </ul>	<ul> <li>Positioned "human rights" and "labor practices," including our supply chain, as issues to address immediately and began measures toward conducting human rights due diligence.</li> </ul>	***	<ul> <li>Commence governance efforts across t group in order to promote CSR activities</li> </ul>
Implementing the PDCA Cycle Based on Our Vision	<ul> <li>In Fujitsu's business vision, reflect those areas in which Fujitsu will address resolution of social issues through its business.</li> <li>Implement measures to promote the use of guidelines mentioned at the left.</li> </ul>	<ul> <li>Defined "a safer, more prosperous and sustainable society" as the target social ideal in the Fujitsu Technology and Service Vision.</li> <li>Updated explanations within the guidelines.</li> </ul>	***	<ul> <li>Promote top management's vision globally and strengthen platforms for ensuring understanding of the vision inside and outside Fujitsu.</li> <li>Reassess the design of the CSR vision based on global standards.</li> </ul>
CSR Penetration and Execution	<ul> <li>Start disseminating information within and outside the company using SNS.</li> <li>Hold study sessions and workshops aimed at global penetration of CSR standards.</li> <li>Reflect opinions from internal questionnaires in CSR activities.</li> </ul>	<ul> <li>Posted to Fujitsu's Facebook page and our internal magazine information related to CSR initiatives.</li> <li>Held briefings, with support for remote access, for each of our audiences inside and outside Japan.</li> <li>Improved the readability, etc. of our CSR reports.</li> </ul>	**	<ul> <li>Further strengthen communication of information using websites inside and outside Fujitsu, as well as SNS.</li> <li>Establish CSR communities that includ our overseas subsidiaries.</li> <li>Continually implement CSR penetratio measures through seminars, etc.</li> </ul>

#### **Organization Promoting CSR**

#### Company-wide Committees

Three committees have been set up and charged with promoting the uptake and firm establishment of the Fujitsu Way as the cornerstone of the Fujitsu Group's CSR activities. Reporting directly to the Management Council, they are the Fujitsu Way Promotion Council, Risk Management & Compliance Committee, and the Environmental Management Committee.



#### CSR Promotion Committee

To promote CSR management across the entire Fujitsu Group, the CSR Promotion Committee has been established under the chairmanship of the vice president and representative director in charge of global corporate affairs and with administrative support from the CSR Promotion Department. The Committee sets key performance indicators (KPI), communicates information, and holds regular reviews of items including new examples of social contribution activities and the status of business and a sustainable society.

#### **CSR Penetration Activities**

#### Fujitsu Group Sustainability Report 2013 Briefing Seminar

Accompanying the publication on September 25, 2013 of the Fujitsu Group Sustainability Report 2013, we held a seminar with the theme of global CSR management, and held a briefing on our Sustainability Report, as part of our CSR penetration activities. The events were attended by

approximately 300 throughout the Group, which included Fujitsu employees and directors, as well as executives at Group companies and other business sites in Japan.

For the seminar, we invited Mr.Toshio Arima, Chairman of the Board, UN Global Compact Japan Network, to lecture on the U.N.



Mr.Toshio Arima Chairman of the Board, UN Global Compact Japan Network



Fujitsu Group Sustainability Report 2013 briefing seminar at Office Headquarters (Shiodome City Center)

Global Compact and CSR management, as well as the necessity and inevitability of CSR, penetration and development of CSR and the management models of CSR.

For the briefing, we provided the computer-based captioning service for communicating with hearing impaired employees, and shared the same information with employees in a distant place by using a web-based conference system Many employees answered the questionnaire after the briefing session saying that they were able to deepen their understanding of Fujitsu's CSR initiatives.

#### "The STAND UP TAKE ACTION" Campaign for Eradicating World Poverty

"The STAND UP TAKE ACTION"\*1 Campaign was started in support of the Millennium Development Goals (MDGs)\*2 of the United Nations. Surrounding the International Day for the Eradication of Poverty (October 17), people are called upon to rally to show their support for



"The STAND UP TAKE ACTION" for Eradicating World Poverty by Fujitsu employees

achieving the MDGs, then send pictures to the leaders of each country to plea for stronger policy measures. Approximately 360 million people have participated to date worldwide.

\*1 "The STAND UP TAKE ACTION": A mobilization campaign that calls on the people of the world to "stand up" and "take action" to express their determination to solve global poverty.

\*2 Millennium Development Goals (MDGs): 8 goals, 21 targets, and 60 indicators outlined in development fields and applying to global society, with completion targeted by 2015. Example goals include eradicating extreme poverty and hunger.

#### Human Rights Lecture on International Human Rights Day

Coinciding with International Human Rights Day<sup>\*3</sup> on December 10, Fujitsu held a lecture, attended by over 100 employees, with the theme of "Human Rights and Working at a Company."

We invited Mr.Osamu

Shiraishi, Director of the

Asia-Pacific Human Rights



Mr.Osamu Shiraishi Director of the Asia-Pacific Human Rights Information Center (HURIGHTS OSAKA)

Information Center (HURIGHTS OSAKA), as guest lecturer to speak on the different perspectives on human rights in Japan versus the international community, as well as the responsibility of a global



The lecture at Office Headquarters (Shiodome City Center)

company to respect human rights. Each employee was able to deepen their understanding and learn about how global companies are seen from a human rights viewpoint through the Guiding Principles on Business and Human Rights.<sup>\*4</sup>

\*3 International Human Rights Day: To commemorate the Universal Declaration of Human Rights that was adopted at the 3rd meeting of the U.N. General Assembly on December 10, 1948, the U.N. decided at its 1950 General Assembly to make December 10th of every year International Human Rights Day.

\*4 Guiding Principles on Business and Human Rights: A set of principles that codifies the United Nation's framework on business and human rights, also called the Ruggie Framework.

### **United Nations Global Compact**

Fujitsu announced its support of the United Nations Global Compact in December 2009. The Fujitsu Group is committed to global CSR activities that uphold the 10 principles of the Global Compact. Through this commitment, we will meet the demands of various stakeholders in international society, and uphold responsible management as a true global ICT company contributing to the creation of a sustainable society.

#### What is the Global Compact?

The UN Global Compact consists of 10 principles in the four areas of human rights, labor standards, the environment, and anti-corruption with which companies should rigorously comply.



#### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.

#### Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

As of July 31, 2012

Please refer to the GRI Guideline Comparison Table which shows the relationship between the United Nations Global Compact and CSR activities we conducted in FY 2013, contained in the Fujitsu Group CSR Report 2014 (PDF Version).

\* We have been reporting our COP (Communication on Progress) at the Advanced Level since FY 2012.

### Socially Responsible Investment (SRI)

Fujitsu has been incorporated into the SRI stock indices and SRI funds listed below. In 2013, Fujitsu was also included as one of the 100 superior companies (including six from Japan) listed in the newly established U.N. Global Compact 100 stock index.

#### Status of Inclusion in SRI-related Stock Indices

Name of Index	Rating Company
Dow Jones Sustainability	Dow Jones Indices (U.S.), SAM
Indices	Group (Switzerland)
(World, Asia Pacific)	
Dow Jones	
Sustainability Indices	
In Collaboration with RobecoSAM 🦚	
Sustainability Award	
Bronze Class 2014	
FTSE4Good Index Series	FTSE International, Ltd. (UK)
12	
<b>N</b>	
FTSE4Good	
oekom research	oekom research AG(Germany)
Corporate	
Responsibility	
rated by	
oekom research	
Morningstar Socially	Morningstar Japan K.K.
Responsible	······································
Investment Index	
MS-SRI	
Ethibel Sustainability Index	Forum ETHIBEL (Belgium)
(ESI)	· · · · · · · · · · · · · · · · · · ·
(Excellence Register)	
<b>1</b>	
12	
member of the	
INVESTMENT REGISTER	
ETHIBEL	
EXCELLENCE	
UN Global Compact 100	UN Global Compact 100

#### CSR Activities Utilizing ISO 26000

#### Strengthening Global CSR Management

Prompted by our participation, beginning in December 2009, in the UN Global Compact, the Fujitsu Group has been monitoring the CSR initiatives of each of its companies inside and outside Japan each year since FY 2012, basing its oversight on the ISO 26000 international standard for social responsibility.

The purpose of this monitoring is to ensure that our two initiatives of risk mitigation and value creation are taken up at all Group companies. First, in terms of risk mitigation, we establish prevention and correction processes to minimize the effects of latent human rights and labor practice risks, including in our supply chain, that may negatively impact our corporate value. And, in terms of value creation, we contribute to solving issues facing regional societies, while maximally leveraging Group resources and promoting activities conducive to generating value in the entire Group.

#### ISO 26000 Project organization chart (Project office: CSR Department)

(Project office: CSR Department)				
ISO 26000 (The seven	Department(s) in charge			
core subjects)				
Organizational	FUJITSU Way Unit, Corporate Affairs and			
Governance	Risk Management Coordinaton			
	Division, Global Business Management			
	Unit			
Human rights	Human Resources & Employee			
-	Relations Division			
Labor practices	Human Resources & Employee			
	Relations Division			
The Environment	Corporate Environmental Strategy Unit			
Fair Operating	Legal, Compliance and Intellectual			
Practices	Property Unit, Purchasing Unit, Global			
	Business Management Unit			
	5			
Consumer Issues	Quality Assurance Unit			
	····· , ····			
Community	Corporate Affairs and Risk			
Involvement and	Management Coordinaton Division,			
Development	CSR Department.			

## Surveying and Providing Survey Feedback to 122 Fujitsu Group Companies

FY 2013 marked our 2nd CSR Survey, which followed on from last year and targeted 122 Fujitsu Group affiliated companies (78 in Japan and 44 overseas).

For this survey, we worked to upgrade the questionnaire sheet as well as the tallying and analytic processes for the responses. On the questionnaire sheet, we reassessed questions, mainly surrounding compliance, relating to strengthening Group governance, such as questions on "organizational governance" and "fair operating practices" (up take of the Group Code of Conduct and initiatives to prevent bribery and unfair competition). In addition, we used questionnaire sheets from each Group company to analyze their individual strengths and weaknesses, while providing feedback to each Company on issues to address going forward.

#### Feedback Sheets (Sample Image) Provided to Each Group Company



During the tallying and analytic processes for the questionnaires, we arrange the data for each Group company taking into account international standards such as the ICT Sector Guidance from the European Commission, and breaking down results by business operation

(manufacturing/non-manufacturing), taking into account risks particular to the digital culture of companies in the ICT industry. By perfecting the analytic process, we have been able to understand characteristics and trends from the different business operations, which we are leveraging toward improvement measures to minimize risk for the Group.

#### Analysis for each business operation (sample image)







#### Future Developments

Going forward, we will implement specific Group-wide CSR management efforts regarding human rights, labor practices, and fair business practices—the priority issues identified for the Fujitsu Group from the FY 2012 and FY 2013 survey results.

In the course of implementation, we will endeavor to produce and disclose policies and documents consistent with global standards, as well as formulate prevention and improvement processes, regarding human rights issues relevant to Fujitsu and its suppliers. With respect to our supply chain in particular, we seek to understand latent risks with business partners, including claims filed from external parties, legal risks, etc., and plan to continue establishing frameworks for implementing prevention and improvement processes.

In addition, we will leverage platforms for strengthening Group governance, including building a CSR Global Community comprised of the CSR leaders from our Group companies, which now number over 100 companies from FY 2014, sharing best practices and CSR challenges common across the Group, and engaging in discussions of Group-wide priority measures. Priority **1** 

## Providing Opportunities and Security through ICT

The Fujitsu Group holds that "realizing the sustainable progress of the human race" is the essence of ICT and believes that it is our corporate responsibility to use ICT to "bring opportunities and security to ever more individuals throughout the world."

In our CSR Medium-term Roadmap formulated in FY 2012 (with targets set for FY 2020), we stipulated "providing

opportunities and security through ICT" as our number one priority for solving social challenges through our corporate activities. The Fujitsu Group is setting annual targets and carrying out activity reviews in three areas—providing new values through ICT, increasing ICT accessibility, and reliability and security through ICT—in order to achieve this number one priority.

 <sup>★★</sup> Not all plan targets were achieved and some issues remain to be addressed
 ★ Plan targets have not been achieved

	FY 2013 Targets	FY 2013 Performance		FY 2014 Targets
Providing New Values Through ICT	<ul> <li>In Japan and overseas, promote our Smart City business (to address air pollution, energy management, and transportation) that leverages the power of supercomputers.</li> </ul>	<ul> <li>In Asia and the Middle East, continued our Smart City business that leverages the power of supercomputers.</li> </ul>		<ul> <li>Expand examples in leveraging computers for solving social challenges.</li> </ul>
	• Expand businesses that resolve social issues.	<ul> <li>Promoted disaster prevention and mitigation systems as well as social infrastructure management systems.</li> </ul>	***	<ul> <li>Further expand businesses that resolve social issues.</li> </ul>
	<ul> <li>Create multiple examples of solutions related to core areas like medicine, education, and food.</li> </ul>	<ul> <li>Promoted initiatives in each field, such as establishing Future Medical Care Center and introducing cloud solutions to agricultural industries.</li> </ul>		<ul> <li>Actively develop examples of solutions related to core areas.</li> </ul>
Increasing ICT Accessibility	• Strengthen universal design initiatives.	Strengthen universal design initiatives. • Created development examples incorporating universal design (these included an ambulatory support system using a UWB positioning system for visually impaired people, and a meeting system for supporting communication for hearing impaired people).		<ul> <li>Strengthen initiatives for commercializing universal design.</li> </ul>
	<ul> <li>Strengthen initiatives to commercialize solution businesses in emerging countries (India, Laos, Myanmar, etc.).</li> </ul>	<ul> <li>Moved projects forward in multiple countries, including Laos (medical related), and Yangon (e-government).</li> </ul>		<ul> <li>Strengthen solutions-oriented business initiatives in emerging countries.</li> </ul>
Reliability and Security through ICT	<ul> <li>Implement security training for all Fujitsu employees, including executives.</li> </ul>	<ul> <li>Implemented security training (99.5% participation rate) for all Fujitsu employees, including executives.</li> </ul>		Continue security training.
through ter	<ul> <li>Support activities by the World Economic Forum (WEF) to strengthen cyber security.</li> </ul>	<ul> <li>Participated in a WEF Workshop related to cyber security.</li> </ul>		<ul> <li>Strengthen security tie-ups with governments and international institutions.</li> </ul>
	• Standardize communication platforms.	<ul> <li>Completed adoption of communication platforms for all 137 Fujitsu and Fujitsu Group companies (approx. 94,900 employees) in Japan.</li> </ul>	***	<ul> <li>Promote the adoption of communication platforms at Fujitsu Group companies overseas.</li> </ul>
	<ul> <li>Expand solutions to secure total security and privacy.</li> </ul>	<ul> <li>Opened a Security Initiative Center to continuously support efforts to strengthen customer security.</li> </ul>		• Expand solutions based on in-house adoption.
		<ul> <li>Regarding in-house security operations, launched globally standardized security operations.</li> </ul>		

#### CSR Activity Targets and Achievements

#### TOPICS

#### Launching Sales of the Aizu Wakamatsu Akisai Plant Factory's Low-Potassium Lettuce

In Japan, there are reportedly 13.3 million people with chronic kidney conditions and 300,000 people are receiving dialysis. The amount of potassium that dialysis patients can consume is limited, which puts severe restrictions on their intake of raw vegetables high in potassium.

Fujitsu would like to help patients with kidney disease experience the "joys of raw vegetables," and we would also like to contribute to revitalizing industry in Tohoku with state-of-the-art agriculture using ICT. To this end, the Fujitsu Group is leveraging its "Akisai" food and agriculture cloud technology in the hydroponic cultivation of low-potassium lettuce.



Lettuce cultivated in the Aizu Wakamatsu Akisai Plant Factory

Level of Performance: \* \* \* Achieved plan targets

## Toward Providing People-Friendly Social Systems

Fujitsu is challenging itself to take on social innovations in a variety of fields in order to realize the safe, prosperous, and sustainable Human-centric Intelligent Society that is its objective. To this end, we are striving to integrate and provide state-of-the-art laboratory technology, such as artificial intelligence and next generation user interfaces, in addition to providing people-friendly social systems, such as systems that give consideration to



Hirotaka Hara Head of Social Innovation Laboratories

biodiversity and environmental preservation, or systems with privacy protection for a time when "personal identity number" programs exist.

#### Participating in a Meeting of the World Business Council for Sustainable Development (WBCSD)

In support of the World Business Council for Sustainable Development's (WBCSD) belief that the business community can



positively impact societal problems and the environment through its activities, Fujitsu joined the WBCSD in November 2013. As part of the Council's activities, Fujitsu and 15 of the world's leading companies in automotive, petroleum, and tire industries are taking part in the Sustainable Mobility Project (SMP) 2.0 to promote the creation of a vision for a sustainable transportation society. The SMP 2.0 aims to carry out field tests in six global cities to examine traffic accidents, environmental impacts, traffic congestion, etc., and then plans to make proposals to the governments et al. of each country in order to help realize a better transportation society in the future.

In addition, Fujitsu is engaged in awareness building activities at the WBCSD, including strategic uses of "socio-economic impact measurement" and "inclusive business," in order to enhance corporate value from a CSR perspective.

#### Setting Up Social Innovation Laboratories – Uncovering New ICT Territory –

ICT has moved beyond improving business efficiency and has gained the power to transform society. Fujitsu is challenging itself to bring about social innovation and broaden the application of ICT to tackle problems on a global scale, such as in agriculture, wellness, disaster prevention, etc.

In December 2013, Social Innovation Laboratories unified our existing Environment & Energy Research Center, Life Innovation R&D Advancement Office, Mobility R&D Advancement Office, and Software Technology Laboratories. The Social Innovation Laboratories were established with the goal of bringing each of these specialty fields together to link and leverage heterogeneous data to build a social platform for generating new value and knowledge.

In order to realize social innovation, Fujitsu will assess the current state of societies and the challenges they face by carrying out fieldwork on location and holding workshops with relevant parties, in addition to adopting a vision and concrete ICT measures for solving challenges. This is the philosophy of the "field innovation" that Fujitsu is working on for corporations and organizations, and which we have developed in various areas of society. Its aim is to contribute to the community and generate new business for Fujitsu in social areas that have not had ICT penetration.

In addition, it will be essential to address the legal and other administrative sides of solving social issues, and to design systems that take into account human psychology. To this end, we are engaging in sociological research into institutional designs and social psychology.

#### Social Platforms that Aim to Generate New Value from Information



## Priority 2 Protecting the Global Environment

Amidst the demand for full-fledged prevention measures against global warming, the Fujitsu Group is engaging in environmental management using the two focal points of contributing through our business activities to solving the environmental challenges of customers and society, and thoroughly reducing our own environmental impacts.

Along with furthering the deployment of ICT society-wide, and increasing contributions to the environment, the Fujitsu Group is working to create green innovation through ICT while building greater dialogue with customers and stakeholders.

## See the Fujitsu Group Environmental Report 2014 for further details of our environmental activities: http://www.fujitsu.com/global/about/environment/

#### **CSR Activity Targets and Achievements**

Level of Performance:  $\star \star \star$  Achieved plan targets

 <sup>★★</sup> Not all plan targets were achieved and some issues remain to be addressed
 ★ Plan targets have not been achieved

	FY 2013 Targets	FY 2013 Performance		FY 2014 Targets
Benefitting Customers and Society	<ul> <li>Through the provision of ICT, reduce cumulative greenhouse gas emissions from customers and society by 26 million tons through FY 2015.</li> </ul>	<ul> <li>Reduced emissions by 10.87 million tons (Japan: 6.68 million tons; overseas: 4.19 million tons).</li> </ul>	***	<ul> <li>Through the provision of ICT, reduce cumulative greenhouse gas emissions from customers and society by 16.99 million tons from FY 2013.</li> </ul>
	<ul> <li>Through FY 2015, provide funding, technology, and human resource support for activities addressing the resolution of social and environmental issues such as biodiversity.</li> </ul>	<ul> <li>Provided funding, technology, and human resource support. (see p. 24 of the Environmental Report for specifics).</li> </ul>		<ul> <li>Through FY 2015, provide funding, technology, and human resource support for activities addressing the resolution of social and environmental issues such as biodiversity.</li> </ul>
Pursuing Internal	<ul> <li>Reduce greenhouse gas emissions from workplaces to 20% below FY 1990 levels by the end of FY 2015.</li> </ul>	• Reduced by 29.4% compared to FY 1990.		<ul> <li>Reduce greenhouse gas emissions from workplaces to 20% below FY 1990 levels by the end of FY 2015.</li> </ul>
Reforms	<ul> <li>Reduce CO<sub>2</sub> emissions from transport per unit of sales by 4% or more compared to FY 2011 levels.</li> </ul>	• Reduced by 32% compared to FY 2011.	***	<ul> <li>Reduce CO<sub>2</sub> emissions per sales from transport over 1% (on average) compared to FY 2013.</li> </ul>
	<ul> <li>Expand renewable energy purchase from external sources and generation capacity.</li> </ul>	<ul> <li>Installed 210 kW of new solar power generation facilities.</li> <li>Purchased approx. 23,000 kWh of green power.</li> </ul>		<ul> <li>Expand renewable energy purchase from external sources and expand generation capacity.</li> </ul>

\* The page to the right shows all of the categories of the Fujitsu Group Environmental Action Plan (Stage VII).

#### TOPICS

#### [Benefitting Customers and Society] Reducing CO<sub>2</sub> Emissions by 43.1% through Adoption of Tablets by Life Insurance Company Sales Staff

In December 2013, Fujitsu provided a tablet-based solution as the core of the insurance policy management system used by life insurance company sales staff. In addition to enabling significant reduction in paper usage on the order of tens of millions of sheets, the solution has had a marked effect in reducing personnel movement (including business travel expenses and transportation expenses) and office space (including the use of energy for lighting, air conditioning, etc.). This effect has resulted in a

43.1% reduction in CO<sub>2</sub> emissions (according to Fujitsu estimates).



Tablet usage image

#### TOPICS

#### [Pursuing Internal Reforms]

#### Open New Facilities at the Akashi System Center, Making It an Environmentally Consious Datacenter Using Outside Air

For the first time, Fujitsu is using outside air for the primary air-conditioning in the two newly opened modular datacenters at its Akashi System Center. Outside air is used for cooling during winter, intermediate seasons, and as much as possible in summer, while electric cooling is only used to supplement the outside air, maximizing air-conditioning efficiency. In addition, we have developed and adopted

new cooling technology (patent pending) that combines packaged air-conditioners (PAC) for general use computing rooms as supplemental cooling equipment in summer to make cooling with external air possible throughout the year, even in warm climates.

This technology can be easily deployed regardless of the datacenter's scale or building's specification. In the new facilities of the Akashi System Center, our design goal is a PUE value of less than 1.2 at times of full operation.



External view of the Akashi System Center



New facility (seismic isolation DC)

#### Making Steady Progress toward Achieving Targets by the end of FY 2015

We are moving forward with the Fujitsu Group Environmental Action Plan (Stage VII), aiming to increase our contribution to customers and society through our business activities, and striving to address global environmental challenges along our entire value chain.

By providing ICT solutions in FY 2013, we contributed to reducing customer and society-wide GHG emissions by 10.87 million tons and reduced GHG emissions at our business sites by 66,000 tons year-on-year. We are making steady progress toward achieving our targets by the end of FY 2015. Furthermore, as newly targeted in Stage VII of our Action Plan, we have achieved 21.3% resource efficiency for ICT products, primarily by making our smartphones, PCs, and servers lighter and more compact. In other areas, we are supporting employees' contributions to society, with employees actively participating in countries throughout the world, including teaching at an elementary school in the Philippines and working on forest revitalization activities in lwate Prefecture.



Minoru Takeno VP, Head of Corporate Environmental Strategy Unit

In FY 2014, we will expand our initiatives, including increasing the effects of

GHG emission reductions by providing customers with business solutions, improving the performance of our major datacenters, and investing in facilities and improving operations at our business sites.

#### Fujitsu Group Environmental Action Plan (Stage VII) (FY 2013-2015)

Achievement criteria:  $\sqrt{FY 2013}$  target achieved - FY 2013 target not achieved

	Target items (targets through the end of FY 2015)	FY 2013 Results		FY 2014 Plans/Targets
Our Society	Contribution to Society by ICT: Reduce Greenhouse Gas Emissions Reduce greenhouse gas emissions for our custorner and society over 26 million tons.*1	10.87 million tons (Japan: 6.68 mill. tons; overesas: 4.19 mill. tons).	$\checkmark$	16.99 million tons cumulative from FY 2013
,	Contribution to Society by ICT: Increase Solutions Increase the deployment of sustainability solutions.	Prepared action frameworks. Set a definition and criteria, and identified solutions.	$\checkmark$	Continue achieving target in left column.
	<b>Design and Deliver Eco-efficient Products: Energy Efficiency</b> Achieve top-level energy efficiency * <sup>2</sup> of more than 50% of the newly developed products.	39.0%	-	45% or more
	Design and Deliver Eco-efficient Products: Resource Efficiency Increase resource efficiency of newly developed products by 20% compared to 2011.	Increased by 21.3%	$\checkmark$	Increase by 15% or more.
	Leading Edge R&D Develop innovative technologies that enable solutions and products to reduce the environmental load.	Announced 18 key green technologies.	$\checkmark$	Continue achieving target in left column.
	Corporate Citizenship: Social Challenges Support initiatives that address the complex social and environmental challenges, e.g. biodiversity conservation.	Provided funding, technology, and human resource support.	$\checkmark$	Continue achieving target in left column.
	Corporate Citizenship: Social Activities With society, support our employees to volunteer social activities.	Dedicated 129,000 hours to social contribution activities by employees.	$\checkmark$	Continue achieving target in left column.
Our Business	Efficient Business Operations: Reduce Greenhouse Gas Emissions Reduce greenhouse gas emissions in our business facilities by 20% compared to 1990.	Reduced by 29.4%	$\checkmark$	Continue achieving target in left column.
	Efficient Business Operations: Energy Intensity Improve energy intensity in our business facilities over 1% each year.	1.6%	$\checkmark$	Continue achieving target in left column.
	Efficient Business Operations: Data Centers Improve environmental performance of our major data centers.	<ul> <li>Established the Green Datacenter Committee.</li> <li>Set internal targets.</li> </ul>	$\checkmark$	Continue achieving target in left column.
	Efficient Supply Chain: Logistics Reduce CO <sub>2</sub> emissions $^{*3}$ per sales from logistics over 4% compared to 2011. $^{*4}$	Reduced by 32%	$\checkmark$	Reduce CO <sub>2</sub> emissions per transport over 1% (on average) compared to FY 2013.
	Efficient Supply Chain: Procurement Expand activities of reducing CO <sub>2</sub> emissions to all types of suppliers.	Reached 95.9% of business partners implementing CO <sub>2</sub> reduction/limitation measures.	$\checkmark$	100%
	Efficient Use of Resources: Renewable Energy Increase generation capacity and procurement of renewable energy.	<ul> <li>Installed 210 kW of new solar power generation facilities.</li> <li>Purchased approx. 23,000 kWh of green power.</li> </ul>	$\checkmark$	Continue achieving target in left column.
	Efficient Use of Resources: Water Continue efforts for efficient use of water, e.g. water recycling and water saving.	Water usage: 18,620,000 $m^{\rm 3}$ (reduced by 6.3% compared to FY 2012) .	$\checkmark$	Continue achieving target in left column.
Continuous targets*4	Reduced Environmental Impact: Chemicals Reduce chemical emissions to less than the average level of 2009-2011 (PRTR: 21t, VOC: 258t).	PRTR: 21 tons, VOC: 246 tons.	$\checkmark$	Continue achieving target in left column.
5	Reduced Environmental Impact: Waste  • Reduce the amount of waste to less than average level of 2007-2011 (amount of waste: 31,134t).  • Keep Zero Emission in factories in Japan.	<ul> <li>Waste generated: 23,522 tons</li> <li>Achieved zero emissions at domestic business sites.</li> </ul>	$\checkmark$	Continue achieving target in left column.
	Reduced Environmental Impact: Recycling Maintain over 90% resource reuse rate of business ICT equipment at Fujitsu recycling centers.	92.7%	$\checkmark$	Continue achieving target in left column.

\*1 26million tons: Calculate the numeric target by multiplying annual sales of each solution category by a conversion factor of CO<sub>2</sub>e savings per sales which is based on around 300 case studies of Environmentally Conscious Solutions in Japan. \*2 Achieve top-level energy efficiency: Achieve more than 25% of market benchmark in energy efficiency such as top-runner products (first in the world or industry, top of the world or industry). \*3 Reduce CO<sub>2</sub> emissions: Calculate emissions of CO<sub>2</sub> equivalence from energy consumption. \*4 Continuous targets: Targets to be achieved through business activity because already achieved high level performance.

## Priority 3/4 Embracing Diversity and Inclusion / Developing Human Resources for Their Contribution to Society and the Planet

Approximately 160,000 employees are active across the world in the Fujitsu Group. We would like to grow as an organization together with each employee by embracing individuality and bringing together a diverse group, without bias toward nationality, gender, age differences, or disabilities. Additionally, we will contribute to the sustainable development of society and the planet, while both executing our business strategy and solving social challenges, by fostering next-generation leaders as we work toward the Fujitsu Group's goal of being a truly global ICT company.

Level of Performance: ★★★ Achieved plan targets ★★ Not all plan targets we Plan targets have not

★★ Not all plan targets were achieved and some issues remain to be addressed
 ★ Plan targets have not been achieved

		FY 2013 Targets	FY 2013 Performance		FY 2014 Targets
Embracing Diversity and Inclusion	ity and Culture education for Fujitsu and e-Lea domestic Group companies, outsi ion Reform led by the Human Rights even Promotion Committee. with relate		<ul> <li>Implemented a Fujitsu Global Compliance e-Learning course for all companies inside and outside Japan. Also held human rights training events and workshops in each region coinciding with Human Rights Day, in addition to training, related to human rights, held when employees are promoted.</li> </ul>		<ul> <li>Further promote training and education for Fujitsu and domestic Group companies, led by the Human Rights Promotion Committee.</li> </ul>
		<ul> <li>Advance the process of establishing a human rights management structure (human rights due diligence).</li> </ul>	<ul> <li>Launched a working group and carried out issues analysis in order to establish human rights due diligence.</li> </ul>		<ul> <li>Formulate a Fujitsu Group human rights policy in order to establish human rights due diligence.</li> </ul>
		<ul> <li>Implement new measures in workplaces to address issues uncovered in the Head-of-Unit interviews.</li> </ul>	<ul> <li>Support for development in the workplace:</li> <li>Supported various diversity promotion activities initiated at each workplace.</li> <li>Shared diversity promotion initiatives from each company in Japan during the Director's Meeting for domestic Group companies' Human Resources Units.</li> <li>Received recognition for our various initiatives bybeing awarded by the Ministry of Economy, Trade and Industry in the Diversity Management Selection 100 award program.</li> </ul>	***	<ul> <li>Strengthen support for diversity promotion at workplaces oriented toward generating innovation, including at overseas Group companies.</li> </ul>
		<ul> <li>Strengthen initiatives to address factors that were strongly related to improvement of employee satisfaction in the FY 2012 survey.</li> </ul>	<ul> <li>Shared with all companies the results from the FY 2012 survey that "being presented with challenging and interesting work opportunities" was the sentiment that had the highest correlation with employee satisfaction, and promoted corresponding initiatives in each of our corporate organizations.</li> </ul>		<ul> <li>Promote initiatives for presenting "challenging and interesting work opportunities" in each of our corporate organizations, and support the improvement of employee satisfaction in each organization.</li> </ul>
	Helping Individuals Flourish	<ul> <li>Expand positive action for women at Fujitsu (enhance training and diversity mentor program; consider support for active work by young women employees).</li> </ul>	<ul> <li>As a positive action for Fujitsu's female employees, implemented a Female Leaders Training Program (47 attendees).</li> </ul>	***	<ul> <li>Expand continuous "talent management" for female employees from their early years of employment, aiming to support their promotion to management positions.</li> </ul>
		<ul> <li>More effectively implement networking events for all attribute groups.</li> </ul>	<ul> <li>Held events for each division to support the active involvement of disabled employees, non-Japanese employees, employees raising children, and employees caring for family members. (This was also carried out for our (domestic) Group companies.)</li> </ul>		
	Promoting a Work-Life Balance	<ul> <li>Consider measures based on results related to work-life balance that were uncovered in the survey of diversity awareness.</li> </ul>	<ul> <li>Results of each system's use in the Fujitsu Group:</li> <li>Employees using child-care leave: 248.</li> <li>Male employees taking paternity leave: 503.</li> <li>Held forums in the Kanto and Kansai regions regarding transforming work styles to be compatible with work and nursing care. (This was also carried out for our (domestic) Group companies.)</li> </ul>	***	<ul> <li>Expand support measures for transforming work styles for each individual employee.</li> </ul>
		<ul> <li>Promote telecommuting using ICT to help achieve more diverse work styles.</li> </ul>	<ul> <li>Completed the adoption in Japan of a global communication platform.</li> </ul>		
	Working to Develop Employees Who Can Support a Truly Global	<ul> <li>Continually perform "program development for selected employees based on human resource strategy" and "global competency development program for young employees in Japan" to nurture global business leaders.</li> </ul>	<ul> <li>Nurturing global business leaders:</li> <li>Within the next-generation business leaders development programs (83 total attendees), reassessed the program structure for selecting young managers from an innovation-generation perspective.</li> <li>Implemented global competency development program for young employees in Japan (49 attendees).</li> </ul>	***	<ul> <li>Strengthen implementation framework geared toward reflecting next-generation business leaders development program results in our business activities.</li> </ul>
the Planet	ICT Company	<ul> <li>Roll out baseline education that is systemized according to job function and role.</li> </ul>	<ul> <li>Implemented training for newly promoted employees following a new structure:</li> <li>Systematically reassessed the fundamentals of business execution from the perspective of knowledge and practicality, and realigned them with an aim toward strengthening management, leadership (communication), and business implementation ability.</li> </ul>		<ul> <li>Nurture business leaders with experience and a global business outlook; reassess programs for young managers.</li> </ul>

#### CSR Activity Targets and Achievements

#### Promoting Diversity with Three Priority Measures

Diversity and inclusion are positioned as one of the priority management issues at Fujitsu. FY 2013 was the final year of Stage 2: "Understanding and Practice" of the diversity promotion campaign. In addition to the initiatives of Stage 1, three priority initiatives have been continuously carried out since FY 2011.



Vice President,

Office

**Diversity Promotion** 

Stage 3, starting from FY 2014, will add "Innovation from Diversity" to the existing

themes, with the following priority initiatives slated for action:

- Support diversity promotion at workplaces oriented toward generating innovation.
- Expand and improve continuous "talent management" for employees (particularly female employees) from their early years of employment, aiming to produce diverse leaders.
- Roll out measures to Group companies inside and outside Japan.

Our various initiatives to date, including overall efforts for diversity and inclusion, and examples of our innovation at work sites, have been recognized by the Ministry of Economy, Trade and Industry in the Diversity Management Selection 100 award program.



#### TOPICS

## Establishing a Special Subsidiary\* for Promoting the Employment of People with Disabilities

To date, employees with disabilities have been active in various positions in the Fujitsu Group. In December 2013, we set up Fujitsu Harmony Limited in our Kawasaki plant, with the objective of providing more forms of employment for workers with disabilities.

Operations commenced in February 2014 and as of the end of May, eight disabled employees are at work. Current work responsibilities include enclosing, sealing, and sending documents, creating PDF files, shredding documents, etc. Going forward, we plan to increase these work tasks and the number of employees.

The new subsidiary gives consideration to the particularities of each employee's disability and aims to be a workplace where they can continually be more active.



Workers at Fujitsu Harmony Limited creating PDF files

\*Special subsidiary: A subsidiary that requires authorization by the Minister of Health, Labour and Welfare and is established with particular consideration for people with disabilities.

#### Devoting Energy to Nurturing Next-Generation Leaders and Utilizing Global Human Resources

The Fujitsu Group is devoting particular energy to nurturing next-generation leaders and managing our global talent that will lead us to our goal of being a truly global ICT company.



Selecting excellent human resources, having employees engage in action learning, and providing challenging assignments are the cornerstones of training our next-generation leaders. In addition, working

Hiroki Hiramatsu Senior Director, Global Human Resources Unit

toward expanding business in fields of innovation that will be future drivers of growth, we are strengthening the development of our corporate organizations and employees so as to collaborate with diverse human resources and create new businesses.

We are working to build a global human resources foundation that can implement these processes with broad consistency. Specifically, we are adopting common global "work responsibility leveling" and "leadership competency" so that we can understand the level of our human resources talent and employees in key global positions as we aim to actively leverage human resources that span many countries and regions.

#### TOPICS

#### Research and Development\* of a Meeting Support System for People with Hearing Impairment

Fujitsu is developing an application that uses voice recognition software to convert speech from meeting participants into text, send that text to meeting participants' PCs in real time, then allow hearing impaired participants to read the content of the meeting discussions, and type, write, or use stamp input to send their responses.

Use of this meeting support system makes it easier for people with hearing impairment to participate in meetings, improves on existing responses to information support challenges, and realizes universal design for meetings.

\* Research and development through the Ministry of Internal Affairs and Communications' 2013 subsidy program for supporting the use of ICT (R&D for technology, etc. directed toward eliminating the digital divide).



A meeting participant using a microphone to convert speech to text

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### Diversity and Inclusion

#### **Embracing Diversity and Inclusion**

Based on the statement "We respect diversity and support individual growth" in the Corporate Values of the Fujitsu Way, in 2008 we set up the Diversity Promotion Office as an organization to promote respect for diversity throughout Fujitsu. The Diversity Promotion Office's vision for Fujitsu sets forth the following two objectives:

- Improving individual growth and job satisfaction
   That all employees will have mutual respect for one another, that each will demonstrate their own personal added value, and that everyone will contribute to the organization.
- Improving corporate competitiveness and growth That we will continue to create new knowledge and technologies through free and active discussions from a variety of viewpoints.

To achieve these two objectives, we are aiming to create workplaces where people can work energetically, create new value, realize coexistence and mutual prosperity with society, and develop Fujitsu into an even better company.

#### Efforts at Promoting Diversity

To review the status of its diversity promotion, Fujitsu has been carrying out an annual survey of all corporate officers, employees and temporary staff. Based on the results of this survey we are focusing on the following three measures: (1) a reform of mindset and culture in the organization; (2) support for individual success; and (3) reform of way of working.

#### Stage 1: FY 2008–2010 (Awareness and Understanding)

Fujitsu worked to create policies that foster awareness and understanding of diversity so as to create a basis for diversity promotion. In internal publications and on our intranet (in both Japanese and English), we published the results of questionnaires and interviews with top management, and introduced role models<sup>\*1</sup> and information about our various efforts. Furthermore, we also held a variety of company events, including companywide diversity promotion forums, various networking events, forums with individual themes, and a number of different level-specific training sessions for executives and managers. At the end of FY 2010, we designed an e-learning program, called "Creating a Workplace That Inspires All Employees to Work Energetically," to put diversity promotion into practice in the workplace. We opened the program to all executives, employees and temporary staff.

\*1 Role models: In general, people whose conduct functions as a guide or example for others.

#### Stage 2: FY 2011–2013 (Understanding and Achievement)

In addition to past and ongoing activities, with understanding and achievement of diversity as the goal, we worked to achieve the three objectives below in light of individual problems that came to light through earlier activities.

The first objective was, "Support workplace activities designed to promote diversity." We selected representative managers from each Unit and held study sessions, shared information, and supported activities at each business site. In addition, we interviewed the heads of Units in order to understand the status quo at each business site and the thoughts of each director.

The second objective was, "Support active participation by female employees." We strove to achieve the target set in FY 2011 (a 20% ratio of female employees by FY 2020 and a 20% ratio of newly appointed female managers by FY 2020) and worked on positive actions, such as special selected training for female employees.

The third objective was, "Promote measures among Group companies in Japan." In FY 2011, we carried out diversity promotion briefings for each company's diversity promotion manager. We also expanded the scope of various Fujitsu-led events, survey questionnaires, and e-Learning to domestic Group companies.

#### **Diversity Targets and Results**

5.70	Period Target Key Measures				
1	2008- 2010: Awareness and Under- standing	<ul> <li>Foster awareness and understanding of diversity promotion among all corporate</li> </ul>	Conduct surveys of employee awareness of diversity     Implement e-learning programs		
		officers and employees	<ul> <li>Build human networks for female, disabled, and foreign employees</li> </ul>		
2	2011- 2013: Under- standing and Practice	<ul> <li>Promote workplace diversity</li> <li>Support more active participation by female employees</li> <li>Promote measures among Group companies in Japan</li> </ul>	<ul> <li>Select managers to represent diversity promotion in business units and hold study meetings. Determine the actual status of workplaces through interviews of division managers</li> <li>Set quantitative targets for active participation by female employees and conduct training</li> <li>Hold briefings for domestic Group companies, hold events for employees of domestic Group companies</li> </ul>		
3	2014- 2016: Practice and Business Contri- bution	<ul> <li>Support diversity promotion at workplaces oriented toward generating innovation</li> <li>Expand and improve our pipeline for producing a variety of employees (focusing on female employees) with leadership skills</li> <li>Promote measures among domestic and overseas Group companies</li> </ul>	<ul> <li>Interview management and hold meetings with experts</li> <li>Implement level-specific measures to support the active participation of female employees</li> <li>Survey the status of each Group company and share the results</li> </ul>		

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#### Supporting the Active Participation of Female Employees

As an immediate high-priority issue, Fujitsu is setting quantitative targets to reliably create significant numbers of female managers, while promoting activities to achieve these targets.

In more specific terms, we are selecting female employees who are or team leaders and, in coordination with the relevant workplace, management level, HR division, and the Diversity Promotion Office, establishing and implementing training programs appropriate for these individuals as candidates for promotion. For other levels of employees, we also hold workshops and events to encourage them to review their careers and envision their future career path. We are also planning and implementing networking events as opportunities to receive fresh encouragement from others. Furthermore, to help our female employees improve their self-esteem and enhance job satisfaction, we hold forums for all our female employees and giving publicity to role models. Starting in FY 2011, we have been setting up "diversity mentors," selected from the ranks of upper level female managers, who will support the personal and career development of our female employees from a different standpoint than their immediate supervisors.

Note that we use the same recruitment standards regardless of gender with respect to promotion of managers at Fujitsu.

Trends in Women Managers (Fujitsu Limited)

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
3.1%	3.5%	3.7%	4.0%	4.3%

## Female Leadership Development Program (from FY 2011)

Fujitsu has initiated the Female Leadership Development Program, designed to support long-term career furtherance by its female employees. Through the program, Fujitsu is developing human resources to serve in leadership roles, while grooming future management staff.

Open to members selected by each division, this roughly half-year program seeks to boost awareness of career options and develop managerial skills through intensive classes centered mainly on team activities, coupled with on-the-job training. Diversity mentors, acting as team activity advisors and role models, provide advice and guidance, and each team offers its own suggestions to management at the end of the program.

To enhance effectiveness, the program is conducted in coordination with key staff members from worksites, management, personnel, the Diversity Promotion Office, and



Sity Promotion Office, and Fujitsu University, who all work together for the program's success.

## Supporting the Active Roles and Employment of People with Disabilities

Fujitsu employs people with disabilities without limitations on where they may work. People with disabilities, therefore, are working in a wide variety of positions, including as researchers, developers, sales staff, systems engineers, and business staff.

To hire people with disabilities, we have prepared a pamphlet for students with disabilities and included in it specific information such as interviews with current employees with disabilities, Fujitsu's perspective on hiring people with disabilities, and the range of jobs available once a person is hired. We hope this assuages any anxiety and conveys an environment where anyone can actively work, with or without a disability. Correspondingly, we implement long-term follow up from initial human resource development until the employee is established, so that workers can stay with Fujitsu for the long term. One example of this is training for new employees and interviews together with their workplace in order to to bring out the best of the individual's abilities.

In addition, Fujitsu holds forums on the creation of networks of disabled employees and the creation of workplaces where everyone can produce results regardless of any disability they may have. Moreover, we publicize on our intranet role models and manuals for workplaces that can accept disabled employees.

As a result, the percentage of people with disabilities employed by the Fujitsu in FY 2013 was 1.96%.

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1.90%	2.01%	2.05%	2.00%	1.96%

#### **Recruitment of Global Talent**

With sights on global business expansion, Fujitsu takes part in career events in and outside Japan geared to foreign students, as well as holding its own seminars and accepting university students from abroad for internships. Through these and other actions, Fujitsu is recruiting foreign nationals studying in Japan and university graduates from other countries, bringing the total of foreign nationals working at Fujitsu to 261 as of March 31, 2014.

#### Support for Foreign Employees in Japan

Fujitsu started the Integr8 project in 2007 to enable international employees based in Japan to contribute and utilize their full potential as part of a global workforce. After six years, the program has grown to a community of over 400 people and has spread to become a means for supporting and "integrating" internationalism into Fujitsu workplaces, and encouraging cultural exchange between employees of different nationalities. At present, the program has expanded its mission 33 Diversity and Inclusion35 Efforts Promoting Respect for Human Rights38 Creating Good Working Conditions

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to cover the three objectives of: 1) supporting the formation of a global society within Fujitsu Group companies, 2) building structures for accepting cultural differences and fostering diversity-embracing mindsets, and 3) supporting the assimilation of foreign nationals into Fujitsu's organizational environment as well as into Japanese society.

In FY 2013, the program engaged in networking and other activities that included providing a forum for the lively exchange of ideas on making Fujitsu more globalized and providing a forum for discussions among the supervisors of foreign employees. Furthermore, to allow foreign employees to gain and share basic information on Fujitsu policies and living in Japan, we have set up a system in English on our intranet to field questions and requests for consultation, and communicate other items including rules and regulations related to work, a business trip guide, information on how to acquire a visa, and explanations of daily living necessities.

#### Trends in Numbers and Average Ages of Employees



#### **Employees by Region**



#### Supporting the Active Participation of Older Workers

Fujitsu has established a post-retirement rehiring system aimed at providing opportunities to retirees who desire to continue work after the retirement age of 60, and who want to make the best use of their abilities.

#### Efforts Promoting Respect for Human Rights

#### **Respecting Human Rights**

The shared values articulated in the Code of Conduct of the FUJITSU Way are guidelines for each employee to comply with in conducting daily business operations. Prime among them is "We respect human rights," a principle that underpins all our corporate and individual activities and disciplines the actions of every member of the Group.

As detailed guidelines on the Fujitsu Way Code of Conduct for employees, we are uniformly putting the Global Business Standards (GBS) into practice and continuously sharing our philosophy on respect for human rights across the Group worldwide. We have stipulated policies for human rights in employment. We continue to work for equal employment opportunities, respect for human rights, elimination of discrimination, and the prohibition of forced labor and child labor. While we publish these policies on our website, we take every chance for education or training that will promote understanding and penetration of these policies.

Fujitsu has publicly announced its support for the ten principles of the United Nations Global Compact<sup>\*1</sup> and will continue to move forward with management that places a high priority on human rights.

\*1 Ten principles of the United Nations Global Compact: Ten principles in the areas of human rights, labor practices, the environment, and anti-corruption, that corporations should uphold.

#### FUJITSU Guiding Principles of Respect for Human Rights in Employment (Full Text)

With a view to realizing our growth and profits, respect for human rights must be an integral part of our business culture. FUJITSU is committed to creating a culture in which employees respect the dignity and worth of individuals.

To this end, FUJITSU will strive to foster respect for human rights in all the countries and regions where we operate our business while providing an environment that encourages employees to understand and realize importance of human rights.

1. Equal Employment Opportunity and Respect for Human Rights FUJITSU strives to provide equal employment opportunities. FUJITSU is committed to treat our employees with no illegal discrimination based on race, color, religion, creed, sex, social status, lineage, physical or mental disability, sexual orientation and any other legally protected category that is unrelated to the legitimate interests of FUJITSU.

2. Compliance with Employment Laws and Regulations FUJITSU adheres to the applicable laws and regulations of the countries and regions in which it operates in treating our employees.

**3. Prohibition of Forced Labor / Child Labor** FUJITSU will not use any form of forced or compulsory labor. FUIITSU will not use child labor.

#### 4. Work Environment

FUJITSU strives to achieve and maintain a healthy and safe work environment that motivates its employees.
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# Promoting Human Rights Education

In the Fujitsu Group, we implement activities to promote human rights awareness through the Human Rights Promotion Committee, which is chaired by the board member in charge of human resources. Regional human rights promotion committees comprised of regional workplace representatives act as implementation organizations, and group companies have established similar committees.

The head office of the Human Rights Promotion Committee regularly check on the status of activities and issues at regional and group company human rights promotion committees. Findings are used by Human Rights Promotion Committees to summarize activities and set directions for the pursuit of ongoing, systematic education and training.

In line with the directions set by the Human Rights Promotion Committees, individual regions and group companies undertake training and education that are based on common training content for all companies and adjusted for the specific circumstances of the region or group company. Buraku discrimination, harassment, and other problems are taken up in training held for those who have been promoted and other training conducted during the year.

In FY 2013, we rolled out our "Fujitsu Global Compliance" e-Learning course to all companies. The course takes up the issues of respect for human rights and maintaining a healthy working environment, and was utilized by nearly 100% of employees at Fujitsu and Group companies.

Furthermore, in conjunction with Human Rights Week every December, we work to foster an environment in which everyone can think about and discuss human rights to promote respect for human rights in households and local communities with connections to the Fujitsu Group. Examples of these efforts include the hanging of posters on human rights awareness, contests in which employees and their families come up with slogans on human rights awareness, and the distribution of human rights promotion leaflets.

#### Human Rights Enlightenment Structure



# Consultation Services and Human Rights Monitoring

In an effort to create an environment where each individual employee can work with peace of mind and fully exercise their capabilities, the Fujitsu Group has established internal consultation services to which employees may bring their human rights concerns. These services have been established in each region as well as at our headquarters to make it easy for employees to raise their human rights concerns.

Contact information for human rights consultation services are posted on our intranet and made known to employees via posters, training sessions, etc., and regular training is held for personnel engaged in the provision of consultation services, so that they can perform their roles appropriately.

The personal information and privacy of employees who make use of the consultation services are protected, enabling employees to seek advice on matters like relationships with coworkers, harassment, and troubles and doubts concerning human rights, and ensure the consultation services are able to help improve workplace environments.

Matters brought to the attention of consultation services are reported - with proper precautions to protect personal information and privacy - to Human Rights Promotion Committees and regularly communicated to corporate auditors. This is done to monitor use of the consultation services and to use information on the reported matters to prevent recurrences.

#### Human Rights Consultation Service



Names and contact information for consultants are clearly communicated to employees, so they can choose a service to consult.

# Human Rights Due Diligence Scheme

The Fujitsu Group, in accord with the FUJITSU Way, employs a process that follows a PDCA cycle and is led by the Human Rights Promotion Committee to elevate both awareness of human rights issues and the management level at which they are addressed. Since FY 2012, we have been establishing a human rights due diligence scheme that covers the entirety of our global value chain and closely assesses the importance of human rights in our business.

In FY 2013, we conducted a review of our documents and work tasks regarding human rights at Fujitsu, and considered issues and future policy measures. We also held a stakeholder dialogue to achieve a deeper understanding and wider awareness of global standards, including the United Nations Guiding Principles on Business and Human Rights (the Ruggie Framework). The dialogue was viewed at each of our business sites via our intranet.

We also prepared a written survey, in accordance with the ISO26000 standard, that we fielded among a total of 122 Group companies inside and outside Japan to check the status of

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human rights initiatives throughout the Fujitsu Group.

In support of the establishment of the human rights due diligence scheme, we will pursue efforts in FY 2014 that include formulating a global policy and promoting measures for greater understanding of human rights.

 Basic Policy on CSR (CSR activities applying ISO26000) http://www.fujitsu.com/global/about/responsibility/philosophy/iso26000/



#### Initiatives led by the Human Rights Enlightenment Committee

# Initiatives for Preventing Forced Labor and Child Labor

The Fujitsu Group has stipulated that it will not use forced labor or child labor. In FY 2013, we conducted a written CSR survey based on the ISO26000 standard among our 122 related companies in and outside Japan. Through that survey, we confirmed information on initiatives for the prevention of forced labor and child labor.

We also make our business partners aware of the Fujitsu Procurement Guideline, which includes provisions on the elimination of forced labor and child labor. In FY 2013, we asked our approximately 600 primary suppliers to complete a written survey on the status of CSR initiatives, including steps for the elimination of forced labor and child labor.

# Striving to Provide Equal Opportunity in Employment and Advancement

In its hiring processes, Fujitsu does of not discriminate by age, gender, nationality, or other factors, and we offer opportunities for promotion once someone has reached a stage commensurate with general competence and performance.

We are also strengthening our multifaceted efforts to increase equality of opportunity, including a rehiring system for those who leave Fujitsu to raise children or care for infirm or elderly family members, and the promotion of women employees to management positions.

#### Hiring of Recent College Graduates (Fujitsu Limited)



#### Average Years of Service

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Male employees	18.4	18.8	19.0	18.8	18.9
Female employees	16.3	16.4	16.7	16.4	16.3

#### Number of Employees Per Type of Contract

	Full-time	Non-full-time <sup>*2</sup>	Total
Consolidated group	162,393	17,448	179,841
Fujitsu Limited	25,616	1,068	26,684

\*2 Fixed term employees (part-time, contracted, temporary, etc.)

#### Number of employees per age group (Fujitsu Limited)

	Men	Women	Total
Under 30	2,309	819	3,128
30-49	14,113	2,491	16,604
50 and over	5,280	604	5,884
Total	21,702	3,914	25,616

#### Retirement Rate (Fujitsu Limited)



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# **Creating Good Working Conditions**

## Arranging Support Environments for Compatibility between Work, Pregnancy, Child care, and Nursing Care Needs

Fujitsu is committed to providing a work environment that is easy to work in, allows employees not only to work but also to raise children or care for family members, and supports a diverse range of work styles so that all our employees can fulfill their potential.

# Arranging Systems to Support Pregnancy and Child Care

In regards to pregnancy and child care, we have established and implement our action plans<sup>\*1</sup> in accordance with the Law for Measures to Support the Development of the Next Generation. In addition, we provide babysitter subsidies and have established and are operating inhouse childcare facilities at some of our sites. Furthermore, we conduct a forum to assist and help build networks for employees who have just returned to the workplace after child care leave, or who are taking child care leave and will return to the workplace.

\*1 Action plans: We established four time frames in the 10-year period from 2005 to 2015 and are now implementing our fourth action plan (April 1, 2013 to March 31, 2015).



Logo mark stipulated by the Minister of Health, Labour, and Welfare according to Article 14, Item 1 of Japan's Law for Measures to Support the Development of the Next Generation (Next-generation approval mark) \* Fujitsu received the Next-generation approval mark from the Minister of Health, Labour and Welfare during our 1st to 3rd action plans.

# Conducting Surveys of Employees Regarding Nursing Care

With regard to nursing care, Fujitsu conducted a survey in FY 2012 to gain information on employees' needs, etc. for the provision of nursing care. This survey was conducted among employees 40 or older at Fujitsu and two Fujitsu Group companies.We used survey results in a forum we held covering topics including public nursing care services that are in high demand and internal information on nursing care. The forum and results of the survey were made available on our intranet and to Group Company employees.

In addition, we have established work leave systems aimed at providing employees with leave opportunities to rejuvenate themselves or engage in volunteer work.

#### Number of Employees Using the Care Leave Support System (FY 2013, Fujitsu Limited)

System	Total <sup>*2</sup>	Men	Women
Child care leave	248	5	243
Family care leave	7	5	2
Reduced working hours (child care)	567	20	547
Reduced working hours (family care)	5	0	5
Paternity leave	503	503	-

\*2 Numbers of Users: Figures include employees who have continued to use the system from the previous fiscal year. The percentage of employees who return to the workplace after taking child care leave is nearly 100%, for both men and women.

#### Return to Work Rate/Continuous Work Rate after Child Care or Family Care Leave (FY 2013, Fujitsu Limited)

System	Return to work rate	Continuous work rate <sup>*3</sup>
Child care leave	98%	100%
Family care leave	100%	100%
		10070

\*3 Continuous work rate: The proportion of employees continuing work 12 months after returning from child care leave or family care leave.

# Practical Initiatives for Reforming the Way We Work

# Holding a Variety of Forums

We are implementing a variety of forums to improve both productivity and individual job satisfaction and fulfillment based on the many different ways people work with the theme "Reforming the Way We Work."

We focused on understanding differences in ideas through FY 2009, and since FY 2010, we have been implementing training based on concrete, practical measures. In FY 2013, we held forums on reforming the way we work so appropriate attention can be paid to both work and nursing care needs. A November forum was held, including Group companies, in the Kansai region, and a December forum was held, also including Group companies, in the Keihin region.

These forums consisted of talks and group discussions and were intended to give participants an opportunity to develop their understanding of job approaches, and make immediate changes, that would allow them to balance nursing care and work, and continue working with a sense of worthwhileness.

# Promoting Diverse Work Styles

So that each and every one of our employees can work efficiently to create even higher added value, Fujitsu has adopted satellite office and mobile work tele-work options in addition to a work-from-home system.

In addition, we are promoting work styles that apply global communication platforms to further the endeavors of our diverse workforce.

#### Fujitsu Tele-work System

Туре	Definition of workplace					
Work from home	Home					
Satellite office	Office other than main office • Fujitsu or Fujitsu Group business offices (excluding offices where an employee is stationed)					
Mobile work	<ul> <li>Locations other than main office</li> <li>Customers' sites, hotel rooms on business trips, etc.</li> </ul>					

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# Employee Benefits and Welfare Program

The Fujitsu Group has programs in place that are suited to the life styles of employees and strive to allow them and their families to lead healthy and prosperous lives. We offer support for employees' future welfare and self-sufficiency through various initiatives, including savings/property accumulation programs, an employee shareholding association, group insurance benefits, housing support, medical support, health support, and child support.

#### Measures to Energize Communication

# Labor Relations

Based on labor-management agreements with the Fujitsu Labor Union, Fujitsu holds discussions about various employment conditions and explains management policies and business conditions, along with business reorganization and other matters, to its employees through regular and ad hoc meetings such as the Labor Council or Productivity Council. Furthermore, these agreements stipulate the collective bargaining rights of the union. Note that since Fujitsu adopts a union shop system, all ordinary employees are members of the Fujitsu Labor Union (at Fujitsu, 75.8% of employees are part of the union<sup>\*4</sup>).

In Europe, the Fujitsu European Annual meeting has taken place every year since 2000, with the overall financial conditions of the Fujitsu Group and other issues shared with the employee representatives from Fujitsu Group companies.

\*4 Union participation rate: The 75.8% figure quoted is the ratio of normal employees out of all full-time employees (including managers).

#### TOPICS

Helping Temporary Staff in China Shift to Directly Hired Contracts At China's National People's Congress,<sup>\*5</sup> held in March of 2013, annual GDP growth targets were set on a par with those of 2012 and the government's stance was clearly communicated, emphasizing sustainability and stability for growth. In addition, in July 2013, a revised labor law imposing limits on temporary staffing was put into effect, accelerating movements to stabilize the status of workers with respect to hiring contracts.

In line with these developments, Fujitsu Group companies in China reassessed their hiring programs in order to shift more temporary workers to directly-hired employees. Furthermore, in a human resources working group organized across our Group companies, we are continuing to discuss the state of sustainable hiring, as well as continuously building an environment that allows for cooperation between labor and management.

\*5 National People's Congress: Equivalent to the Diet in Japan, this is China's legislative body and is stipulated in their constitution as the highest government authority.

# Establishment of a Consultation Service for Human Resource Programs, etc.

Fujitsu established a consultation service as a contact point for e-mail and phone calls to the Human Resources and Administration Units, as we work to build a structure that makes it easy for employees to seek guidance on human resource and administrative programs.

# **Employee Satisfaction Survey**

To gauge the dynamism of an organization and assess the level of employees' satisfaction therein, we have taken a multi-faceted employee satisfaction survey every year since 2004.

The FY 2013 survey was conducted among approximately 82,000 employees (of which about 30,000 are Fujitsu employees), including people working at 85 domestic Group companies that requested it. With over a 90% response rate Group-wide, the percentage proud to work at Fujitsu was approximately 80%.

Based on survey results, we are implementing measures in each Unit to improve employee satisfaction, and are sharing throughout the Group examples of actual initiatives that succeeded in increasing employee satisfaction. Furthermore, we are using the survey results to review our Company-wide policies such as personnel systems. With the employee satisfaction survey as our starting point, we will promote measures based on both organization and Company policies to ensure that Fujitsu remains a company where each employee can raise his or her own worth and work with pride and purpose.

# Group Efforts in Overseas Business

Beginning in FY 2011, the Fujitsu Group conducted its first employee engagement survey of all of our former international business group<sup>\*6</sup> employees (some 47,000 persons, in Japan and overseas). It has focused on the degree of employee proactive commitment to (or engagement with) the organization or management and on identifying the elements involved in that commitment. Generally, it is thought that companies where employees have a high level of engagement achieve superior business results, productivity, and customer satisfaction.

The overall response rate for the FY 2013 survey was 77%. In response to questions related to engagement, such as "Do you feel proud to work at Fujitsu?" on average 63% of employees responded positively (whereas 24% responded "cannot say" and 13% said "no"). Every year, each of our organizations formulates, carries out, and monitors the progress of action plans that take into account the previous year's survey results. In FY 2013, as well, workshops, etc. were held in each organization to actively work toward boosting employee engagement.In FY 2014, the employee engagement survey will again be conducted and results will be utilized with the aim of creating environments that further enhance employee commitment and support employee initiative.

<sup>\* 6</sup> Former international business group: This structure ended during our March 2014 organizational changes. At present, all business hubs within the Group are subsumed in their respective regions.

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# Occupational Safety and Health and Health Management

# Efforts to Improve Occupational Safety and Health

Based on the Fujitsu Corporate Values, we work to ensure the safety of employees by providing work environments where people can work in safety and comfort. Management and the Labor Union have stipulated safety and health regulations and are promoting the formulation of regulations for health exams, which include provisions that exceed what is required by law, as well as support of employees stationed abroad, etc.

In Japan, management and the Labor Union have jointly established a Central Safety and Health Committee, which meets annually, and a direction has been established for all employees of Fujitsu Ltd to follow regarding safety and health. The safety and health management organizations at individual business sites hold monthly meetings of their Safety and Health committees. These committees establish directions suited to the unique characteristics of the business site and work to create safe, healthy workplaces. Each business site's safety and health management organization also performs workplace inspection tours and takes other steps to check for and rectify dangerous locations and factors that may impair health, while conducting risk assessments.

In FY 2013, all Fujitsu Group business sites undertook measures to help prevent related accidents and accidents due to falls. We will continue to promote safety and health education and training that match the characteristics of each workplace to create a workplace environment in which all our employees can work confidently in safety and comfort.

#### Frequency of Industrial Accidents (Fujitsu Limited)



#### Health Management and Enhancement Initiatives

The Fujitsu Group has established Health Promotion Centers and Health Care Centers at each business site and is undertaking activities that seek to maintain or enhance the health of employees and their families, and elevate health literacy (knowledge of health-related matters). Eligibility for health support services includes not only employees and their families but also retirees.

# Implementing Health Checkups

The Fujitsu Group conducts annual health checkups, with results made available to employees via a system they can access from their own desk as an added measure to encourage selfmanagement of personal health. In addition, activities aimed at early detection of diseases are undertaken in collaboration with the Fujitsu Health Insurance Organization, and a subsidy system has been created to help defray costs related to gynecological and obstetric examinations, and simple brain and lung checkups.

# Efforts to Enhance Health and Fostering a Self-Care Mindset

The Fujitsu Group has developed a Health Enhancement Campaign targeting all Group employees. In addition to health consultations for individual employees to help prevent lifestyle-related and mental illnesses, targeted education and health talks are held to enhance mental and physical health. As part of this effort, and to foster a selfcare mindset, we hold walk rallies and other health promotion activities, healthy lunch seminars and other dietary education activities, activities aimed at helping employees stop smoking, women's health education activities, and other activities as well.

# Mental Health Services

Fujitsu appointed an in-house mental health counselor at an early stage to provide mental health counseling services to employees. In FY 2013, 10 counselors traveled to individual business sites to attend to the mental health care needs of employees. Self care has been enhanced through measures such as stress tests for all employees. Based on the stress test results, we also conduct organizational stress tests of each division, in an effort to support activities to improve work environments.

#### Initiatives for Enhancing Work Engagement

Since FY 2012, the Fujitsu Group has been using a stress test tool developed in-house with questions related to lifestyle and work engagement (realizing increases in vitality through work). The purpose of this tool is to provide data for analyzing issues for future health measures. Advice on organizational stress tests is received from professors at the University of Tokyo, and we work with not only our

industrial health staff but also our human resources organization to enhance work engagement and invigorate workplaces.



Stress test question forms

### Fujitsu Clinic

The Fujitsu Clinic was established as a medical dinic in 1944 on the premises of Fujitsu's Kawasaki Plant, for the purpose of providing medical treatment and health management services to employees and their families. Since its establishment, the Clinic has also answered the demand for community healthcare, providing medical treatment to local residents. The center conducts various health checkups for employees (about 30,000 people a year) along with the Fujitsu Health Management Center on the premises.

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# Human Resource Development

# The Fujitsu Group's Human Resources Strategy

The Fujitsu Group has established its Company-wide Human Resources Strategy Committee, with members comprised of executives at the management level and above regularly discuss Fujitsu's human resources approach for implementing its vision and business strategies.

# **Developing Global Business Leaders**

To develop high-level human resources, the Human Resources Development Unit of the Fujitsu Group collaborates with each business group and Human Resources Unit, and the Group has implemented systematic education programs emphasizing the following four principles:

- 1. Develop business leaders who can exhibit global business leadership.
- Strengthen the baseline (the values and skills) of our people so that they can understand our corporate vision and act based on those ideals.
- 3. Train professionals who are able to provide customers with a high degree of added value.
- 4. "Work and life design support" that supports a wide range of individual needs.

In the future, we will continue to coordinate proactively with universities, other external educational organizations, and NPOs that provide high-level ICT human-resource development to raise the Fujitsu Group's presence to even higher levels.

# **Basic Policy on Human Resources Development**

The Fujitsu Group founded the Global Knowledge Institute (GKI) in 1999. GKI provides a system of programs to develop global leaders who ask "What is good for society?" in pursuing the common good. GKI programs put potential next-generation business leaders through intensive intellectual polishing. As of the end of FY 2013, training programs have been completed by a total of 1,077 potential future business leaders, including 378 from overseas. In FY 2013, we reexamined our program for selected young managers.

# Initiating the GKI-d Program for Selected Young Managers

Until FY 2012, the Fujitsu Group had two programs in place for our young management class in Japan: GKI/D, which aimed to develop business professionals with an entrepreneurial mindset, and GBIT, which aimed to develop the managers of next generation technology.

The two programs worked to cultivate human resources that generate innovation in the two fields of business and technology. We came to the conclusion, however, that innovation has no boundaries, leading us to merge the two programs under the name of GKI-d. The new program, with a revised curriculum, launched from FY 2013.

The Fujitsu Group is using this new program to foster business leaders with broader vision and the capability for spearheading growth in our business model. In addition, we will expand the program from FY 2014 to accommodate 100 participants annually (GKI/D and GBIT had included 55 participants), and will work to develop the program so that its results can be further reflected in business operations.



#### **Development Programs for New Business Leaders**

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Kick-off session for the GKI-d Program (Shinonome)

# New Employees Become Global Human Resources through Experience

We operate a foreign rotation system (Global Exchange Program) to send younger employees overseas, which started in FY 2008. We have also continued to implement our Global Competency Development Program, targeted at younger employees in their twenties. This latter program consists of three categories: global mindset, communication capability development, and short-term overseas experience. About 50 employees participated in this program in FY 2013.

Within Japan, we continue to work to improve our employees' language abilities, focusing on English. Our initial aim with new employees is for all of them to achieve a 600 TOEIC score. Employees not only study language intensively but also learn methods of language study that will lead to continuing improvement in ability through personal development. In addition to language skills, training that encourages employees to develop attitudes accepting of other cultures, and communication and management skills, are incorporated in the programs.

Furthermore, we offer support programs for foreign employees working in Japan, to improve their Japanese language capability and quality of life.. These programs support not only the employees themselves but also their supervisors and colleagues.

# Career Development Support

The Fujitsu Group holds Career Counseling and Career Seminars in order to support the self-initiated career development of employees. In addition, we have established the programs detailed below to allow employees to independently determine their career paths. Providing these programs expands the career options available to employees and derives from the Fujitsu Group's desire to support the progress of employees' careers, facilitate the most suitable placement of employees, and create an ambitious corporate culture in our Group.

#### Internal Recruiting Program

The Fujitsu Group's internal recruiting program posts job openings and target employee qualifications on our intranet, with the openings categorized by projects in fields in need of stronger personnel, focused reinforcement, etc. Widely soliciting employees across the Group for job posts leads to more active utilization of our human resources and greater discovery of employee skills and talents that are not as readily accessed through our primary employee placement system. The in-house promotion program has been implemented twice annually since 1993 and is now firmly established. To date, approximately 3,000 employees (as of the end of FY 2013) have changed positions through this program.

#### Free Agent (FA) Program

In addition to the in-house promotion program, the Group also has a program that puts more emphasis on an employee's own goals and volition, allowing employees to choose on their own to apply for a different position. The program gives the opportunity to move into a desired position or department, provided that the employee has a specified level of experience. This program has been implemented once a year since 2003 and approximately 600 employees (as of the end of FY 2013) have transferred positions as a result.



TATA Motors plant tour in Global Competency Development Program (India)

# Priority 5

# Communicating and Collaborating with Stakeholders

As a good corporate citizen, the Fujitsu Group is creating opportunities for dialogue with ideally suited communication methods to build solid and trusting relationships with our shareholders, including investors, business partners, and local communities. In addition, the Fujitsu Group conducts stakeholder dialogue with external experts about the challenges the Group must tackle in order to recognize their expectations and needs. It reflects the outcome in its CSR activities and businesses, strengthening the foundations of its social responsibility.

★★ Not all plan targets were achieved and some issues remain to be addressed

Level of Performance: \*\* \* Achieved plan targets

CSIX ACTIVIT			Plan targets have not been achieved			
	FY 2013 Targets	FY 2013 Performance		FY 2014 Targets		
Stakeholder Communi- cations	<ul> <li>Conduct CSR activities based on analysis of comments from the questionnaire.</li> <li>Continue dialogue with local residents and companies to promote development in neighboring communities.</li> </ul>	<ul> <li>Distributed a questionnaire on our Sustainability Report; reviewed and analyzed 78 cases of opinions from consumers, stakeholders, and others.</li> <li>Implemented the following in order to engage in dialogue with the community;</li> <li>Held 82 meetings for regular dialogue with neighboring residents in the regions hosting our main business sites.</li> <li>Carried out continuous dialogue with leaders of multiple local municipalities, etc.</li> <li>Carried out dialogue with the community geared toward utilizing Fujitsu intellectual property and technology.</li> </ul>	***	<ul> <li>Take opinions from various stakeholders in regard to communication through our CSR Report and integrate them into actual business activities.</li> <li>Continue dialogue with local residents and companies to promote development in neighboring communities.</li> </ul>		
Collaboration with Stakeholders	<ul> <li>Through our business operations, expand social issue resolution and relationship building with NGOs, NPOs, international organizations, and other diverse stakeholders.</li> <li>Promote sustainable co-existence with society by reflecting the opinions of diverse stakeholders in our corporate activities.</li> </ul>	<ul> <li>Developed enlightenment content, and encouraged dissemination of that content, titled Ecological Footprint,<sup>*</sup> using tablet PCs jointly developed with an NGO.</li> </ul>	***	<ul> <li>Through our business operations, further expand social issue resolution and relationship building with NGOs, municipalities, international organizations, and other diverse stakeholders.</li> </ul>		
Harmony with Society	<ul> <li>Promote social contribution activities using our internal award program.</li> <li>Implement the following as part of social contribution programs.</li> <li>Establish a next-generation human resource training program that leverages the strengths of the Fujitsu Group.</li> <li>Improve and promote local social contribution activities that leverage our internal database.</li> <li>Expand and improve systems for the further promotion of volunteer activities.</li> </ul>	<ul> <li>Established a social contribution award program inside the General Administration Department.</li> <li>Implemented the following as part of social contribution programs:</li> <li>Formulated an innovation &amp; collaboration curriculum leveraging ICT, and implemented trial classes.</li> <li>Utilized an internal database related to social contributions to local communities.</li> <li>FY 2013 cases registered: approx. 950 (tallied separately for each participating Group company).</li> <li>Set up a scheme for sharing a social contribution activity manual.</li> <li>In a cross-regional working group that included Group companyis, formulated awards criteria as an activity encouragement measure.</li> </ul>	**	<ul> <li>Share social contribution best practice activities using our internal award program and energize activities by disseminating information on them.</li> <li>Implemented the following as part of social contribution programs:         <ul> <li>Implement a next-generation human resource training program that leverages the strengths of the Fujitsu Group.</li> <li>Strengthen information sharing functions geared toward expanding local community contribution activities around the globe.</li> <li>Expand and improve systems for the further promotion of volunteer activities.</li> </ul> </li> </ul>		

# **CSR Activity Targets and Achievements**

\* Ecological footprint: an index expressing the level of impact that our daily life activities have on the global environment. At present, that impact is high-requiring 1.5 times the planet's available natural resources.

# Social Contribution Activities

The Fujitsu Group will create new value and knowledge together with our customers, communities, and people worldwide through ICT, and contribute to sustainable development for the earth and society to achieve a prosperous future where people's dreams are fulfilled.

All Fujitsu employees actively participate and engage in social contribution activities together with a wide range of stakeholders, basing those activities on four pillars: ICT for Everyone, Support for Challenges, Community Engagement and Environment.



For more information on social contribution activities, visit: http://www.fujitsu.com/global/about/csr/activities/community/

# Dialogues with Stakeholders

1st Dialogue: Thinking Integrally Disclosure on financial and non-financial information

2nd Dialogue: Thinking Long-Term Long-term outlook on our business model

\* The positions and titles of participants are as of the time of the dialogue.

3rd Dialogue: Sustainable society Continued corporate prosperity

#### **Dialogue Participants**





Kiyoshi Ichimura Partner Integrated Reporting Development Ernst & Young ShinNihon LLC

Ken Shibusawa Founding Partner & Chairman, Commons Asset Management, Inc.



Hiroaki Kitano President & Chief Executive Officer Sony Computer Science Laboratories, Inc.



Concluding Our 3rd Dialogue

Nobuyuki Hiratsuka Norihiko Fukuda Director, Manufacturing Industries Policy Office Ministry of Economy, Trade and Industry



Kumi Fujisawa Co-Founder Sophia Bank (Think tank)



Hiroyuki Watanabe Advisor Toyota Motor Corporation

#### Messages from Experts

In order to address environmental pollution and damage in the 1960s and 70s, Kawasaki City has worked with corporations to refine its environmental technology and solved the challenges the city had faced. It is my desire to create a new "Kawasaki Model" for sustainability, leveraging ICT based on a comprehensive agreement with Fujitsu. And on top of this, we will deploy this expertise to other global cities and contribute to the happiness of people throughout the world.

It is essential for businesses to discuss sustainability. In order to make this happen, the businesses need to cooperate with internal and external resources so that they can establish flexible corporate governance by taking in opinions from various quarters. Such governance will allow the corporation to actualize long-term investments. Both a top-down approach and a ground level perspective are essential. I expect that Kawasaki City and Fujitsu will concretely work together to tackle major challenges.

Sustainable development needs actual implementation of innovation. In the automotive industry, for example, we need significant value creation from projects such as driverless cars that have zero accident rates. In collaboration with Fujitsu, we have begun a field trial to eliminate traffic congestion in Bangkok by the year 2020. I think what is needed for sustainable management is encouragement for tackling challenges with positive acceptance of setbacks along the way.



Norihiko Fukuda Mayor of Kawasaki City



**Kumi Fujisawa** Co-Founder Sophia Bank(Think tank)



Hiroyuki Watanabe Advisor Toyota Motor Corporation

#### Messages from Fujitsu Management

Sustainability is the highest priority issue for corporate management. ICT holds untapped potential for solving international problems such as energy issues and food concerns. Touching on the recommendations voiced today, we will push forward with building a sustainable society while upholding "The Power of ICT for sustainability and beyond," which we have identified as the theme of Fujitsu's CSR.



Masami Yamamoto President and Representative Director

There are a variety of ways in which corporations can contribute to society through our business activities, but this does not guarantee that the best possible solutions will be reaped from the very beginning. I feel that it is important to heed the opinions of various parties, implement a host of measures, quickly eliminate any unhelpful strategies while distilling the more effective ones, and generate novel forms of innovation in the process.

I feel that it is important to jointly carry out innovation with members of society, while it is equally important, as a business operator, to carry out our business activities and encourage and support our employees' ties with the community through such activities as volunteer work. The reason being is that, as a global corporation, realizing sustainability is difficult if we cannot thoughtfully stay focused on broader social value.



Masami Fujita Corporate Senior Executive Vice President and Representative Director



**Chikafumi Urakawa** Corporate Executive Vice President and Director

For more information on our 1st and 2nd Dialogues, visit: http://www.fujitsu.com/global/about/csr/activities/society/dialog/

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# Dialogues with Stakeholders

# Enhancing Management through Dialogues with Outside experts

The Fujitsu Group hosts periodic dialogues between outside experts and Fujitsu executives to enhance our management through the opinions of diverse stakeholders. In fiscal 2013, we held exchanges of ideas on ideals for external communication.

# Dialogue Session 1: Thinking Integrally

#### Experts:



Mr. Kiyoshi Ichimura Partner, Integrated Reporting Department Ernst & Young ShinNihon LLC



Ken Shibusawa Founding Partner & Chairman Commons Asset Management, Inc.

Fujitsu: Masami Fujita Corporate Senior Executive Vice President and Representative Director

Tango Matsumoto Corporate Vice President Vice President, Marketing Transformation Project Office

Minoru Takeno Head of Environmental Strategy Unit

Kazuo Yuasa Executive VP, Corporate Finance Unit

#### Makoto Kouno

Vice President, Public Policy and Business Development Office

\*Positions and titles of participants are as of the time the dialogue was held.

Shibusawa: I conduct investment from a long-term perspective. My belief is that the "30-Year Corporation" theory is more properly seen as a "30-Year Business" theory. As the business environment changes, companies have to keep evolving in order to continue. What financial information reveals is the results of the past, while non-financial information, such as environment, society, and governance, contains a company's potential for future evolution. Ichimura: Integrated reporting calls for concise reporting of a company's long-term value creation capabilities, taking financial and non-financial information as a whole and focusing on the key words of strategy, governance, performance, and outlook. Such a report can be seen as a "corporate strategy report" that aggregates important information concerning the company. Recently, an integrated reporting framework was released by the IIRC (International Integrated Reporting Council<sup>\*1</sup>, attracting a response from global companies.

Matsumoto: In the past, Fujitsu had not systematically addressed communication regarding its product groups and technologies. However, last year we summarized the values we hope to deliver to customers in the form of the FT&SV<sup>\*2</sup>. We have held dialogues with and received feedback from a number of stakeholders, and, based on that, will create revised editions of the FT&SV that make Fujitsu's Value Proposition easier to understand.

Shibusawa: In ICT, the evolution from analog to digital involved an increase in the efficiency of information transmission. Further evolution beyond that will involve a fusion with analog, I think. This is because, like the last mile, there's also the last touch, which is the part that connects to humans. I think that's where Fujitsu's aim of Human Centric is directed.

Takeno: In the environmental field, we talk about sustainability from a long-term perspective of 100 years. I think that contributing to this by creating value through our business is important. I'm also in charge of our Sustainability Report. My aim is to not only produce reports, but to enable every employee to talk to customers about the environment and sustainability.

Ichimura: What is important in integrated reporting is whether the company-wide organization, including business divisions and corporate strategy units, is integrated and conducts governance able to execute strategy. In that sense, reporting is a tool to create understanding of the company's vision and strategy among employees, who are the longest-term stakeholders.

Yuasa: In order to describe the content of our activities in reports, it is important that we first practice them properly. I feel there is a need to change our awareness of how we work and actively revise our undertakings, such as by encouraging more activity by women and systemizing finance-related operations.

Kouno: Fujitsu segments its organizations based on a current understanding of our markets, but that understanding itself will differ 10 years from now. I think that the significance of considering scenarios for integrated reporting lies in thinking about the vision for our company, our business, and our organizations 10 years ahead.

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Fujita: Consideration of human resource strategies within the company tends to be discussions based on the current situation. However, I believe it is necessary to instead base consideration on what we envision for the future. To do so, it would be good to conduct discussions in the format of an advisory board gathering experts from outside the company.

Shibusawa: Nobody knows what the future will bring, but if we sketch the future that we want to see, we can place our focus on making it so. By asking what we will be doing around the time the Olympics are held in 2020, that fuzzy future comes a bit into focus. Sketching a vision for what sort of society we want to create after 2020 is also important as a message.

#### [Summary of Session 1]

Fujita: In comprehensive communication, we have to pick up and sort information, and tell a story of the future in a simple way. As doing so reveals our sense of values as a company, we will continue discussing our vision for the company and our strategy for 10 years ahead, based on the ideas we received from the experts today.

\*1 IIRC (International Integrated Reporting Council): A voluntary organization established in August 2010, with the aim of developing a new framework for information disclosure integrated with companies' financial and non-financial information.

\*2 FT&SV (FIJUTSU Technology & Service Vision) http://www.fujitsu.com/global/vision/



Scene from Session 1 of the Dialogues with Stakeholders

# Dialogue Session 2: Thinking Long-Term

Experts:



Mr. Hiroaki Kitano President & Chief Executive Officer Sony Computer Science Laboratories (Sony CSL)



Mr. Motoyuki Hiratsuka Director, Manufacturing Istries Policy Office Ministry of Economy, Trade and Industry

Fujitsu: Masami Fujita Corporate Senior Executive Vice President and Representative Director

Yoshihiko Hanada Corporate Senior Vice President

Hirofumi Gouda Corporate Vice President

Hirotaka Hara Head of Laboratories, Social Innovation Laboratories

#### Toshihiro Nagashima

Vice President, Monodzukuri (Manufacturing) Business Center

#### Makoto Kouno

Vice President, Public Policy and Business Development Office

\*Positions and titles of participants are as of the time the dialogue was held.

Fujita: Fujitsu has made the realization of sustainable society through the power of ICT the central message of its CSR. Today, we would like to hear your ideas on the theme of "Thinking Long-Term."

Hanada: Taking a long-run view of Japan's industrial structure, we should set our sights on a return to "Made in Japan." I want to use ICT to improve value for customers and bring Japan to the world's attention again.

Nagashima: As a specific activity, Fujitsu has organized the 150-person MONODZUKURI Reform Team, which provides manufacturing support services including manufacturing contracting for small- and medium-sized enterprises.

Gouda: Looking ahead in the health care field to the information society of 2020-2030, we established the Future Medical Care

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Center. From here on out, we intend to show a vision for a healthy society, starting from individuals' life records.

Kitano: At Sony CSL, we've gathered some crazy people to perform research to contribute to humanity, society, and Sony's businesses through applied basic research. The key point in selecting research themes comes from asking fundamental questions such as whether the research serves the world and people, and whether the research will become a part of history 500 years in the future.

Hara: At Fujitsu Laboratories, last year we established the Social Innovation Laboratories to research responses to long-term social issues (the environment, social infrastructure, etc.) using ICT. Connecting basic research to business will be the key to the continuous resolution of social issues.

Kouno: Since the Abe administration began, the government has created a policy measure package targeting 2020 or 2030. We're in an age in which Fujitsu even has to keep policy movements in mind when thinking about management and business from a long-term perspective.

Hiratsuka: Generally speaking, Westerners are better than Japanese at drawing up long-term visions. At the industry level, too, they end up determining the global standards. Merely sketching a vision is no good. Without making efforts to make it reality, the vision is a castle in the air. We should widen our scope to include the use of standardization and regulatory environments.

Hanada: I had one customer ask me to think about their product plan 100 years from now. However, predicting the future is difficult. As an example, importance has shifted from the automobile as a means of mobility to the automobile as a living space. But even if it is impossible to think 100 years into the future, I want to think 10 or 20 years ahead when considering business strategy.

Fujita: In management, it's important to strike a balance between issues that continue to generate results in the short term, such as technological innovation, and long-term issues such as human resources training. To ask a question about human resources, is there something you're doing to enhance loyalty in researchers?

Kitano: In each of their fields, my researchers are among the top three experts in the world. Whether or not we can retain them depends on my insight as president. It's important that we find a balance between their life success and Sony's success.

Hiratsuka: We should not take diversity, for example, as a social obligation. It's a foundation of long-term improvement of corporate value. It's an opportunity. How can we systemize that and explain it to investors? Also, with regard to evaluations, many companies struggle with whether to place importance on team play or on individual play. In the U.S. and elsewhere, job classifications and

capability evaluations are made clear. Those companies think in terms of dividing human resources into those suitable as management and those suitable as players. To achieve diversity that truly enhances management power, we should take the time to create environments for the appointment of young persons and foreigners. A systematic approach that incorporates capability evaluation and compensation systems is a prerequisite.

Fujita: Thinking about management and social responsibility from a long-term perspective conflicts to some degree with quarterly results. I believe it's important that we provide long-term shareholders with not only financial information but also information other than financial, including technological and human resource strategies.

Hiratsuka: I agree. Quarter-based accounting systems encourage a short-term orientation. In Europe it's a system that doesn't exist in principle, and is not a global standard. CSR is to be undertaken from a long-term perspective, and should be a long-term management plan. We should take economic value into account in improving our accountability, and after drawn up future scenarios and an overall vision, should make our priorities and achievement processes clear. In addition, the consistency of reports with securities reports and mid-term plans is important. When we keep this in mind, and when we are able to audit the initiatives across different divisions and units, the results will be more persuasive to investors.

Kitano: We're engaged in electrification projects in Ghana and Okinawa, which came about through the soccer World Cup public viewing that the CSR unit implemented in partnership with JICA and the United Nations Development Programme. It's a good example of facing up to issues in developing countries from a long-term perspective and uncovering business opportunities.

#### [Summary of Session 2]

Fujita: Through this discussion, we've reaffirmed the importance of presenting a long-term vision to a wide base of stakeholders and fulfilling out duty toward accountability. We would like to learn from the ideas we received today and incorporate them into our future integrated report creation, our global personnel policies, and elsewhere throughout the company.



Scene from Session 2 of the Dialogues with Stakeholders

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# With Our Customers

# To Increase Customer Satisfaction

Fast-changing social and economic environments make it difficult to see far ahead, what is demanded of us is to quickly and accurately grasp customers' wishes and change ourselves while thinking and acting from the customer's point of view.

We are aiming for management innovation by using the "Program to Improve the Quality of Management<sup>\*1</sup>", and taking a number of initiatives to form an innovative corporate culture that can keep pace with customer changes.

\*1 Program to Improve the Quality of Management: A framework for customer-centric management excellence modeled on the Malcolm Baldrige National Quality Award of the United States, the de facto global standard for management innovation.

# Promoting Field Innovation with the Customer

Fujitsu is engaged in "Field Innovation" by focusing its efforts on "people" and "processes", and redefining ICT as "a tool for supporting people's work and improving business process efficiency." After making essential management issues clear through the visualization of "people," "processes", and "ICT" at the customer's workplace, we gathered on site knowledge and improved the usability of ICT.

Making such management issues visible leads to sustainable management innovation by customers in accordance with top management's intentions. Also we continue to improve ourselves in Fujitsu by what we learned in the many times we have been involved in this process.

#### **Examples of Field Innovation**

In August 2011, Isetan Mitsukoshi Holdings (IMHDS) began a companywide project to improve productivity under three year plan. The best sales assistants generated sales several times bigger than the average. However, since high performance comes from individual competence and skills, it is extremely difficult to identify specific factors that account for the success of these sales assistants. IMHDS had made numerous attempts to systematize the skills of the top sales assistants, but with limited success.

"We wondered if we could gain an objective view of those traditionally subjective skills using Fujitsu's knowledge and technology." IMHDS decided to undertake a thorough analysis of what made the best sales assistants so successful using Fujitsu's Field Innovation activities.

The data showed that the top sales assistants had more customer interactions and spent up to 1.5-2 times longer with customers, or tended to wait for the customers in positions with good view of the entire floor, resulting in a corresponding difference in the sales generated.

 Customer Case: Isetan Mitsukoshi Holdings Ltd. http://img.jp.fujitsu.com/downloads/jp/jfi/pdf/case24-en.pdf

#### The Fujitsu Trusted Cloud Square Showroom

A society in which people use the power of ICT to innovate in business and society and create greater abundance. Fujitsu calls such a society a Human Centric Intelligent Society. We are engaged in various initiatives to realize this vision.

One such initiative is the Fujitsu Cloud Square. Through it we offer various programs to create innovations that advance the growth of customers' businesses and solve social problems.

# Fujitsu Trusted Cloud Square http://jp.fujitsu.com/facilities/tcs/en/



# Operation of the Fujitsu Customer Relations Center and the Fujitsu Contact Line

We established the Fujitsu Customer Relations Center in 2003 to handle inquiries and other problems concerning products and services from customers who are not sure where to address their issues. Also, in order to respond quickly to customers concerning the functions and prices of products before they make their purchases, since 2005 we have been routing all such pre-purchase telephone inquiries to a single window, the Fujitsu Contact Line, with the telephone number for access published on our corporate website and in catalogs, press releases and advertisements.

The role of the Fujitsu Customer Relations Center and the Contact Line is to quickly connect the customer to the department best suited to answer his inquiry. They not only increase customer satisfaction through accelerated responses, they analyze what customers have to say and use it for product and system development and quality improvement.

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#### Fujitsu Customer Relations Center / Fujitsu Contact Line

#### Trends in Inquiries Addressed to the Customer Relations Center



📕 Customer center inquiries 🛛 📕 Contact line inquiries

# PC Support Center for Individual Customers

To handle the diversifying needs and environments of our individual customers, we have put in place the "personal products support desk" to provide consultation concerning Fujitsu personal computers. Through this support desk, we are building a system for handling a wide range of questions on matters regarding the use, troubleshooting, and servicing of Fujitsu personal computers.

#### Examples of Improvements Based on Customer Feedback

For our thin notebook computers (LIFEBOOK UH series), we pursued light weight and thinness to make them highly portable and adopted an external connector (standard attachment) for using cable LANs.

Customers responded that they want an internal cable LAN connector. So for the models announced in June and October 2013, we used a pull-out type cable LAN connector to build the connectors into our thin computers as well, further increasing their versatility and convenience.

### Placing Importance on Connecting with Our Customers

#### The User Association 'Fujitsu Family Association'

The Fujitsu Family Association was founded in 1964 as a user association with our corporate clients as members. In 2014 it marks the 50th anniversary of its founding. Today, at the end of FY 2013, it has some 3,500 members participating, making it the largest organization of users of information and communications systems in Japan. With a head office, eleven branches in Japan and LS Research Committees<sup>\*2</sup>, the association is expanding its various activities under the slogan "Dreams to Discuss and the Wisdom to Compete" and it is receiving high praise from its members.

Its activities span the three fields of networking among different industry types, developing human resources and gathering information, and in FY 2013, the association carried out not just ICT-related activities, but also regional vitalization themed group research activities and more. The association also engages in substantial public relations activities, Putting out its Family magazine for members five times a year, as well as the Web version, e-Family, and it sends out email newsletters periodically.

\*2 LS Research Committee: This committee, originally formed as the "Large Systems Research Association" in 1978, was merged with the Fujitsu Family Association in 2007 with the renewed purpose of carrying out research on leading-edge technologies and concepts, and implementing effective ICT utilization that will contribute to members' growth.

# Directions in Advertising

In all advertising and publicity activities in the Fujitsu Group, we strive to observe all laws and corporate internal regulations and to only use fair and appropriate expressions and graphic symbols.

#### Main advertising and publicity activities

- TV programming: Fujitsu sponsors "See the world by train" and "Fight! KAWASAKI Frontale (a Japanese soccer team)" for Japanese TV.
- TV commercials/newspaper advertisements: The "Fujitsu's Technology in Your Future" series (cloud agriculture, medicine, big data: public transportation and digital marketing editions)

# Marking and Labeling of Products and Services Regarding Quality and Safety

Fujitsu is dedicated to observing all laws and internal regulations related to marking and labeling of products and services regarding quality and safety. During FY 2013, we experienced no marking or labeling violations related to products or safety.

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# **Quality Initiatives**

# Philosophy on Quality and Product Safety

The Fujitsu Group, to further enhance the trust placed in it by customers, practices quality management, and works to achieve process improvements through visualization of its efforts regarding quality, and with QMS.

# Quality Assurances Activities Based on the Fujitsu Group Quality Charter

Quality is the basis of brand value for the Fujitsu Group. Products and services that customers can safely use is the essence of the Fujitsu Group's business. Based on this philosophy, in June 1994, ahead of the implementation of Japan's Product Liability Law (effective from July 1, 1995), Fujitsu formulated the "Fujitsu Product Safety Charter," the predecessor of the "Fujitsu Group Quality Charter."

Today, Fujitsu has newly formulated the Fujitsu Group Quality Charter based on the idea that safety is one part of quality, it is revising and creating various regulations and technical standards related to product quality, and it is thoroughly engaged in educating through new employee training, engineering department group training and quality meetings.

To continue offering products and services that anticipate changes affecting our customers and their business environments, at every stage from design to evaluation, production, sales and support, we perform our quality improvement activities in line with the following principles laid out in the Fujitsu Group Quality Charter.

#### **Quality Principles**

- · We pursue quality from the customer's perspective.
- We build in quality that anticipates changes.
- We achieve quality consistent with our social responsibilities.
- We use first-hand feedback based on the actual situation.
- We work with our business partners to improve quality.
- We seek to make public quality-related information transparently.
- We foster employees who think about quality.

Based on the policy of emphasizing safety in all aspects of our business activities, we strive for assured safety in product designs, collection and the publication of information on product-related problems, and rapid response to such problems.

#### The System of Quality Safety Regulations



# Implementation Policy Related to the Safety of Products and Services

The Fujitsu Group recognizes its social responsibility to build a safe and secure society. The Fujitsu Group always considers and endeavors to improve the safety of products and services in every aspect of the group's business activities.

#### 1. Observation of laws and regulations

We observe laws and regulations concerning product and service safety.

#### 2. Efforts to secure safety

We try to ensure that products and services are safe in a variety of use situations and take measures as necessary to secure the safety of the products and services. In addition to legally specified safety standards, we develop and observe voluntary safety standards in our endeavors to improve products and services continuously. **3.** Provention of incidents caused by improper use at

### 3. Prevention of incidents caused by improper use, etc.

For the safe use of products and services by customers, we properly display notices and warnings in handbooks or on the body of the products in order to prevent incidents caused by improper use or carelessness.

#### 4. Collection of incident information, etc.

We actively collect safety-related information from customers, including information on product and service incidents and what might lead to such an incident.

#### 5. Handling of incidents

We immediately check the facts of any occurring incident related to a product or service, investigate the cause, and handle it properly. If the product or service has a safety problem, we provide that information to customers and take proper measures, such as product recall, service repair, and prevention of further damage and other damage from occurring.

We quickly report the occurrence of major product incidents to the proper authorities in accordance with laws.

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# Establishing a Quality Assurance System

#### Quality Management System

The Fujitsu Group aims to achieve a level of quality in all products and services that satisfies the customer to ensure that everyone can equally enjoy the benefits provided by ICT with safety and security.

To accomplish this we have established and maintain the quality management system (QMS). Through the QMS we regularly confirm the progress of the PDCA (Plan, Do, Check, Act) cycle in the light of ISO and other international certification standards, and make process improvements to achieve even higher quality.

#### Our QMS-Centered Quality Assurance Activities



# ISO 9001 Certification Status

Fujitsu is continually striving to improve its processes in line with Quality Management Systems, and its 24 divisions have acquired ISO 9001 certification as of the end of FY 2013.

# Our Approach to Promoting Quality Assurance

Fujitsu has established a dedicated unit for quality management within each business division and Group company to ensure that it is able to provide customers with high-quality products and services.

Also, through the Quality Assurance Unit, which consists of representatives of these dedicated units, we promote information sharing, propose countermeasures, and improve support structures in ways that transcend organizational barriers. In this way, we work to establish a QMS that creates added value for the customer.





# System for Addressing Major Quality Problems with Products and Services

In the event of a major quality problem concerning a product or service, directors and employees immediately report to the Risk Management & Compliance Committee in accordance with risk management regulations, which then reports to the department manager according to the pre-defined reporting structure. The department manager reports the response status to the risk compliance committee as the occasion demands, and responds to any instructions. When a solution comes to light, the department manager informs the committee of the history leading up to the risk and measures to prevent recurrence. The committee can instruct the department manager to also report this information to the Board of Directors and Management Council.

No major quality problems occurred with products or services in FY 2013.

#### Initiatives to Improve Quality

#### Qfinity Quality Improvement Activity

Since 2001, Fujitsu has been implementing Qfinity, which are unique quality improvement activities, in all departments. The word Qfinity was created as the combination of "Quality" and "Infinity" to express Fujitsu's concept of commitment to the infinite pursuit of quality. Each and every employee pursues customer value to satisfy the customer and aims to be No. 1 in quality of products, services and customer service, and to achieve world-class work quality.

Employees engage in group project activities in each division and workplace based on themes, or participate in reform and improvement suggestion activities that lead to improvements.

FY 2013: 5,947 project initiatives FY 2013: 69,421 improvements/proposals (as of March 31, 2014)

In FY 2013, a total of 3,771 people attended lectures as part of educational efforts carried out to raise the level of improvements as part of Qfinity. Qfinity leaders at each work location continue to undergo education, and through

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information sharing and horizontal expansion, Fujitsu is working to ensure Qfinity does not become an empty practice.

We have shared benchmarks for objectives and processes, as well as techniques and expertise with Qfinity System configured on the corporate intranet We also hold the Qfinity Companywide Convention every year at which we present selected examples of activities that have achieved excellence from the whole Fujitsu Group. In addition, we announce and recognize all activities that have achieved excellence on the anniversary of our corporate founding. Also, we distribute a handbook within the Fujitsu Group that summarizes information including how to carry out Qfinity and problem solving methods. Through these initiatives, we are working to convert individual technical skills into techniques that can be shared throughout the company when possible and to improve the work quality of each employee.



**Qfinity Companywide Convention** 

# Customer-Centric Quality Assurance Activities for Products and Services

In providing products and services, we adopt the customer-centric perspective. This attitude is central not only at the design review stage but also at every stage of the development and production process, where we perform evaluations, asking, "does it meet customer needs and expectations?" Through this process, we work from an objective standpoint to bring products that provide the value that customers expect.



# Satisfaction and Quality Surveys by Third-Party Organizations

With regard to products and services, we implement customer-satisfaction and quality surveys by third-party organizations, and we have received particularly good results for customer satisfaction with reliability. (FY 2013 surveys covered three products, with 1,520 responses.) These results are communicated to all related divisions within the company and reflected in the development of the next products and services.

#### Flowchart for Satisfaction and Quality Surveys



#### Fostering Experts Who Support Product Safety

At Fujitsu, as part of efforts to ensure product safety, in FY 2003 we established our own certification program to train Product Safety Experts. Under a system in which people who complete the program are certified by the managing product safety department of the Quality Assurance Unit, 207 people were registered at the end of FY 2013.

Product Safety Experts verify the safety of products at the design review stage (each process from the initial stage of development to the decision to ship). Under this structure, when a product cannot be confirmed as safe, it does not receive final approval to ship. In addition to verifying conformity to safety requirements in Japan and overseas as well as to Fujitsu's own standards, the experts perform checks from the perspective of preventing recurrence of problems that happened with other products in the past. Furthermore, Product Safety Experts take follow-up training twice a year and an annual qualification renewal test to maintain and improve their skills.

Also, when products are designed, risks must be assessed from the viewpoint of the user, including latent risks intrinsic to a product and risks from the way a product is used. Accordingly, in FY

2010, Fujitsu established internal standards for the conduct of product safety risk assessments and began training Product Safety Risk Assessors. As of the end of FY 2013, we have 137 registered Product Safety Risk Assessors.



Product Safety Experts in training

#### Flowchart for Quality Assurance Activities

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# With Our Suppliers

#### **Basic Approach to Suppliers**

The Fujitsu Group is supported by many suppliers in Japan and abroad, and it is committed to building long-term relationships of trust with those suppliers by continuously learning from each other. We also strive to achieve harmonious coexistence with our suppliers so that both of us, as good partners, can further exert our respective strengths.

# Promoting Socially Responsible Procurement

# Socially Responsible Procurement Initiatives

In procurement, Fujitsu's policy is based on harmonious coexistence with its suppliers, fair and proper evaluation and selection of suppliers, and the promotion of socially responsible procurement activities. Guided by this policy, Fujitsu conducts procurement activities worldwide.

We work together with our suppliers to implement procurement activities grounded in the principles of CSR. In March 2006, we published our CSR PROCUREMENT GUIDELINES regarding respect for human rights, labor, health and safety and fair trade, and asked our suppliers to comply with it. And in November 2011, we revised the document to clarify how to deal with the problem of conflict minerals<sup>\*1</sup>.

Furthermore, since 2007, we have been conducting written surveys every year to ascertain progress status and CSR activities systems at our suppliers. We surveyed 600 suppliers in FY 2013, and of the 200 major suppliers among them, about 90 percent were found to be actively engaged in CSR activities.

\*1 Conflict minerals: Conflict minerals are minerals whose mining or trading finances armed groups and fosters conflict, or that are closely related to such issues as human rights abuses or labor issues. The Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010 requires U.S. and foreign companies listed on U.S. stock exchanges to report the use of conflict minerals such as tantalum, tin, tungsten, gold and any other minerals named by the U.S. State Department to the U.S. Securities and Exchange Commission (SEC).

- Fujitsu Procurement Policy and CSR Procurement Guideline
   <u>http://www.fujitsu.com/global/about/procurement/policy/</u>
- FUJITSU CSR Deployment Guidebook [164KB] <u>http://www.fujitsu.com/downloads/CSR/society/procurement/csr\_guidebooken.pdf</u>

# Informing and Emphasizing the Importance of CSR to Procurement Staff

Through education and training, Fujitsu keeps employees in charge of procurement informed of the importance of CSR-conscious procurement activities. In FY 2013, we held training on such themes as compliance with the laws governing subcontracting and worker dispatching, information security, and personal information protection in procurement activities as well as CSR-conscious procurement and green procurement activities.

In FY 2014, we will continue similar education to further increase our procurement staff's awareness of CSR issues.

# **Collaborative Promotion of CSR with Suppliers**

#### Promoting Green Procurement

The Fujitsu Group has set out the basic requirements for environmentally sound procurement of components, materials and products in the Fujitsu Group Green Procurement Direction and we are working with our suppliers on green procurement activities.

Specifically, the Fujitsu Group requests that all of its suppliers establish an environmental management system (EMS) (subject to third-party certification, in principle), which is designed to ensure that suppliers continuously implement environmental burden reduction. We also ask that our component suppliers build a chemical substances management system (CMS<sup>\*2</sup>).

We are also promoting CO2 emissions reduction on the part of our suppliers. Specifically, by providing written materials on activity examples and methods and through explanatory meetings, we are asking our suppliers to understand the importance of these themes and to undertake activities with specific goals. The Fujitsu Group will continue to work together with our suppliers towards lessening the environmental impact of our supply chain.

\*2 CMS: Chemical substances management system. Refers to a means or a system to properly manage the chemical substances contained in products.

- Green procurement through our global procurement system
   <u>http://www.fujitsu.com/global/about/environment/operation/</u>
   procurement/
- Promoting CO2 emissions reductions by business partners
   <u>http://www.fujitsu.com/global/about/environment/operation/</u>
   <u>procurement/</u>
- Fujitsu Group green procurement standards
   <u>http://www.fujitsu.com/global/about/procurement/green/</u>

# Supply Chain BCM

To stably supply products and services in the event of major disasters or other unexpected contingencies, Fujitsu has made a continuous commitment to strengthening the BCM capabilities of our suppliers since FY 2007. This commitment is based on the belief that strengthening BCM capabilities throughout the entire supply chain is essential.

Each year, Fujitsu conducts a questionnaire survey of its suppliers on how they address BCM. In FY 2013 we surveyed roughly 750 major suppliers (at about 2,140 sites) by questionnaire. We analyzed the results from around 2,080 sites (as of September 30) and provided feedback to our suppliers.

In addition, Fujitsu held six business continuity plan (BCP) formulation and business continuity management operation workshops and BCM desk validation workshops for 144 major solutions-related suppliers, a total of 212 people, in fiscal 2013.

# Thorough Enforcement of Compliance

The Fujitsu Group is dedicated to ensuring compliance throughout our entire supply chain. Every year, we conduct a written survey to assess the status of compliance system formation in our suppliers' supply chains, which will verify the thoroughness of compliance enforcement. Also we are promoting business transactions with the consideration of risk assessment by identifying the products and regions that are concerned with high risk of labor and other problems and by determining whether or not we are procuring from the regions in question.

In addition, we added to agreements with suppliers provisions on the elimination of anti-social forces and other such groups, for the purpose of preventing damage by anti-social forces (and avoiding any encouragement of their activities). The Fujitsu Group will have no relationship whatsoever with anti-social forces, including through suppliers.

# Promoting Information Security Measures

The Fujitsu Group, along with its suppliers, has set the goal of eliminating information security breaches, and we are implementing measures to prevent such breaches and to prevent recurrences. These measures include education, enlightenment, auditing, and information sharing.

In recent years there has been a significant increase in commercial use of external services such as cloud computing and social network services. There has also been a rapid increase in opportunities to use smart devices such as smartphones and tablet PCs.

We have thus become committed to accurately ascertaining the latest changes in the ICT environment and deterring new kinds of risks involving information leaks that arise from the use of external services, servers, and smart devices. When we start business with a new supplier, we have made it a rule to explicitly state in the contract that the supplier shall manage information security and handle personal information at the same level as Fujitsu does. If any serious 45 Dialogues with Stakeholders 48 With Our Customers 50 Quality Initiatives 53 With Our Suppliers 55 With Our Shareholders and Investors 57 Social Contribution Activities

problem in information security occurs at a supplier, or if a supplier shows no improvement in its security management, we reconsider the business relationship with the supplier and may discontinue placing new orders.

Moreover, we have been working to implement information security measures equivalent to those used in our domestic (Japanese) activities for an increasing number of offshore development projects with overseas partners.

#### Main efforts in FY 2013

(For suppliers of software development, services, or hardware manufacturing)

- Information security workshops (October-November 2013)
   Some 1,000 companies and 1,200 people attended (including Tokyo, Osaka, Nagoya and Fukuoka)
- On-site workshops (June 2013 to March 2014) Some 40 companies and 1,200 people attended
- Workshop for new graduates at suppliers (June 2013) Some 40 companies and 200 people attended (Tokyo and Osaka)
- Workshop for leaders at suppliers (July 2013 to February 2014)
   Some 50 companies and 60 people attended (Tokyo and Osaka)
- Questionnaires to suppliers on information security measures (Feb. through March 2014) About 1,500 companies
- Information security audits (on-site) of our suppliers (April 2013 through March 2014) A total of some 130 companies

# Compliance Line Available to All Suppliers

Fujitsu launched a confidential communication channel, called the "Compliance Line," available to all suppliers, in August 2009. The Compliance Line is to receive reports from suppliers on any matters of potential or actual non-compliance action with regard to our purchasing activities. Through the channels we have set up both internally and externally, we verify and investigate the facts of every report and respond quickly.

In its rule on internal reporting, Fujitsu forbids detrimental treatment toward its own personnel or the personnel of suppliers who have made reporting.

# Partnerships with Our Suppliers

In 1997, Fujitsu established its suppliers' performance review (SPR) system, in which about 200 major suppliers in the component business are comprehensively evaluated for their products and efforts from the standpoint of quality, technology, price, supply, the environment and reliability. Since FY 2008, the results of written surveys on matters related to CSR, information

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security, and BCM have been included in the evaluation. For our partners in the solutions business, we developed a similar review system in 2004, and we have reviewed some 1,200 companies. We have provided the results of the evaluation as feedback to about 200 of our main suppliers among them.

With our main suppliers, we hold business meetings in which managing officers directly share the results of our evaluation in a dialogue format and explain our business outlook and procurement strategies.

# Fujitsu Supplier Day

Since 1997, we have held Fujitsu Supplier Day to strengthen our partnership with suppliers. At these events, we present letters of appreciation to those suppliers who have made exceptional contributions to our business, and the company president and the VP in charge of Purchasing give presentations to share our procurement policies in line with Fujitsu's business plans.

The FY 2013 event was held in January 2014 and was attended by approximately 600 representatives from some 320 domestic and overseas suppliers.



Social gathering for suppliers

# With Our Shareholders and Investors

# Our Basic Stance

Based on the statement "We strive to continuously increase our corporate value" in the Corporate Values of the Fujitsu Way, in order to raise corporate value and meet the expectations of shareholders and investors, we aim to achieve long-term sustainable expansion of profit, and pursue strategic business expansion and focused management, while maintaining a sound financial standing.

We also provide timely and accurate disclosure of our corporate activities and financial information, improving management transparency so that shareholders and investors can better understand how well we perform in increasing corporate value.

# **Basic Policy on Information Disclosure**

Fujitsu emphasizes fairness and continuity in disclosure of information, in accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the exchanges on which its shares are listed.

Moreover, our policy is to be proactive in disclosing any information that we judge to be effective for helping shareholders, investors and other stakeholders to deepen their understanding of Fujitsu, even if such disclosure is not required by laws, regulations or other rules.

# Basic Policy on Returns to Shareholders

Article 40 of Fujitsu Limited's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings as a dividend. As part of Fujitsu's basic policy on the exercise of this authority, we believe that a portion of retained earnings should be paid as a dividend to shareholders to provide a stable return, and that a portion should be retained by the Company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, taking into consideration the level of profits and when we have secured sufficient internal reserves, Fujitsu aims to more proactively distribute profits to our shareholders as a dividend, including through share buybacks.

We recorded heavy losses from revaluation of the stocks of subsidiaries, and restructuring charges in FY 2012. Due to this, retained earnings in non-consolidated financial statements turned negative, so we forwent dividends at the end of fiscal 2012 and for the mid-term of FY 2013.

In FY 2013, by carrying out various measures, the financial standings on non-consolidated base had recovered to a level where we could resume dividend payments, and in consideration of sustainability of dividends in the future, we set a dividend at 4

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yen per share. As a result, the annual dividend for FY 2013 includes only a year-end dividend of four yen.

#### Equity Shareholdings by Type of Shareholder (as of March 31, 2014)



\*1 The 118,892 thousand shares of Fujitsu Ltd. stock held by Fuji Electric Co., Ltd. and its consolidated subsidiaries as retirement benefit trust assets are categorized under the shareholdings of "Other Japanese Corporations."

# Communicating with Shareholders and Investors

We are actively involved in IR activities in Japan and abroad, including holding briefing sessions for institutional investors and securities analysts, responding to requests for one-on-one meetings from investors, meeting with Japanese and international institutional investors, and posting information on the Fujitsu website as part of our efforts to improve communications with all investors.

We also disseminate press releases, providing information through the media to individual investors and the public at large as part of our active efforts to ensure fair disclosure policy. For the Annual Shareholders' Meeting, we try to create an environment in which all shareholders feel comfortable asking questions. Moreover, the company president directly explains the company's management direction in his own words to all the shareholders. At the meeting, Fujitsu products are on display and expert staff are on hand to explain Fujitsu's technologies and services. In addition, shareholders' Meeting, where it is relayed to four regional meeting places throughout Japan with approximately 1,000 shareholders' Meeting is made publicly available on the Fujitsu website a couple of days after the meeting.

# A Variety of Meetings for the Investment Community, both in and outside Japan

Fujitsu provides a variety of briefing meetings on financial results, management direction, and business with institutional investors and securities analysts in Japan.

For institutional investors outside Japan, we hold IR road shows by management regularly in Europe and North America, and IR managers in NY and London also have meetings with institutional investors individually. In FY 2013, we held approximately 970 meetings for institutional investors and securities analysts (57% of them outside Japan and 43% within Japan).

# Communicating with Individual Shareholders and Investors

In addition to sending out interim and year-end financial reports for individual shareholders and investors, we promptly disclose financial results documents and presentation materials used at briefing sessions for investors and analysts and publish video on website related to presentations of financial results.

# Publication on IR websites

Fujitsu publishes information that we would like our shareholders and investors to know on our Japanese and global IR websites. English versions of presentations and financial results reports used at briefings held in Japan are posted on our global IR site.

We also have been striving to utilize our IR websites for information disclosure and communication to deepen people's understanding of Fujitsu through IR activities, such as early public release of proposals submitted at shareholders' meetings.

 Japanese IR site <u>http://pr.fujitsu.com/jp/ir/</u>
 Global IR site <u>http://www.fujitsu.com/global/about/ir/</u>

#### Main Results of IR Activities in FY 2013

		Apr. 2013	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 2014	Feb.	Mar.
In Japan	Annual Shareholders' Meeting			•	Annual S	hareholde	rs' Meetir	ng					
	Management Direction Briefing							riefing wi nt Yamarr		•Norr	iura Inve	stment Fo	rum
	Financial Results Briefings	●F	ull-Year F	inancial f	Results •	1Q Financ	ial Result	s •	2Q Finan	cial Result		30 Financ Results	ial
	Business Briefings	●R&D				•	Public	<ul> <li>Numaz factory</li> </ul>		Agricultur cloud	e ●He	althcare	
Outside Japan	Roadshow		●Eng	and •Eur	ope		●As	ia	●Engl ●I	and United Sta	tes		

In FY 2013, we held about 1,000 meetings for institutional investors and securities anaylists (55 % of them outside Japan and 45 % within Japan)

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# Social Contribution Activities

# Approach to Social Contribution Activities

The Fujitsu Group will create new value and knowledge together with our customers, communities, and people worldwide through ICT, and contribute to sustainable development for the earth and society to achieve a prosperous future where people's dreams are fulfilled.



All Fujitsu employees are actively participating and engaging in social contribution activities together with a wide range of stakeholders and base those activities on four pillars: ICT for Everyone, Support for Challenges, Community Engagement and Environment.

In order to energize our social contribution activities and share best practices, we are building and have made viewable a record of our activities on our internal system. We also carry out an in-house award program using this database.

# Employee Volunteer Activity Support System

The Fujitsu Group has in place a volunteer activity support system to encourage each employee's active contribution to society. Additionally, we have also developed various programs customized to the characteristics of each region in order to support better local communities in each area where we have a business site.

The worldwide total of employee volunteer hours,\*1 by 170,000 employees, was 1,290,000 hours in FY 2013.

\*1 Total volunteer activity hours: Includes volunteer work during and outside work hours.

#### Volunteer Activity Support System

- System of leave of absence for participation in Japan Overseas Cooperation Volunteers or Senior Overseas Volunteer: up to three years
- Accumulated leave: Five days paid leave per year, can be accumulated up to twenty days (to be used for specified purposes including volunteer work)

# Promoting Learning & Education, and Cultural and Sponsorship Activities

# Fujitsu-JAIMS Foundation

Fujitsu-JAIMS is a general incorporated foundation founded by Fujitsu in 2012 with the goal of providing non-profit education. Including the activities of the original Foundation, JAIMS



Challenges

Participants

(founded in Hawaii in1972), Fujitsu-JAIMS has produced approximately 23,000 graduates from 55 different countries over a span of a little over40 years. Their mission is to work with Hawaiian and Asian partners to "contribute to forming a new community through human resources development and knowledge co-creation in the Asia-Pacific region."

The main program offered by the Fujitsu-JAIMS Foundation is Global Leaders for Innovation and Knowledge, an international management program developed based on the vision of Dr. Ikujiro Nonaka (Professor Emeritus of Hitotsubashi University), the global authority in knowledge creation theory. The goal of the program is to foster innovation from Asia and nurture global leaders who are able to change the world. Fujitsu has been coordinating with Fujitsu-JAIMS and is pushing forward with its social contribution activities, furthering promotion of academic and educational fields as well as international exchange.

 Fujitsu-JAIMS Foundation <u>http://www.jaims.jp/en/index.html</u>

# Fujitsu Scholarship Program

In 1985, Fujitsu established the Fujitsu Scholarship Program to commemorate the 50th anniversary of its founding. The aim was to foster business leaders who, through their deep understanding of Japan's



Fujitsu Scholarship recipients

culture, society, and business methods, will connect Japan with the rest of the world as we move into the future. At present, the program is open to business people in 18 Asian-Pacific countries, with an accumulated total number of 468 scholarship recipients as of April 1, 2014.

In collaboration with Fujitsu Group companies doing business in various countries in the Asia-Pacific region, we are

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contributing to society by developing business leaders and providing education rooted in local communities worldwide by providing scholarships to people considering helping their country or community.

 Fujitsu Scholarship <u>http://www.fujitsu.com/scholarship</u>

# Support for Mathematical Olympiad and Olympiad in Informatics

Challenges

Fujitsu supports the Mathematical Olympiad Foundation of Japan and the Japanese Committee for the International Olympiad in Informatics (the latter being a specified non-profit organization) to help discover and foster valuable human resources who will play leading roles in the future development of society.



Awards ceremony at the 13th Japanese Olympiad in Informatics

# Supporting a Programming Contest for Technical College Students

Challenges

Through special corporate sponsorship, Fujitsu supports ProCon, the Japan technical college programming contest. We have instituted a Fujitsu Special Prize that provides Fujitsu PCs to one winning team.

The recipients are also invited to visit the Kawasaki plant where they have a chance to engage in discussions with employees in our Technology Unit as we continue our work to support the development of young ICT technicians.



Hiroshima National College of Maritime Technology students who won the Fujitsu Special Prize at the Technical College 24th Programming Contest

# Fujitsu Kids Project: shaping tomorrow with children

Dict for Everyone Challenges

As Japanese society remains concerned about children's lack of interest in math and science, the Fujitsu Group has been carrying out the Fujitsu Kids Project since 2007, targeting elementary school students and seeking to convey to today's young people the joy of creating products and the wonder of technology.



Group photo from the Fujitsu Kids Event 2013

### Cultural and Sponsorship Activities

Challenges 📀 Community Engagement

The Fujitsu Group sponsors a variety of cultural and artistic activities to support the spirit of challenging ourselves, while also hoping to nurture rich sensibilities and emotional expression. This is another means for the group to contribute to fostering the youth who will carry on the development of science and technology in Japan.

#### Sponsorship Examples

- Fujitsu Concert Series <u>http://jad.fujitsu.com/event/2013/czech/</u>
- Fujitsu Presents a Special Concert with the NHK Symphony Orchestra: Beethoven's Symphony No.9 <u>http://jad.fujitsu.com/event/daiku/</u>
- The Fujitsu Cup Japanese Chess Masters Tournament <u>http://jad.fujitsu.com/event/shogi/</u>
- JSEC (Japan Science and Engineering Challenge) for high school students

http://jad.fujitsu.com/event/jsec/

 "Kandu" Work Experience Theme Park for kids <u>http://jad.fujitsu.com/event/kandu/</u>

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# Contributing to Society through Sports

The Fujitsu Group promotes sports as a building block of a sound society. Company sports encompass the track and field team, the Frontiers American football team, and the RedWave women's basketball team. These organizations strive daily to improve their skills, embodying Fujitsu's proactive spirit.

# Track and Field Team



Challenges Community Engagement

Established in 1990, the Fujitsu Track and Field Team has produced Olympic athletes representing Japan in six successive Olympic Games, from the 1992 Barcelona Olympics to the 2012 London Olympics. Fujitsu was awarded the Best Team Prize for the Top Athlete Support Award at the JOC Sports Awards in 2008. Athletes who belong to the team actively participate in track and field clinics throughout Japan, helping to raise the level of track and field in our country.



©NANO Association

# Frontiers American Football Team



Challenges 📀 Community Engagement

Established in 1985, Fujitsu's American football team has won the Pearl Bowl three times, a tournament for East Japan Division teams of the Shakaijin (working adults) league, and has also been a runner-up five times in the Japan X

Bowl, the championship game to decide the best team in Japan. With these results, the team has established itself as an undisputed powerhouse in Japan's X League. Moreover, the team has been recognized as a Hometown Sports Partner by Kawasaki City, where they are based, for community contributions and engaging in activities such as teaching the new sport of flag football in Kawasaki elementary schools.



©Fais un reve

#### RedWave Women's Basketball Team



Challenges 📀 Community Engagement Established in 1985, Fujitsu's women's basketball team has made it to the playoffs for nine consecutive years since 2005, won the All Japan Basketball Tournament for three straight

years from 2006 to 2008, and in FY 2007 fulfilled a long-held ambition by winning its first Women's Japan Bas ketball League (W League) title.

As a Hometown Sports Partner with Kawasaki City, the team provides coaching in basketball workshops it conducts for elementary school students in Kawasaki City, and contributes to promoting local sports and expanding the range of Japan's basketball world.



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# Support for Kawasaki Frontale

Community Engagement

A Japan Professional Football League (J-League) member since 1999, the Kawasaki Frontale soccer team has Fujitsu as its official sponsor and is based in the city of Kawasaki. The team works to further the development of professional soccer, young local athletes, and sports culture.

The team set up the "Mind-1 Nippon" project soon after the Great East Japan Earthquake in 2011, and has been continuously engaged in supporting mid- to long-term recovery efforts in the affected areas.



© KAWASAKI FRONTALE

# Sponsorship Activities

Challenges Community Engagement

Through its sponsorship of sports activities, Fujitsu contributes to building a society that is healthy and has the spirit to challenge itself.

#### Sponsorship Examples

- Fujitsu Ladies Golf Tournament <u>http://jad.fujitsu.com/event/golf/</u>
- Izumo All Japan University Ekiden (Road Relay) <u>http://jad.fujitsu.com/event/ekiden/</u>

International Support and Disaster-Relief Activities

#### Supporting Tropical Rainforest Restoration Activities through Beverage Sales

#### Community Engagement

As part of the Fujitsu Group's social contribution and environmental activities, Fujitsu sells its own private brand beverages to employees, a portion of the proceeds of which are directed to tropical rainforest restoration activities underway at the Fujitsu Group Malaysia Eco Forest Park. As of the end of FY 2013, a total of around 1.93 million beverages had been sold since the start of this initiative in 2009, which has helped contribute to promoting activities.

# Activities that Contribute to Society by Group Employeess

Community Engagement

Employees of Fujitsu Group companies voluntarily participate in everyday social contribution activities, such as collecting used plastic bottle caps, prepaid cards, stamps, books, and CDs, and donating the proceeds to polio vaccine or seedling planting projects.

#### Support for Damage from Natural Disasters

Community Engagement

The Fujitsu Group is carrying out donation and contribution campaigns in order to assist with efforts to recover from the damage caused by natural disasters such as the earthquake in Sichuan, China in May of FY 2013 and Typhoon Haiyan (Yolanda) that hit the Philippines in November of the same year. Group companies and their employees make contributions of funds that are donated to the disaster areas through embassies, international charities, etc.

# Example Activities in FY 2013

# Support for Promoting Youth Employment in the U.K.

Youth unemployment,<sup>\*1</sup> particularly in Europe, is an issue confronting societies in developed countries. Various initiatives to spur youth employment are being promoted in the U.K., where the high level of youth unemployment is around 20%.



Fujitsu UK and Ireland apprentices

Since the beginning of 2012, 250 young people have been accepted as apprentices at Fujitsu UK and Ireland as part of our efforts to support these initiatives. In FY 2013, we also supported the U.K.'s National Apprenticeship Week, where Fujitsu managers, including our CEO, gave career advice and donations, and participated in a variety of events.

In addition, employee volunteers visited schools, where counseling and advice was given to more than 800 junior and senior high school students, including guiding them in resume writing and presentation skills.

\*1 Youth unemployment rate: the percentage of 15–24 year-olds who are out of work. In the U.K., however, this is calculated for 16–24 year-olds.

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# Support for Entrepreneurs Fostering Social Dynamism

👍 ICT for Everyone 🐼 Challenges 📀 Community Engagement

The rate of entrepreneurialism<sup>\*2</sup> in Japan stands at only about 4%, which is the lowest level among developed countries. Fujitsu is leveraging its technology and resources to support entrepreneurial activities on various fronts, as boosting entrepreneurialism has become a policy initiative because of its positive benefits for growth and for bringing many types of dynamism to society.

One example of this is Fujitsu's support for the "Kawasaki Entrepreneur Competition—Business Idea-Seed Market" held by the Kawasaki Institute of Industry Promotion (IIP) in Kawasaki City, Kanagawa Prefecture. Fujitsu supports the competition's participants, including providing free use of cloud computing services to the winners.

In addition, as a Model Business for Strategic Formulation of Intellectual Property in Kawasaki, we are contributing to creating new businesses and developing new products by, for example, offering advice to small and medium sized businesses in the city on how to utilize Fujitsu's open patents.



Kawasaki Entrepreneur Competition

\*2 Rate of entrepreneurialism: The ratio of people engaged in entrepreneurial activity per 100 people aged 18–64.

#### Tohoku Earthquake Recovery Support:

Support for Publishing the "Sendai City Record of the Great East Japan Earthquake" to Provide Lessons for the Future from the Earthquake and Tsunami Disaster

# 🐼 Challenges 📀 Community Engagement

Working with the city of Sendai, Fujitsu cooperated to help publish the "Sendai City Record of the Great East Japan Earthquake: Activities in the Year after the Disaster," in order to pass along the lessons from the Great East Japan Earthquake to future generations, and to help provide suggestions on how to build a society where we can live free from anxiety over damage from earthquakes.

Amidst the upheaval immediately after the earthquake, records were made of Sendai City officials who stuggled and devoted themselves to recovery activities. The conditions of the daily life of citizens and progress toward recovery were also kept in chronological records. These records contain information on various challenges and ideas for improvement. Conveying this information to future generations is valuable preparation against the unpredictability of earthquakes that may occur at any time.

Based on the experience and the lessons we have learned, Fujitsu is making contributions through ICT that instills an awareness of disaster prevention in local governments not only in the afflicted areas but also elsewhere across Japan.



Sendai City Record of the Great East Japan Earthquake

# Providing a Venue for Children to Experience and Learn about ICT

ICT for Everyone 🛷 Challenges 💠 Community Engagement

Fujitsu is providing a venue where children, who will lead the new digital age, can experience and study how to create a safer and better society. One example of this is offering the "Fujitsu Tech Lab" exhibit that gives children a chance to experience the work of an engineer at the "Kandu" Work Experience Theme Park in Chiba City.

At the "Lab," children pretend to be newly hired engineers, experience fighting cyber viruses in a fun, game-like environment, and try their hand at developing security systems. The experience allows us to present Fujitsu technology in a simple way, showing the power of ICT to solve various challenges.

In addition to this hands-on venue, Fujitsu also provides fun, easy to understand information on ICT through our childoriented Fujitsu Kids website.



Enjoyable learning and hands-on experience at the "Fujitsu Tech Labo"

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# Management Systems

We are pursuing total otimization for the Fujitsu Group by clarifying each Group company's role and positioin in the process of generating value for the Group as a whole and managing the Group to continuously enhance its corporate value.



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# **Corporate Governance**

#### Basic Stance on Corporate Governance

The main emphasis of Fujitsu's corporate governance is on having the non-executive directors provide oversight and advice to executive directors in their management execution role within the Board of Directors, while adopting the Audit & Supervisory Board system.

Specifically, while assuming mutual supervision between directors and oversight of directors by the Board of Directors, Fujitsu makes a clear distinction between the management execution role and the management oversight role on the Board of Directors and, moreover, makes sure that there are at least as many non-executive directors responsible for management oversight as there are executive directors responsible for management execution.

In addition, in selecting candidates for non-executive directors, consideration is given to the candidate's backgrounds and insight into Fujitsu's business so that effective advice that reflects a diversity of viewpoints can be obtained.

Furthermore, Audit & Supervisory Board members provide audits and oversight from the outside of the Board of Directors, and Fujitsu has established the Executive Nomination Committee and Compensation Committee of its own accord, thereby augmenting the Board of Directors. The overall approach is designed to raise shareholder value through effective corporate governance.

#### Overview of Corporate Governance Structure [Overview of the Board of Directors]

Fujitsu makes active use of External Directors. The Board of Directors comprises 11 members in total: 5 executive directors and 6 non-executive directors (including 4 external directors).

In order to better define the management responsibility of the directors, Fujitsu has set the term of office of the directors to 1 year, and has registered all 4 External Directors (including one woman) with the Tokyo Stock Exchange as independent officers having no major stakeholder interest in the company.

#### [Overview of the Audit & Supervisory Board]

Fujitsu has an Audit & Supervisory Board that performs the auditing function. The Audit & Supervisory Board has five members, comprising two internal Audit & Supervisory Board members and three external Audit & Supervisory Board members.

Fujitsu has registered all three external members with the Tokyo Stock Exchange as independent officers having no major stakeholder interest in the company.

The auditing function is carried out by Audit & Supervisory Board members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors. [Executive Nomination Committee and Compensation Committee]

Fujitsu established an Executive Nomination Committee and Executive Compensation Committee as advisory bodies to the Board of Directors in order to ensure the transparency and objectivity of the process for choosing candidates for executives, determining their compensation and ensuring that the compensation system and levels are appropriate.

The Executive Nomination Committee and the Compensation Committee are composed of three Non-Executive Officers (including two Non-Executive Directors and an external member of the Supervisory & Audit Board).

Fujitsu's officer compensation is determined on the basis of the Executive Compensation Policy that was revised by the Board of Directors in April 2011 in accordance with a report by the Compensation Committee.

#### [Reference] Executive Compensation Policy

To retain exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its compensation structure and business performance as well as shareholder value, while at the same time improving its transparency, the Group has established its Executive Compensation Policy as follows.

Executive compensation is composed of the following: "Basic Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Stock-based Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

#### **Basic Compensation**

 Basic compensation is provided to all directors and auditors based on position and responsibilities as compensation for duties involving business administration and the execution of corporate operations.

#### Stock-based Compensation

- Stock-based compensation, intended for directors responsible for executing business is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Is provided for the purchase of Fujitsu shares, to be acquired through the Director Stock Ownership Plan. Also such acquired stock is to be held for the duration of the individual's employment.
   Bonuses
- Bonuses are short-term performance incentives to be paid to directors responsible for executing business. Amounts are set based on business performance in the respective fiscal year.
- As a specific method to calculate a bonus, Fujitsu will adopt a profit-sharing model which uses consolidated operating profit and consolidated net profit as indices. However, bonuses will not be paid in the event of negative net profit recorded under non-consolidated accounting for the term under review.

In accordance with the resolution of the Annual Shareholders' Meeting, the total amount of basic compensation, stock-based compensation, and bonuses shall not exceed 600 million yen per year for directors and 150 million yen per year for auditors.

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#### Basic Stance on Internal Control Framework

To continuously increase the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risks arising from business activities.

Recognizing this, Fujitsu is working toward the practice and penetration of the FUJITSU Way, the basic principles behind the Fujitsu Group's conduct. At the same time, the Board of Directors has articulated the Basic Stance on Internal Control Framework.

#### Overview of the Basic Stance on Internal Control Framework

The Basic Stance on Internal Control Framework sets forth internal structures including the following.

#### Management Execution Decision Making and Management **Execution Structure**

Through the framework, executive officers share management execution authority with the President and Representative Director as the chief executive. The framework establishes a Management Council to assist the decision-making of the President and Representative Director, to enhance the efficacy of management.

Moreover, the framework makes clear that the President and Representative Director bears responsibility for the construction and operation of an internal control framework, and establishes that the Board of Directors fulfills oversight responsibility by appropriately investigating the said operation.

#### **Risk Management System**

The framework establishes a Risk Management & Compliance Committee and has management systems for controlling overall loss risks, as well as risk control systems or organizations pertaining to defects and failures in products and services, contracted development projects, information security, and financial risk.

#### · Compliance System

With the Risk & Management Compliance Committee at the center, the framework promotes the preparation of the internal rules, education, and oversight systems required for compliance with the Code of Conduct set forth by the FUJITSU Way, and also with laws and regulations concerning the business activities of the Fujitsu Group.

The framework also has management systems to ensure the appropriateness of financial reporting, as well as a system for information disclosure and internal auditing systems.



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# **Risk Management**

#### Our Approach to Risk Management

Through its global activities in the ICT industry, the Fujitsu Group continuously seeks to increase its corporate value, and to contribute to its customers, local communities and indeed all stakeholders. Properly assessing and dealing with the risks that threaten the achievement of our objectives, taking steps to prevent the occurrence of these risk events, and establishing measures to minimize the impact of such events if they do occur and to prevent their reoccurrence are assigned a high priority by management. Moreover, we have built a risk management and compliance system for the entire Group and are committed to its continuous implementation and improvement.



# **Business Risks**

The Group identifies, analyzes and evaluates the risks that accompany business activities and works on measures to avoid or reduce them, and to deal with them quickly in the unlikely event that they materialize.

#### Examples of Business Risks<sup>\*1</sup>

- Economic and financial market trends
- Changes in customers' ICT investment trends and being unable to maintain lasting ties with customers
- Competitors' strategies and industry trends
- Procurement, alliances and technology licensing
- Public regulations, public policy and tax matters
- Deficiencies or defects in products and services, information security, project management, investment decisions, intellectual property rights, human resources, environmental pollution, credit risks, etc.
- Natural disasters and unforeseen incidents

\*1: These are just some of the business risks. More detailed risk-related information can be found in our earnings report, securities reports and other published reports.

### **Risk Management & Compliance Structure**

With the aim of integrating and strengthening its global risk management and compliance structures, the Fujitsu Group has established a Risk Management and Compliance Committee as one of the internal control committees reporting to top management.

The Risk Management & Compliance Committee appoints a Chief Risk Compliance Officer for each department and company throughout the Group, and encourages cooperation among them to both guard against potential risks and mitigate risks that materialize, forming a risk management and compliance structure for the entire Group.



# The Risk Management Framework

The Risk Management & Compliance Committee is responsible for grasping the status of risk management and compliance in all Fujitsu business groups and Group companies in Japan and overseas, establishing the appropriate policies and processes, etc., and both implementing and continuously improving them. In practical terms, it decides on risk management regulations and guidelines, applies them and regularly reviews and improves them.



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#### **Risk Management Processes**

The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities, confirms the detailed measures intended to deal with major risks by averting, minimizing, transferring or retaining them. It also reports important risks to the Management Council.

The Risk Management Committee also prepares responses against the actual materialization of a risk despite the implementation of various preventive measures. If a critical risk such as a natural disaster, product breakdown or defect, a problem with a system or service, a compliance violation, an information security breach, or an environmental problem materializes, the department or Group company reports immediately to the Risk Management & Compliance Committee. The Risk Management & Compliance Committee coordinates with the related divisions and workplaces for rapid resolution of the problem by appropriate measures such as establishing a task force. At the same time, the Risk Management Committee strives to identify the causes of the problem and propose and implement solutions. Additionally, for critical risks, the committee also reports as appropriate to the Management Council and the Board of Directors.

The Risk Management & Compliance Committee continuously confirms the implementation status of these processes and works to make improvements.



#### Group-Wide Disaster Preparedness

To build a robust disaster-preparedness network and enhance our business continuity response capabilities, the Fujitsu Group has created a Group-wide disaster-preparedness organization, in anticipation of a major disaster. In Japan, we have been carrying out annual nation-wide disaster-response drills in conjunction with Disaster Preparedness Day on September 1st. FY 2013 marks the 19th year of systematically conducting training for an earthquake occurring in Tokyo or in the Tonankai region. This year we completed training at 80 companies, including Fujitsu Headquarters. Fujitsu has established an interim Central Headquarters in the Kansai region, and is carrying out initial response training in collaboration with each at-risk business site, as part of the efforts to prepare for an earthquake disaster in the Tokyo metropolitan region, where our management functions are concentrated. Sites around Japan also carried out initial response training centered on confirming employee safety and checking for damage to work-related buildings immediately after a disaster.

### Implementing Disaster Preparedness Self Checks at Each Business Site

Disaster-preparedness self checks are autonomously conducted throughout the Group based on inspection criteria established at each site as an activity to minimize personal injury and property damage in the event of a disaster.

Based on the results of these checks for FY 2013, we reassessed the organization of our Emergency Disaster Control Center in each region, given that many Group companies with shared facilities showed deficiencies in their ability to contact each other during an evening or holiday emergency. We will be sharing effective training methods as we continue to conduct disaster-preparedness self checks in FY 2014.

# Carrying Out Joint Inspections by Specialist Teams

We are conducting joint testing throughout the Fujitsu Group, targeting facilities that are critical to Fujitsu business continuity. Led by teams made up of internal departments for environmental management, facility management, and risk management, these checks are ensuring that laws are being upheld, while also conducting joint testing throughout the Fujitsu Group in order to prevent accidents that could arise from aging infrastructure or from fires and other natural disasters.

The teams are also responsible for everything from verifying inspection results, to providing guidance on establishing measures for making improvements, to checking on the progress of such endeavors. Based on the results of joint testing conducted at 30 facilities from FY 2010 to 2013, we will be sharing good practices and cases of improvements made regarding disaster preparedness with all facilities in the Group.

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#### **Business Continuity Management**

The risks of unforeseen events that threaten economic and social continuity, such as natural disasters like earthquakes and large-scale flooding, disruptive incidents, accidents, and pandemics such as the new strain of influenza, have increased greatly in recent years.

To ensure that even when such risks occur, we can continue to provide a stable supply of the high-performance, high-quality products and services our customers need, the Fujitsu Group has established a Business Continuity Plan (BCP), and promotes Business Continuity Management (BCM) as a way of continuously reviewing and improving that BCP. Through the BCM process, the lessons learned in the course of the Great East Japan Earthquake and the flooding in Thailand are now reflected in our BCP.

#### Strengthening BCM for Our Entire Supply Chain

In order to consistently supply products and services even under unforeseen circumstances, Fujitsu has been continuously supporting improvement of BCM with our business partners since FY 2007, under the belief that it is essential to strengthen BCM along our entire supply chain. In FY 2013, we conducted a survey to reassess relevant content, from the BCP formulation phase to the implementation phase, while also holding briefing sessions with our business partners directed toward strengthening BCM.

We also have dedicated ourselves to making supply chain risks visible. As one example of this, we use the SCRKeeper<sup>\*2</sup> risk management system to clarify the scope impact risks have on the supply chain. Our executives also continued to take part in training sessions.

\*2 SCRKeeper: A supply chain risk management service developed by the Fujitsu Group, the distribution of which began in FY 2013. It enables the evaluation and analysis of business partners' business continuity capability and predicts and assesses potential damage to their location of business on the level of each individual disaster.

#### Training Specialists in BCM

The Fujitsu Group plans on developing its specialists in order to further promote, implement, and improve BCM. In FY 2013, BCM specialists from each department took part in training to better understand BCP for their own department and learn how to conduct actual BCM activities.

Our plan now is to move forward with BCM throughout the entire supply chain, not just our logistics and production supply chains, with efforts that include providing support for BCM system creation for our suppliers, with our specialists playing a central role.

# Measures against New Strains of Influenza

We have taken steps against new strains of influenza based on a three-fold influenza policy- to safeguard lives, to stop the spread of infection, and to ensure business continuity. We created a "Pandemic influenza Preparedness Action Plan" that stipulates preventive measures in everyday operations and the response process to be used if an outbreak occurs. We work to disseminate these to all employees through e-Learning and by distributing pamphlets. Also, to contribute to the continuity of social infrastructure businesses and the continuity of our customers' businesses should a pandemic occur or a particularly virulent new strain of influenza arise, we have established, and carry out training based on, a "Business Continuity Action Plan for Measures Against Pandemic influenza."

#### **Risk Management Education**

We developed and operate a systematic educational curriculum that aims for extensive risk management across the entire Group.

Through this curriculum, we inform our employees of our basic approach to risk management and the rules to be followed, and cite concrete examples to strengthen our employees' awareness of risk management and their ability to deal with risks. We also hold education and training programs as appropriate on issues such as information security, environmental problems, and natural disasters.

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# Compliance

#### Activities Promoting Compliance

The Fujitsu Group is ensuring strict compliance based on the Code of Conduct in the Fujitsu Way. Top management is committed to engaging the Fujitsu Group in various activities to ensure extensive awareness of the need for compliance.

As a set of standards for Fujitsu Group global compliance, GBS (Global Business Standards), which incorporates the detailed Code of Conduct in the Fujitsu Way and a guide for individual employee behavior, has been uniformly put into practice throughout the Fujitsu Group since January 2013.

In Japan, we have put in place a range of internal company rules that include the rules applied to Fujitsu Group company as its own rules deemed necessary for developing a governance structure throughout the Group. We also disseminate information about major legislation, especially legislation that is closely connected to our business such as the Antimonopoly Act, the Unfair Competition Prevention Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, to Fujitsu and Group company employees through easy-to-follow compliance manuals posted on the intranet. Besides compliance manuals for Japanese laws, we have also prepared and disseminated a compliance manual for the U.S. Export Administration Regulations (EAR), which is closely connected to our global business development activities.

Overseas Fujitsu Group companies have set out the GBS and ensure that all employees are aware of it via email or internet.

 GBS (Global Business Standards) http://www.fujitsu.com/global/about/philosophy/codeofconduct/qbs/

#### Compliance Education

The Fujitsu Group provides a variety of compliance training to all employees to ensure legal compliance.

In FY2013, we started to provide the "Global Compliance for Fujitsu Group" e Learning training course to all employees in Japan for the purpose of reassessing the GBS and deepening the understanding of our employees regarding cartels and bribery prevention. Additionally, we implemented a face-to-face compliance training course "Anti-trust and Anti-bribery" for high-risk Group companies. At overseas Group companies, we also implemented e-Learning courses covering areas such as the GBS, anti-trust, anti-bribery and anti-corruption, export controls, and conflicts of interest. In addition to compliance training for executives, which is provided by outside lawyers, we also conduct in-house training for heads of sales divisions and branches about bidding-related laws and the Antimonopoly Act. For new managers, we also regularly hold in-house training where a Fujitsu instructor explains the importance of the Code of Conduct and compliance, while also providing case studies of typical scenarios and situations whose optimal handling may not be clear.

Along with continuing the activities above, in FY2014 we will be further enhancing our face-to-face training focused on areas such as cartels and bribery prevension for high-risk departments in Japan and overseas.

Furthermore, we have been printing the Code of Conduct of the Fujitsu Way on wallet-size cards and have been distributing them to all Group employees. These cards are designed to serve as a quick reference of the Code of Conduct for employees when they are dealing with customers or business partners, or when they are uncertain about a decision in the course of daily operations. For non-Japanese speakers, we have prepared wallet-size cards in three other languages.



Code of Conduct	
We respect human rights	1400
We comply with all laws and regulations.	and a
We act with fairness in our business dealings.	Contra Part
We protect and respect intellectual property	
We maintain confidentiality.	
· We do not use our position in our organization for pe	monal gain.

"Applying the Code of Conduct" e-Learning screen

#### **Operating an Internal Reporting System**

### Compliance Line/Fujitsu Alert (formerly the Helpline)

Since September 2004, we have been operating an internal helpline system to handle reports and provide consultations for all Fujitsu Group employees (including seconded, contracted, part-time or other short-term employees as well as temporary staff) in Japan. In February 2014, we changed its name to the Compliance Line/Fujitsu Alert in order to further strengthen our commitment to internal reports and consultations.

This system is intended to be used by employees who are uncertain about what is the rihgtdecision or suspect a violation of the Code of Conduct in the Fujitsu Way, and prepares to receive a wide range of reports and consultations, from harassment to legal violations which may occur in any country.

Each of the Group companies in Japan and overseas has also established and operates its own internal reporting system.

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### Compliance Line for Suppliers

In August 2009, we opened a Compliance Line for Suppliers to handle reports and inquiries from the employees of companies that directly supply Fujitsu with their products, services or software, etc. Since September 2014, this helpline is also fielding calls from suppliers to Fujitsu Group companies.

Our Compliance Line/Fujitsu Alert and Compliance Line for Suppliers system forbids any and all sanctions against employees and suppliers for making such reports, and meticulous care is taken in handling the information so as to preserve their anonymity.

If problems are found in investigating these reports, the relevant practice is terminated and measures are taken to prevent recurrence.

#### Internal Reporting System for Suppliers



# Initiatives for Ensuring Secure Export Controls

From the perspective of maintaining global peace and security, exported or transported goods and technology that could be reappropriated toward the development or production of weapons of mass destruction, conventional weapons, etc. are managed according to an international framework for secure export controls. Japan is also implementing a system for secure export controls within this international framework.

Following the stipulation to "comply with all laws and regulations" in the Fujitsu Way Code of Conduct, we have formulated and are working to thoroughly implement our Security Export Controls policy in line with Japan's Foreign Exchange and Foreign Trade Act, and the U.S.'s Export Administration Regulations (EAR). The control system established a Security Export Control Office in our Legal, Compliance and Intellectual Property Unit. This Office acts as an organization to carry out classification and inspection of all export goods and technology by verifying consignee countries/regions, end uses, and clients. Exports are carried out only after acquiring the requisite export permission. Additionally, in order to maintain and perpetuate a system inside the Group for secure export controls, we conduct regular audits and training.

Along with Group companies inside and outside Japan in formulating rules and establishing frameworks for secure export controls, Fujitsu is offering training support, audit support, and information exchange meetings between Group companies. In FY 2013, the Security Export Control Office visited five Group companies in East and Southeast Asia to carry out secure export control training. Targeting Group companies across the globe, the Office also developed basic e-Learning training courses covering secure export controls in 20 languages.

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# Information Security

#### Our Basic Approach to Information Security

We are ensuring the proper management and use of information, in line with internal rules based on the Code of Conduct in the Fujitsu Way. We see maintaining confidentiality as a vital aspect of our social responsibility. Based on this approach, we have established the Fujitsu Group Information Security Policy, consistent throughout the world, and are promoting information security in accordance with the policy.

#### Fujitsu Group Information Security Policy

#### 1. Objectives

Being fully aware of the fact that information provides basis for the Fujitsu group s business activities and the risks that accompany the management of information, Fujitsu group meets the information security requirements to achieve the following objectives. This is to conform to the Corporate Values of FUJITSU Way, we seek to be the customer s valued and trusted partner and we build mutually beneficial relationships with business partners. , and to enforce the confidentiality defined in Code of Conduct as essential part of social responsibility. (1) Fujitsu group properly maintains information delivered by individuals, corporate clients or vendors in the business processes to protect the rights and interests of these subjects. (2) Fujitsu group properly maintains trade secret, technical information and other valuable information in the business processes to protect the rights and interests of the group. (3) Fujitsu group properly maintains information in the business processes to provide products and services in a timely and stable manner and to ensure social functionality of the group.

#### 2. Principles

Fujitsu group applies the following principles in meeting the information security.

(1) Preservation of confidentiality, integrity and availability shall be the objective of information security, and the information security measures shall be planned to meet the objective.

(2) Organizational structure and responsibility shall be clearly defined to ensure the proper implementation of the information security measures.

(3) The risks that accompany the handling of information and investments required for the measures shall be taken into consideration to properly implement the information security measures.

(4) Information security processes shall be organized into Plan, Do, Check and Act phases to keep and enhance the level of information security.

(5) Executives and employees shall be provided with awareness and education program on the information security and act with the knowledge of its sensitive nature to ensure the proper implementation of the information security measures.

#### 3. Fujitsu groups activities

To ensure the implementation of the aforementioned objectives and principles, each Fujitsu group company shall prepare its policy and related procedures in compliance with this policy, and implement them.

#### Our Framework of Information Security Rules

Each Group company codifies related rules in accordance with the Fujitsu Group Information Security Policy, and implements information security measures. The Group identifies, analyzes and evaluates the risks that accompany business activities and works on measures to avoid or reduce them, and to deal with them quickly in the unlikely event that they materialize.



PKI (Public Key Infrastructure): Rules relating to the use of systems for personal identification and encoding

### Initiatives for Strengthening Information Security

# Teaching and Promoting Awareness of Information Security

Starting in FY 2008, using a common slogan that translates as "Declaration for complete information management! Information management is the lifeline of the Fujitsu Group," Fujitsu and domestic Group companies have been working to increase information security awareness at the individual employee level by displaying posters at respective business locations, affixing information security awareness stickers to all business PCs used by employees, and other measures.

We have also taken steps to enhance security through the application of ICT, such as by introducing a mail checker tool (SHieldMailChecker), developed by Fujitsu Social Science Laboratory Limited, to prevent information leaks from e-mail being sent externally in error.

Furthermore, e-learning courses are held for all our employees, including executives, each year in order to further establish information security awareness.



The sticker affixed to business PCs

#### Management Systems

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# Held Information Security Presentation for Business Partners

As a result of dramatic change in the ICT environment in recent years, the risk of information leaks has never been higher. In response, the Fujitsu Group has held information security presentations, not only for Group employees but also for domestic business partners who commission software development and services, and we have worked to share information on challenges and thoroughly implement prevention measures.

#### • Example of seminars held in FY 2013

http://www.fujitsu.com/global/about/csr/activities/society/procur ement/#advance

#### Responding to Cyber Attacks

In response to the growing risk recently of security issues including targeted e-mail attacks and malware<sup>\*1</sup> infections, Fujitsu has established a special incident response team that will work with central government agencies and others on early detection and resolution of these risks.

Whenever new systems are installed, we follow all information security rules, undergo pre-operation inspections by the Security Control Unit, confirm that adequate measures are in place against cyber attacks, and ensure that problem areas are eliminated.

\*1 Malware: Malicious software, including computer viruses, spyware, etc.

# Strengthening Information Security at the Business Group Level

To assure the strongest possible information security management, we are working to implement a security management structure.

The Group operates in a wide variety of industries and is promoting individual businesses by organizing them into business groups. Information security measures are implemented to reflect the individual characteristics of each business.

A number of business units at Fujitsu and some domestic Group companies have acquired ISMS (Information Security Management System)<sup>\*2</sup> certification and are working to provide thorough management of confidential information including customers' information.

\*2 ISMS (Information Security Management System): A system for verifying compliance with the ISO/IEC 27001 international standard for information risk management.

### Personal Data Protection Initiatives

We have stipulated a Personal Data Protection Policy and Rules for Management of Personal Data. Based on these rules, we give education on how private information should be handled and carry out surveys in an ongoing effort to strengthen the protection given.



In August 2007, we acquired company-wide PrivacyMark<sup>\*3</sup> certification and have since been renewing this certification every two years. Domestic Group companies are also acquiring PrivacyMark certification individually as necessary, and promoting thoroughgoing management of personal data. Overseas Group companies are also publishing privacy policies that meet their various national legal and social requirements on their main public Internet websites.

\*3 PrivacyMark: A certification system relating to the handling of private information. The system is operated by the general incorporated foundation Japan Institute for Promotion of Digital Economy and Community.
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# **Protection of Intellectual Property**

## **Our Basic Approach toward Intellectual Property**

One of the principles of The FUJITSU Way code of conduct is to "protect and respect intellectual property." In line with this statement, all Fujitsu Group employees recognize intellectual property as an important business asset that supports Group activities and gives our customers a sense of safety and trust in the Group as their partner, so employees are required to keep this constantly in mind as they perform their duties.

We established an internal rule in order to encourage the proper handling of intellectual property in October 1995. This rule not only specifies what all employees should do to acquire, maintain and use intellectual property rights, but also directs them to respect those of other companies.

## Role of Our Intellectual Property Strategy

At Fujitsu Group, our intellectual property strategy is based on our management strategy and is integrated with our business, research and development, and standardization strategies. To that end, from the earliest stages of our business activities, we implement a multilateral analysis focused on intellectual property to ensure that we can proceed based on the results of this analysis.

By implementing our intellectual property strategy, we will endeavor to maximize the value of the intellectual property assets of the entire Fujitsu Group.



## Management Structure of Intellectual Property Rights

Fujitsu established a Legal, Compliance and Intellectual Property Unit as one of its corporate centers. The Unit deals with all problems relating to laws, compliance, and intellectual property. The Unit also takes charge of developing and planning the intellectual property strategies of the Group, utilizing intellectual property, including licensing of intellectual property rights, and promoting strategic standardization activities. In each business group, an intellectual property strategy manager is appointed and assures seamless cooperation between the research and development sections and the intellectual property sections.

To promote efficient global business operations, the Fujitsu Group is making efforts to appropriately acquire, maintain, and utilize its intellectual property throughout the world. Furthermore, in the U.S., the Fujitsu Patent Center we established in April of 2008 in an effort to improve our ability to acquire patent rights is working to improve the quality of our patents by expanding its activities.



#### **Organizational Chart**

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## Initiatives for Global Standardization

Spreading standardization that promotes technology with shared specifications brings about improvements in high quality products plus convenient and low-cost services for consumers, while also including benefits for the whole industry, such as creating and expanding markets for standards compliant products and technologies, and making development investment more efficient.

In order to increase value for consumers and contribute to global development, Fujitsu actively supports the activities, focusing on the field of ICT, of international standardization bodies, including ITU (the International Telecommunication Union), ISO (the International Standards Organization), and IEC (the International Electrotechnical Commission).

## Contribution to Global Environmental Protection

Based on the statement "In all our actions, we protect the environment and contribute to society, " which is included in the FUJITSU Way Corporate Value, the Fujitsu Group contributes to the protection of the global environment from the perspective of intellectual property. We have positioned "technology that contributes to the protection of the global environment" as one of our important themes, and are maintaining awareness of the environment by cooperating with the business unit as early as in the stage of searching for useful inventions.

To raise our employee's awareness of environmental issues, we have established a system for awarding those who have made remarkable contributions to the creation or use of intellectual property for the protection of the global environment.

### Contributing to Regional Communities

Among the patents held by the Fujitsu Group, there are patents that have lost relevance due to changes in our business strategy, as well as patents that can create significant value if applied outside of the Group. By licensing these types of patents as technological seeds along with our expertise, we are actively working to allow the results of our R&D to be utilized in the wider community. Promoting alliances in this regard with municipalities, regional banks, and universities across Japan has created new business for small and medium sized companies, and we have been able to contribute to regional revitalization. For example, in the city of Kawasaki in Kanagawa Prefecture where the Fujitsu Head Office is located, the municipality is introducing intellectual property, from open patents, etc. held by large corporations, to small and medium sized businesses. This supports the elevation of product technology expertise at small and medium sized businesses. Fujitsu is actively involved in this endeavor and since 2007 has concluded 15 licensing agreements with small and medium sized businesses in Kawasaki-city (as of June 2014).

## Education and Enlightenment for Effectively Implementing Our Intellectual Property Strategy

The Fujitsu Group places importance on the employee education required so that employees are able to implement our intellectual property strategy integrated with our business, research and development, and standardization strategies when performing their activities. Having developed a training system for increasing awareness of intellectual property and for fulfilling the needs of individual employees in their respective careers, we continue to offer a large number of training programs to provide strategic employee education. This includes two types of training programs, e-Learning and classroom education, which are offered in effective and efficient combinations.

The training promotes employee awareness for understanding the importance of Fujitsu's intellectual property strategy, and for implementing our intellectual property strategy in a united approach aligned with our business, R&D, and standardization strategies.

## Intellectual Property Reports

In the interest of being thorough in disclosing activities involving intellectual property throughout the Fujitsu Group, we have been issuing annual intellectual property reports since 2006. These reports contain a wealth of information that ranges from the aims and roles of Fujitsu intellectual property strategies to initiatives and statistics.

 Intellectual Property Report http://imq.jp.fujitsu.com/downloads/jp/jip/ipreport/ipreport2013e.pdf

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# Brand Management

### Our Approach to Brand Management

To further the growth of the Fujitsu brand, our aim is to be recognized as a "global brand from Japan that can deliver high quality ICT solutions to the world." To attain our objective of becoming a truly global brand, we are working to increase our corporate value by strengthening the consistency of company communications around the world, setting assessment indicators and implementing a PDCA cycle to improve the brand value of the Fujitsu group.

#### • The FUJITSU brand

http://www.fujitsu.com/global/about/brandmanagement/

## **Our Brand Promise**

# shaping tomorrow with you

Fujitsu aims, through the power of ICT, to contribute to creating a prosperous future for our customers and for society. Fujitsu's brand promise of "shaping tomorrow with you" expresses our stance on how we intend to realize our aims both for customers and society. We are implementing our brand promise throughout all of our business activities, while building relationships of trust with customers and society, by having all Fujitsu employees embody the promise.

### Brand Management

The Corporate Brand Office plans and manages group-wide brand strategy and has brand managers from each business unit manage brand related activities. The brand managers develop brand measures in each of their business areas and promote brand planning, development, and management for each product.

The Corporate Brand Office, has developed, and rolled out internally, Fujitsu Brand Principles (FBP) which stipulate rules on company names, the symbol mark (logo), product and service brands, our Visual Identity (VI) and communications. In addition, we have established a Global Marketing Board as a decision-making organization for all of Fujitsu's marketing. In cooperation with each unit, the Board works to strengthen the consistency of our global communications, and promotes measures for improving brand recognition. The Corporate Brand Office also cooperates with the Intellectual Property Unit on measures to handle reputation risks in the global market, as well as intellectual property protection measures related to our brand.

## **Employees and Our Brand**

To ensure all employees at Fujitsu truly understand and practice the core ideas of our brand, we implement brand education programs through e-learning and other brand training programs. In addition, a monthly internal FUJITSU brand newsletter shares our latest activities, and complements regular brand awareness surveys of all group employees.

## Product and Service Brands

We work with our customers in all our business activities, including product development, service delivery and sales activities. Our product design reflects this approach, and our products are user friendly, reliable, and cutting edge.

## **Brand Communication**

#### Web communication

We see the web as an important communication channel. We have a global web portal and 62 countries / regional web portals. We have also defined guidelines for appropriate use of social media and we are promoting the active use of these media which are continuing to grow rapidly.

### Global Brand Campaign

We have actively developed global brand campaigns utilizing online marketing, including specially designed websites and social media, as we work to boost awareness and understanding of the Fujitsu brand. We ran a Global Brand Awareness Campaign using web & social media in nine countries globally in FY2013.

### Brand Evaluation

We conduct a Global Brand Awareness Survey externally. The survey is corporate recognition research targeting strategic IT and business decision makers in 10 countries around the world. We use these and other key performance indicators (KPI) to regularly evaluate the value of our brand.

Fujitsu was ranked 26th in Interbrand's "Japan's Best Global Brands 2014" and has been named in FORTUNE Magazine's 2013-14 list of the "World's Most Admired Companies."

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# Innovation Management

### Basic Philosophy of Innovation Management

Fujitsu's vision of a human-centric intelligent society refers to creating innovation by making use of the power of ICT (Information Communication Technology) and by bringing out maximum human potential to realize a safe, secure, prosperous and sustainable society. In a hyper-connected world, in which everything is connected through networks, new ideas are created and the speed of innovation accelerates using human-centric ICT that integrates new technologies. These include cloud computing, big data, social networking and the Internet of Things (IoT). This kind of world will bring about human empowerment, creative intelligence and connected infrastructure as new approaches that create innovation. At Fujitsu Laboratories, we are carrying out our research activities reflecting this approach.

#### Mission

 Platform of technological strengths, business model implementation



The mission of Fujitsu Laboratories is to drive the growth of the Fujitsu Group, creating innovation and implementing new business models that are based on technology platforms.

Fujitsu Laboratories conducts research and development using investments from Fujitsu and affiliated companies. The Technical Strategy Committee and Technical Strategy Task Force, made up of members selected from the Fujitsu Group, discuss the direction in which the Group should move and synchronize objectives of research and business while formulating a technical strategy over the medium term. In addition, using open innovation, we carry out research and development from a long-term perspective by working in cooperation with universities and research institutions in Japan and abroad and by participating in the planning of national projects.

#### R&D Scheme

 Clarify directionalities of technology/businesses, set out and promote technology strategies



## **Research Themes**

The research themes of Fujitsu Laboratories are divided into three categories: research for near-term commercialization, advanced research and seeds-oriented research, depending on the stage of commercialization. The allotment of resources is decided on a top-down basis. Among the three, we placed emphasis on advanced research for expanding the business and enhancement of competitiveness, and roughly half of our resources are allotted to it. The subject of the advanced research is decided with the approval of the Technology Strategy Committee and Technology Strategy Task Force.

Regarding the themes of the advanced research, research and development are carried out in four innovation domains established for the three approaches to innovation creation and the common foundation that supports them.

1. Ubiquitous innovation

Creating services and developing front-end interfaces linking people, data, and infrastructure

2. Social innovation

Expansion of social business through effective use of data and information

3. ICT Innovation

Development of new integrated ICT platforms to generate new value.

4. Manufacturing innovation

Development of hardware/software technologies essential to the technology value chain.

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## **Global Partnerships**

Fujitsu Laboratories Group currently has two R&D sites in Japan and three overseas R&D sites as subsidiaries of Fujitsu Laboratories. We collaborate in 107 R&D global projects spanning the world in 16 countries for the promotion of open innovation. Moreover, at our overseas laboratories, we are engaged in technology marketing, partnering activities, and human resource development, while also contributing to the Fujitsu Group's business in each global region.

#### **Global Collaborations**



FUJITSU LABORATORIES LTD. Website
 <u>http://jp.fujitsu.com/group/labs/en/</u>

# Fujitsu Group Profile (as of March 31, 2014)

Company Name	Fujitsu Limited	Net sales	¥4,762.4	45 billion (consolidated)
Addresses	•Kawasaki Main Office	Capital	¥324.6 bi	llion
	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa 211-8588, Japan	Total Assets	¥3,079.534 billion (Liabilities: ¥2,377.1 billion, Net assets: ¥702.4 billi	
	•Headquarters Shiodome City Center 1-5-2 Higashi-Shimbashi,	Fiscal Year-end	March 31	
	Minato-ku, Tokyo 105-7123, Japan	Employees Cons	solidated	162,393 / Unconsolidated: 25,616
President	Masami Yamamoto	Directors		11 (incl. 1 female director, out of 4 outside
Established	June 20, 1935			directors as of June 23, 2014)
Main Business	Manufacture and sale of communications systems,	Consolidated Su		512 companies
Activities	information processing systems, and electronic devices,	Equity-method	Affiliates	24 companies
	and the provision of services related to those products	Stock Exchange	Listings	Tokyo, Nagoya

#### **Regarding Our Business Segments**

The Fujitsu Group provides a wide range of services and products with the advanced technology, high performance and high quality essential for the future of the ICT sector, and operates an integrated total solutions business, from the development, manufacture and sale of those products and electronic devices to the provision of maintenance services.

### FY 2013 Consolidated Net Sales by Business Segment



#### **Technology Solutions**

The Technology Solutions segment provides corporate customers around the globe with IT-driven business solutions based on our advanced technology and high-quality system platforms and services.



Fujitsu SPARC M10

UNIX Server



Fujitsu Trusted Cloud Square

#### **Ubiquitous Solutions**

The Ubiquitous Solutions segment is involved in the development, manufacture and sale of PCs and mobile phones, as well as audio and navigation equipment and other types of mobilewear.





ARROWS Tab QH77

**Device Solutions** 

The Device Solutions segment provides LSI devices for digital consumer electronics, automobiles, mobile phones and servers, as well as semiconductor packages and other electronic components. The segment also offers electronic components, such as batteries, relays and connectors.





*Bluetooth®* low energy module

Bluetooth® is a registered trademark of Bluetooth SIG, Inc.

FRAM 4Mbit non-volatile memory MB85R4M2T

Global Business System (Fujitsu Group: 512 companies, 162,000 people, ¥4,762.4 billion, 117 locations)



# Financial & Non-Financial Highlights



# **Editorial Policy**

The Fujitsu Group CSR Report 2014 reports in accordance with the Fujitsu Group Corporate Social Responsibility (CSR) Policy. Of the Group's wide-ranging initiatives, this report focuses on those in areas thought to be of particular interest to stakeholders. Items that could not be covered here are reported in the PDF version of the CSR Report 2014 [Detailed version] on the Fujitsu website.





#### Reporting System

Details concerning Fujitsu Group initiatives are reported in the format of the figure at left. Our basic editorial policy is to consider issues from two standpoints: the importance to society and stakeholders and the importance to the Fujitsu Group. In particular, we consider directions for this report based on opinions we receive from third parties, general readers, and stakeholders on the previous fiscal year's version of the report. Our intention was to create a report that is easy for members of the general public to read.

#### Guidelines Referenced

GRI Sustainability Reporting Guidelines, Version 3.1 (G3.1)

•ISO 26000 Guidance on Social Responsibility

#### Reporting Period

This report focuses on activities in FY 2013, from April 1, 2013 to March 31, 2014, and the data presented is actual performance data from that period. Content from times outside that period, however, is also presented.

#### Target Readership

This report is written assuming the following readership: Fujitsu stakeholders including customers, employees, stockholders and investors, suppliers and business partners, international society and local communities, public institutions and governments.

#### Organizations Covered

While the whole of the Fujitsu Group is covered in this report, when it is necessary to indicate the range of applicability, we will specify Fujitsu Group (to indicate the Group as a whole) or Fujitsu (to indicate Fujitsu, Ltd. as an independent entity). For organizations covered by our environmental reporting, see the Fujitsu Group Environmental Report 2014.

#### About third-party verification

The Fujitsu Group CSR Report 2014 [Detailed version] has undergone thirdparty verification by Bureau Veritas Japan to ensure the reliability of the information disclosed within.

#### Publisher

#### FUJITSU LIMITED

Authority for Publication: Masami Yamamoto President and Representative Director

Published: September 2014 (The next report will be published in August 2015 and the previous report was published in August 2013.)

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# Third Party Verification Report

In order to ensure the reliability of the contents of the Fujitsu Group CSR Report 2014 Detailed Version), we asked a third party, Bureau Veritas Japan to examine and post a review of the report.



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	18 Barrow
The list of social performance indicators verified	
Performance indicators verified	Page
CSR activities utilizing ISO26000	
The number of group companies which performed survey based on ISO26000	26
The number of attendees of a Female Leaders Training Program	31
Nurturing global business leaders	
The number of attendee to programs	31
Performance in usage of work systems at Fujitsu	
The number of employees taking child care leave	31
The number of employees taking paternity leave	
Rate of women managers	34
Employment rate of people with disabilities	34
Numbers and average ages of employees	35
Hiring of recent college graduates	37
Employees by regeon	37
Average years of service	37
Number of employees using the care leave support system	38
Frequency of industrial accidents	40
The number of opinions of questionnaire on Sustainability Report	43
The number of regular dialogue with neighboring residents in the regions hosting our main	43
business sites	
The number of internal database records of social contribution activities	43
Promoting socilaly responsible procurement ( the number of written surveys to suppliers)	53
Employees, Directors	77

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# GRI Guideline/UN Global Compact10 Comparison Table

## 1 · Strategy and Analysis

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
1 Stra	itegy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	◆ <u>Top Message</u>	_
1.2	Description of key impacts, risks, and opportunities.	<ul> <li>Responding to Urban Issues</li> <li>Responding to Medical Issues</li> <li>Responding to Environmental Issues</li> <li>Responding to Natural Disasters</li> <li>Protecting the Global Environment</li> <li>Risk Management "Business Risks"</li> </ul>	_

## 2.Organizational Profile

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
2.0rg	janizational Profile		
2.1	Name of the organization.	◆ Fujitsu Group Profile "Company Name"	_
2.2	Primary brands, products, and/or services.	◆ <u>Fujitsu Group Profile "Regarding Our Business</u> <u>Segments"</u>	_
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	<ul> <li>Fujitsu Group Profile "Regarding Our Business Segments"</li> <li>Editorial Policy "Organizations Covered"</li> <li>[Reference] Organization</li> </ul>	_
2.4	Location of organization's headquarters.	◆ Fujitsu Group Profile "Addresses"	-
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	<ul> <li><u>Responding to Urban Issues</u></li> <li><u>Responding to Medical Issues</u></li> <li><u>Responding to Environmental Issues</u></li> <li><u>Responding to Natural Disasters</u></li> <li><u>Protecting the Global Environment</u></li> <li><u>Fujitsu Group Profile "Global Sales</u></li> <li>System"</li> </ul>	_
2.6	Nature of ownership and legal form.	<ul> <li>◆ <u>Corporate Governance "Basic Stance on</u> <u>Corporate Governance"</u></li> <li>◆ <u>Fujitsu Group Profile "Company Name"</u></li> <li>[<u>Reference</u>] WEB (Worldwide)</li> </ul>	_
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	◆ Fujitsu Group Profile "Main Business Activities," "Consolidated Net Sales by Business Segment" and "Global Sales System"	_

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
2.8	Scale of the reporting organization. - Number of employees; - Number of operations; - Net sales (for private sector organizations) or net revenues (for public sector organizations); - Total capitalization broken down in terms of debt and equity (for private sector organizations); and - Quantity of products or services provided.	◆ Fujitsu Group Profile "Sales," "Capital," "Total Assets," "Employees" and "Business Segments" [Reference] Fujitsu at a Glance	_
2.9	Significant changes during the reporting period regarding size, structure, or ownership. - The location of, or changes in operations, including facility openings, closings, and expansions; and - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	◆ Editorial Policy "Organizations Covered"	_
2.10	Awards received in the reporting period.	◆ <u>Socially Responsible Investment (SRI)</u>	_

## 3.Report Parameters

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
3.Rep	port Parameters		
Profil	e of Report		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	◆ <u>Editorial Policy "Reporting Period"</u>	_
3.2	Date of most recent previous report (if any).	◆ Editorial Policy "Publisher"	_
3.3	Reporting cycle (annual, biennial, etc.).	◆ Editorial Policy "Publisher"	_
3.4	Contact point for questions regarding the report or its contents.	◆ Editorial Policy "Publisher"	-
Scope	and Boundary of Report		
3.5	Process for defining report content. - Determining materiality; - Prioritizing topics within the report; and - Identifying stakeholders the organization expects to use the report.	<ul> <li>◆ <u>CSR Policy and Promotion Framework</u></li> <li>◆ <u>Editorial Policy "Reporting Regarding to Fujitsu</u> <u>Group CSR Initiatives"</u></li> </ul>	_
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	◆ Editorial Policy "Organizations Covered"	Η
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	◆ Editorial Policy "Organizations Covered"	_

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	◆ Editorial Policy "Organizations Covered"	_
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	◆ Editorial Policy "Guidelines Referenced"	_
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	◆ Editorial Policy "Reporting System"	_
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	◆ Editorial Policy "Organizations Covered"	-
GRI Co	ntent Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	◆ <u>GRI Guidelines / UN Global Compact</u> <u>Comparison Chart</u>	-
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	◆Independent Assurance Report	-

## 4.Governance, Commitments, and Engagement

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
4.Gov	4.Governance, Commitments, and Engagement		
Gover	nance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	◆ <u>Corporate Governance "Basic Stance on</u> <u>Corporate Governance"</u>	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	<ul> <li>◆<u>Corporate Governance "Basic Stance on</u></li> <li>Corporate Governance"</li> <li>◆<u>Corporate Governance "basic Stance on Internal</u></li> <li>Control Framework"_</li> </ul>	1~10

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	<ul> <li>◆ <u>Corporate Governance "Basic Stance on</u> <u>Corporate Governance"</u></li> <li>◆ <u>Fujitsu Group Profile "Number of Directors"</u></li> </ul>	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<ul> <li>♦ With Our Shareholders and Investors</li> <li>"Communicating with Shareholders and Investors"</li> <li>♦ Corporate Governance "Basic Stance on Corporate Governance"</li> <li>♦ Compliance "Compliance Line/FUJITSU Alert"</li> </ul>	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	◆ <u>Corporate Governance "Basic Stance on</u> <u>Corporate Governance</u> "	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	◆ <u>Corporate Governance "Basic Stance on</u> <u>Corporate Governance</u> "	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	◆ <u>Corporate Governance "Basic Stance on</u> <u>Corporate Governance</u> "	1~10
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<ul> <li>◆ <u>Our Approach to CSR "Our Corporate</u></li> <li><u>Philosophy "FUJITSU Way"</u></li> <li>◆ <u>CSR Policy and Promotion Framework "CSR</u></li> <li><u>Policy</u>"</li> <li>◆ <u>Protecting the Global Environment</u></li> </ul>	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	<ul> <li>United Nations Global Compact</li> <li>Corporate Governance "Basic Stance on Corporate Governance"</li> <li>Risk Management "Business Risks"</li> </ul>	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	<ul> <li><u>CSR Activity Targets and Achievements</u></li> <li><u>Corporate Governance "Basic Stance on</u></li> <li><u>Corporate Governance</u>"</li> </ul>	
Comm	itments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	<ul> <li>◆ Our Approach to CSR "Promoting Group-wide Dissemination"</li> <li>◆ United Nations Global Compact</li> <li>◆ CSR Activities Utilizing ISO 26000</li> <li>◆ Risk Management "The Risk Management Framework", "Risk Management Processes"</li> </ul>	1~10
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<ul> <li>◆<u>United Nations Global Compact</u></li> <li>◆<u>CSR Activities Utilizing ISO 26000</u></li> </ul>	

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; - Participates in projects or committees; - Provides substantive funding beyond routine membership dues; or - Views membership as strategic.	◆ <u>United Nations Global Compact</u>	_
Stake	holders Engagement		
4.14	List of stakeholder groups engaged by the organization. Examples of stakeholder groups are: - Civil society, Customers, Employees, other workers, and their trade unions, Local communities, Shareholders and providers of capital; and Suppliers.	◆ <u>CSR Policy and Promotion Framework "To</u> <u>Advance CSR Activities as an Integral Part of</u> <u>Business"</u>	_
4.15	Basis for identification and selection of stakeholders with whom to engage.	◆ <u>CSR Policy and Promotion Framework "To</u> <u>Advance CSR Activities as an Integral Part of</u> <u>Business"</u> ◆ <u>Stakeholder Dialogue</u>	_
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<ul> <li>Stakeholder Dialogue</li> <li>Customers, international society, and local communities &gt;</li> <li>Responding to Urban Issues</li> <li>Responding to Medical Issues</li> <li>Responding to Environmental Issues</li> <li>Responding to Natural Disasters</li> <li>Protecting the Global Environment</li> <li>With Our Customers</li> <li>Quality Initiatives</li> <li>Approach to Social Contribution Activities</li> <li>Promoting Learning &amp; Education, and Cultural and Sponsorship Activities</li> <li>Contributing to Society through Sports</li> <li>International Support and Disaster-relief Activities</li> <li>Example Activities in FY 2013</li> <li>Shareholders and other investors &gt;</li> <li>With Our Suppliers</li> <li>Suppliers &gt;</li> <li>With Our Suppliers</li> <li>Efforts Promoting Respect for Human Rights</li> <li>Creating Good Working Conditions</li> <li>Occupational Health and Safety and Health Management</li> <li>Human Resource Development</li> </ul>	1~10

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GRI Indicator		Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	◆ <u>Stakeholder Dialogue</u> ◆ <u>With Our Customers "Examples of</u> <u>Improvements Based on Customer Feedback"</u>	_

## 5. Management Approach and Performance Indicators

♦ Economic

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles	
	nagement Approach and Performance Indicators			
♦ Eco	nomic			
	Disclosure on Management Approach	<ul> <li>◆ <u>Our Approach to CSR "Our Corporate</u></li> <li><u>Philosophy "FUJITSU Way""</u></li> <li>◆ <u>CSR Policy and Promotion Framework "CSR Policy"</u></li> <li>◆ <u>Editorial Policy "Annual Report"</u></li> </ul>	_	
Econo	mic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	-	-	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	_	7,8,9	
EC3	Coverage of the organization's defined benefit plan obligations.	[Reference] FY 2013 Year-end Report (Reports on the 114th Business Period)	_	
EC4	Significant financial assistance received from government.	_	_	
Marke	t Presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	_	_	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	_	_	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	_	_	
Indire	Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	<ul> <li>Approach to Social Contribution Activities</li> <li>Promoting Learning &amp; Education, and Cultural and Sponsorship Activities</li> <li>Contributing to Society through Sports</li> <li>International Support and Disaster-relief Activities</li> <li>Example Activities in FY 2013</li> </ul>	8,9	

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	_	_

## $\diamond~$ Labor Practices and Decent Work

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
	or Practices and Decent Work		
	Disclosure on Management Approach	<ul> <li>◆ <u>Our Approach to CSR "Our Corporate Philosophy</u> "FUJITSU Way""</li> <li>◆ <u>CSR Policy and Promotion Framework "CSR</u> <u>Policy</u>"</li> <li>◆ <u>Diversity and Inclusion "Embracing Diversity</u> <u>and Inclusion"</u></li> <li>◆ <u>Efforts Promoting Respect for Human Rights</u> "FUJITSU Guiding Principles of Respect for Human <u>Rights in Employment"</u></li> <li>◆ <u>With Our Suppliers "FUJITSU CSR Deployment</u> <u>Guidebook"</u></li> </ul>	1,2,3,4, 5,6,10
Emplo	yment		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	_	_
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	_	_
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	◆ <u>Creating Good Working Conditions "Employee</u> <u>Benefits and Welfare Program"</u>	_
LA15	Return to work and retention rates after parental leave, by gender.	◆ <u>Creating Good Working Conditions "Number of</u> Employees Using the Care Leave Support System"	6
Labor/	Management Relations		
LA4	Percentage of employees covered by collective bargaining agreements.	◆ <u>Creating Good Working Conditions "Labor</u> <u>Relations"</u>	1,3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	_	_
Оссира	Occupational Health and Safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	<ul> <li>Creating Good Working Conditions "Labor <u>Relations"</u></li> <li>Human Resource Development "Efforts to <u>Improve Occupational Safety and Health"</u></li> </ul>	1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	_	-

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<ul> <li>Human Resource Development "Efforts to Improve Occupational Safety and Health"</li> <li>Risk Management "Measures against New Strains of Influenza"</li> </ul>	1
LA9	Health and safety topics covered in formal agreements with trade unions.	_	_
Trainin	ng and Education		
LA10	Average hours of training per year per employee by gender, and by employee category.	_	_
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<ul> <li>Diversity and Inclusion "Supporting the Active Participation of Older Workers"</li> <li>Human Resource Development "Basic Policy on Human Resources Development"</li> </ul>	6
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	_	_
Diversi	ity and Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	<ul> <li>Diversity and Inclusion "Promoting Diversity with Three Priority Measures"</li> <li>Diversity and Inclusion "Efforts at Promoting Diversity", "Supporting the Active Participation of Female Employees"</li> </ul>	1,6
Equal I	Equal Remuneration for Women and Men		
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	-	_

## ♦ Human Rights

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles
÷Η	łuman Rights		
	Disclosure on Management Approach	<ul> <li>Our Approach to CSR "Our Corporate Philosophy "FUJITSU Way""</li> <li>CSR Policy and Promotion Framework "CSR Policy"</li> <li>Diversity and Inclusion "Embracing Diversity and Inclusion"</li> <li>Efforts Promoting Respect for Human Rights "FUJITSU Guiding Principles of Respect for Human Rights in Employment"</li> <li>With Our Suppliers "FUJITSU CSR Deployment Guidebook"</li> </ul>	1,2,4,5,6,10
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	_	-

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	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	◆ <u>With Our Suppliers</u>	1,2,3,4,5,6,10	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	◆ <u>Our Approach to CSR "Providing More Fujitsu</u> <u>Way Tools"</u>	1	
Non-D	iscrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	_	-	
Freedo	m of Association and Collective Bargaining		1	
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	_	_	
Child L	abor		1	
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	_	-	
Forced	and Compulsory Labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labo	_	_	
Securit	v Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	_	-	
Indige	nous Rights		1	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	_	_	
	· · ·			
HR10	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	_	_	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	_	_	

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	bclety		UNGC	
	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	10 Principles	
$\diamond$	Society	•	•	
	Disclosure on Management Approach	<ul> <li>◆<u>Our Approach to CSR "Our Corporate Philosophy</u></li> <li><u>"FUJITSU Way""</u></li> <li>◆<u>CSR Policy and Promotion Framework "CSR Policy"</u></li> <li>◆<u>Approach to Social Contribution Activities</u></li> <li>◆<u>Compliance</u></li> </ul>	10	
Local (	Communities			
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	_	8	
S09	Operations with significant potential or actual negative impacts on local communities.	_	7,8	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	_	7,8	
Corrup	tion			
S02	Percentage and total number of business units analyzed for risks related to corruption.	◆ <u>Risk Management "Risk Management Processes"</u>	10	
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	◆ <u>Our Approach to CSR "Providing More Fujitsu Way</u> <u>Tools"</u>	10	
S04	Actions taken in response to incidents of corruption.	_	-	
Public	Policy	•		
S05	Public policy positions and participation in public policy development and lobbying.	_	_	
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	_	_	
Anti-C	ompetitive Behavior			
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	_	_	
	Compliance			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	.–	_	

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## ♦ Product Responsibility

	GRI Indicator	Pages in Fujitsu Group CSR Report (Titles)	UNGC 10 Principles	
♦Product Responsibility				
	Disclosure on Management Approach	<ul> <li>◆ Our Approach to CSR "Our Corporate Philosophy "FUJITSU Way""</li> <li>◆ CSR Policy and Promotion Framework "CSR Policy"</li> <li>◆ Quality Initiatives</li> <li>◆ Information Security "Personal Data Protection Initiatives"</li> </ul>	_	
Customer Health and Safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<ul> <li>◆Quality Initiatives "Customer-Centric Quality Assurance Activities for Products and Services"</li> <li>◆ With Our Suppliers "Promoting Green Procurement"</li> </ul>	9	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	_	_	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	_	_	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	◆With Our Customers "Making and Labelling of Products and Services Regarding Quality and Safety"	_	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	◆ <u>Quality Initiatives "Satisfaction and Quality</u> <u>Surveys by Third-party Organizations"</u>	_	
Marke	Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	◆ <u>With Our Customers "Directions in Advertising"</u>	10	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	_	_	
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	_	_	
Compl	Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	_	_	

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