Our approach to sustainability

The Fujitsu Group's Purpose includes a pledge to "make the world more sustainable."

To realize this goal, the Fujitsu Group is advancing initiatives that address priority issues identified under the Global Responsible Business (GRB) platform. Based on the GRB platform, we will practice sustainability-focused management on a global scale. Moreover, each of the priority issues aligns with the Sustainable Development Goals (SDGs) established by the United Nations.

Through this platform, we will not only help achieve the SDGs but also set our sights beyond them as we reinforce and accelerate our initiatives to tackle issues facing both business and society at large.

Message from the Chief Sustainability Officer (CSO)

Through dialogue, we will accelerate value creation by integrating business and sustainability, thereby contributing to the realization of Our Purpose and the growth of the Fujitsu Group.

Yumiko Kajiwara
Corporate Executive Officer
EVP, Chief Sustainability Officer (CSO)

Fostering a sense of ownership of sustainability

The Fujitsu Group's sustainability efforts have made significant progress over the past two years. In 2020, we reformulated and clearly stated Our Purpose. At the same time, we set non-financial indicators[1] in our Management Direction that set forth our medium-term growth strategy. In 2021, we set numerical targets[2] for non-financial indicators and launched Fujitsu Uvance ▶, a portfolio of global solutions to contribute to the resolution of societal issues. Sustainability is not just a matter of returning profits to society; it has been integrated into management as a core element that defines the Group's role in the global community, and the concept is beginning to be shared by employees.

In the management of GRB (Global Responsible Business) ▶, which serves as a platform for promoting sustainability activities and achieving Our Purpose, executive officer-level leaders have been appointed for each of the seven priority issues to strengthen integration with the business. In addition to the three corporate executives in charge of the corporate divisions, including myself as leaders of the "community," the three executives in charge of the business divisions have been appointed as the leaders, in line with the Group's belief that sustainability is a business in itself. Under the Sustainability Management Committee chaired by the CEO, each leader and the leaders of the four regions (Japan, Europe, the Americas, and Asia Pacific) ▶ in charge of promoting specific activities orchestrate the Fujitsu Group's unified initiatives, while considering specific issues related to each region and their affinity with our business.

Looking back, I believe that until about three years ago, awareness of sustainability among many employees was limited to the occasional communication of information on its importance and relationship to the Group's business, led by the corporate departments. Awareness that sustainability is an integral part of the Group's business and a source of business growth is becoming increasingly widespread, and this is largely due to the development of various systems that evoke a sense of ownership.

To cite a specific example, our business producers ▶ are now making sustainability-related proposals, such as solutions to reduce GHG emissions, in actual business discussions. In addition, in the performance evaluation of senior executives, not only the achievement of financial performance targets but also the contribution to the achievement of non-financial indicators and GRB's environmental, DE&I, and other initiatives are taken into account.

[1] We set two indicators in 2020: Customer NPS® and employee engagement. The DX Promotion Indices were added as an indicator in 2021.
[2] We set numerical targets for employee engagement and DX Promotion Indices in 2021. We added a numerical target for Customer NPS in 2022.

Supporting the practice of employees' endeavor to provide value

The Group's efforts to use non-financial indicators as part of its growth strategy is attracting considerable attention from our customers, which also motivates employees to become more involved in sustainability. In particular, we have received an increasing number of inquiries asking for specific steps and benefits based on Fujitsu's internal practices around the "Fujitsu VOICE program," ◉ which we use to measure non-financial indicators. These queries range from the establishment of data collection mechanisms to how the data is used. In order to confidently respond to the needs of such customers, each employee must cultivate an understanding for non-financial indicators and sustainability management.

In fact, we are seeing an increase in the number of requests for assistance from frontline business units to the corporate departments in charge of sustainability. I believe that one of the roles currently required of me as CSO is to examine together with the business units which proposals we can make to customers in response to these requests, and to back up employees who are taking on the challenge of providing value one step ahead of customers and to strengthen the connection between sustainability and business through dialogue with customers.

Fujitsu Uvance is based on the premise of making proposals to customers to create a sustainable society, with a view to achieving Our Purpose. Naturally, when developing offerings and making proposals to customers, it is essential to have a broad understanding of sustainability-related issues, to keep abreast of the latest trends from a global perspective, including those at our competitors, and to consider competitive value offerings based on this understanding.

The knowledge accumulated through the Group's internal practices, such as reducing GHG emissions, will be utilized in our business in the form of training for employees working on the front line and consulting for customers, thereby encouraging the creation of value unique to the Fujitsu Group.

Commitment to dialogue that contributes to business growth

In order to prove that the Fujitsu Group is creating value and making an impact on society by making sustainability our core business, we must achieve growth in Fujitsu Uvance and other businesses. It is also necessary to demonstrate empirically how GRB contributes to the improvement of non-financial indicators ◉ and what kind of relationship exists between non-financial indicators and financial indicators ◉. Such proof should further motivate employees to focus on sustainability-driven business and lead to a positive change in customers' expectations toward the Fujitsu Group. In July 2022, we established a venue, both at our headquarters and online, to introduce to our customers our vision and Fujitsu Uvance's practices and technologies that support our customers' digital transformation (DX). This venue will also serve as a forum where we envision and explore ways to realize a sustainable society together with our customers. As CSO, I am determined to contribute to the growth of the Fujitsu Group and the transformation of its business model by committing to a dialogue with employees and with customers.

Overview of our sustainability management

Until now, the Fujitsu Group has earned society's trust by delivering products and services responsibly. At present, however, given the unpredictability of day-to-day life and business activities due to an unprecedented crisis, we must redouble efforts to meet society's expectations. Accordingly, under the guidance of our leadership, we will step up sustainability-focused business management and make significant advances in pursuits that benefit society.

For details on "Sustainability Management in the Fujitsu Group," please visit the following website: **https://www.fujitsu.com/global/about/csr/vision/policy/**

The Fujitsu Group's sustainability management

Basic approach
In contributing proactively to the transformation of society amid the current uncertainty and volatility, we have to conduct business activities as a member of international society based on the new Fujitsu Way, which clarifies Our Purpose, or reason for being. It is particularly important that we take into consideration environmental, social, and economic viewpoints when addressing issues, thereby formulating initiatives that have beneficial impacts on society. To this end, we revised our management targets by incorporating new non-financial indicators alongside existing financial indicators in fiscal 2020. Through long-term, stable contribution to society and customers financially and non-financially, the Fujitsu Group will achieve renewed growth.
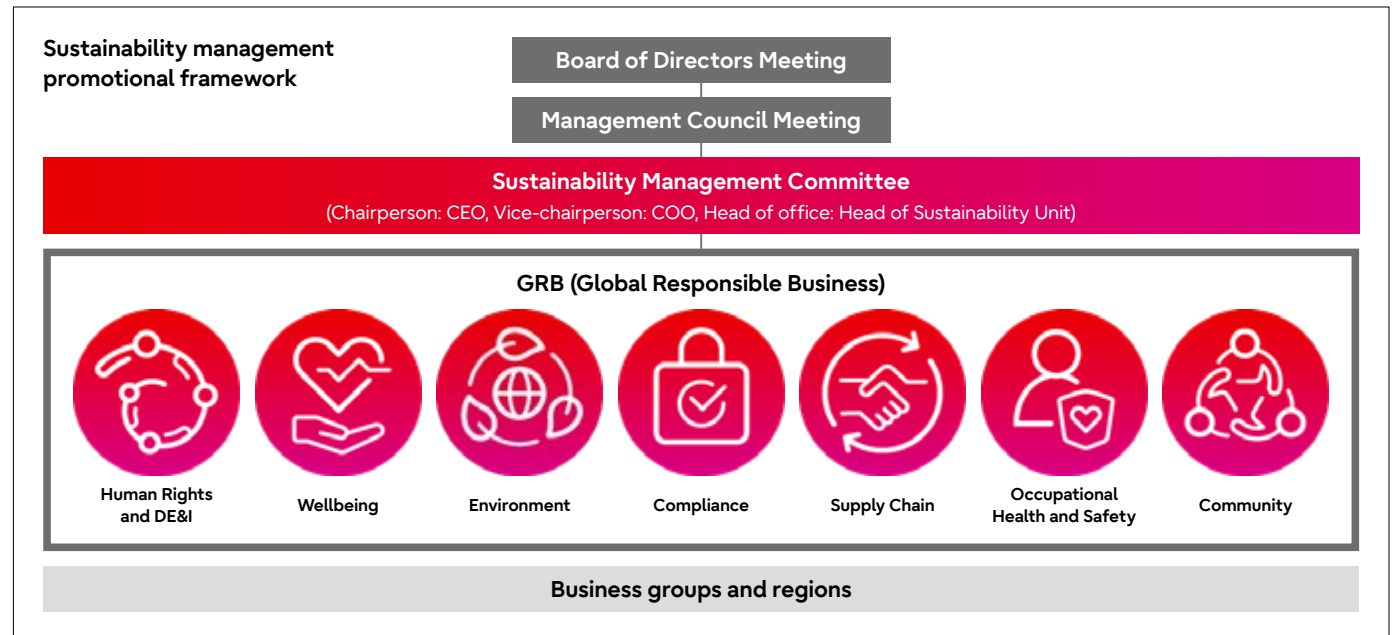
Promotional systems and framework
The Fujitsu Group has established the Sustainability Management Committee, tasked with determining how a responsible global company should conduct business management. Specifically, the committee is focused on realizing long-term growth by taking into consideration environmental, social, and economic impacts and by creating value for all of the Group's stakeholders.

Convening every six months, the committee checks progress toward non-financial targets, deliberates on new activities, and reports findings to the Management Council and the

Board of Directors. The committee is chaired by the CEO and comprises executives whom the chairperson appoints with a view to furthering sustainability management. As of April 2022, the committee had 17 members, including the chairperson.

Guided by the Sustainability Management Committee while adhering to the overarching GRB (Global Responsible Business) platform of sustainability aspirations, we have identified seven

priority issues as shown in the figure below. Setting our sights on key performance indicators for each of these issues, we are advancing initiatives across each region and division globally. At the level of each division and Group company, we are promoting the establishment of missions and activity reviews in each organization based on the Fujitsu Way and GRB.

Sustainability management promotional framework

Board of Directors Meeting

Management Council Meeting

Sustainability Management Committee
(Chairperson: CEO, Vice-chairperson: COO, Head of office: Head of Sustainability Unit)

GRB (Global Responsible Business)

| Human Rights and DE&I | Wellbeing | Environment | Compliance | Supply Chain | Occupational Health and Safety | Community |

Business groups and regions

Non-financial indicators and GRB (Global Responsible Business)

Non-financial indicators

Human Rights and DE&I

Community

Occupational Health and Safety

Supply Chain

Compliance

Environment

Wellbeing

Customer NPS®

Employee Engagement

By driving sustainability initiatives, the GRB platform gives concrete form to the Fujitsu Way. Ever mindful that their corporate group is a member of society, all Group employees will not merely seek profits but simultaneously work to reduce the negative impact of business activities on sustainability while maximizing their positive benefits. By promoting the GRB platform, our initiatives toward the non-financial sector will ultimately benefit our business and financial performance in the long term.

Accordingly, the Sustainability Management Committee will regularly check the progress toward achievement of the GRB platform, and the committee's conclusions will be released through reviews of the Group's Management Direction and various media.

For details on the non-financial indicators, please see **pages 28–33, "Non-financial indicators"** and **"Challenges of the Task Force on Non-Financial Indicators."**

SDG initiatives

Our Purpose is to make the world more sustainable by building trust in society through innovation. This statement represents an internal and external pledge to help realize the Sustainable Development Goals (SDGs).

Fujitsu believes the SDGs essentially define a system transformation that must be achieved by 2030 to allow the world's population, which is expected to exceed 9 billion people in 2050, to live well within the planetary boundaries. The issues highlighted in the SDGs include environmental, social, and economic elements. One key to solving these inherent problems is DX, which can be applied on a scale that encompasses all aspects of society. To this end, Fujitsu has launched Fujitsu Uvance, a new portfolio of global solutions that aims to address societal issues through business, in addition to GRB, which aims to transform Fujitsu's own management in a sustainable manner and is promoting initiatives in this area. We will transform ourselves and our customers' management by leveraging digital technology and forming an ecosystem that transcends industry barriers. Through this transformation, we will contribute to the achievement of the SDGs and to greater society that exists beyond.

For details on SDG initiatives, please visit the following website: **https://www.fujitsu.com/global/about/csr/sdgs/**

Overview of GRB progress

For each material issue, the Fujitsu Group defines what Fujitsu aspires to be, its related goals, and its KPIs with a deadline of the end of fiscal 2022. In order to achieve these goals, we are building an effective management system and considering specific actions that will enable us to implement activities on a higher level globally, while taking into account differences in national laws, labor markets, and other factors in each country and region.

Pillar	What Fujitsu aspires to be	Goals for fiscal 2022	Major achievements in fiscal 2021
Human Rights, Diversity, Equity and Inclusion	▶ **Human Rights** In both the real-world and digital societies, consideration for "human dignity" is reflected in all our corporate activities and we constantly work to "create human-centric value." ▶ **Diversity, Equity and Inclusion** Be a responsible business that reflects the diversity of our world. Build an inclusive and equitable culture where everyone belongs and can be completely themselves. We will celebrate difference and ensure that people can succeed regardless of their personal identity. Through inclusive design and innovation, we will endeavor to make a positive impact within society and empower each other to make the world more sustainable.	▶ **Human Rights** **Embedding "respect for human rights" within the Fujitsu Group** • Completion rates for global human rights training: 80% ▶ **Diversity, Equity and Inclusion** **Cultivation of inclusive corporate culture** • The Fujitsu Group aims to achieve at least Consolidated 69% from 66% (fiscal 2019) / Non-consolidated 63% from 59% (fiscal 2019), in favorable answers to Diversity, Equity and Inclusion question in the engagement survey by fiscal 2022. • The Fujitsu Group aims to achieve at least Consolidated 10% from 8% (fiscal 2019) / Non-consolidated 9% from 6% (fiscal 2019) female leadership by fiscal 2022.	▶ **Human Rights** Conducted e-learning on business and human rights for all Group employees in 16 languages worldwide Participation rate: 92% ▶ **Diversity, Equity and Inclusion** • Favorable answers rate of engagement survey related to "Diversity, Equity and Inclusion" question Consolidated 69% / Non-consolidated 65% • Female leadership rate Consolidated 10.3% / Non-consolidated 8.0%
Wellbeing	To create an environment where all employees can work positively and healthily in both mind and body. We will also endeavor to provide opportunities for employees to develop personally and display their abilities to the fullest extent.	**Providing a positive work environment** • An average score of 71 globally for "Work Life Balance" and "Work Environment" in the engagement survey **Provide opportunities for employees to develop personally and display their abilities to the fullest extent** • An average score of 70 globally for "Growth Opportunities" in the engagement survey	• Global average score for "Work Life Balance" and "Work Environment": 64 • Global average score for "Growth Opportunities": 68
Environment	Fujitsu will fulfill its social responsibilities as a global corporate environmental leader. We aim to contribute to achieving the 1.5℃ climate change goal of the Paris Agreement and also to resolving environmental challenges, through such measures as developing innovative solutions that make effective use of resources.	**Fulfill our social responsibilities and help to resolve environmental challenges** • Reduce greenhouse gas emissions at Fujitsu sites by 37.8% or more from the base year level (Reduce by 4.2% each year compared with fiscal 2013) • Avoid risks associated with our business activities and minimize our impact on the environment • Help to resolve environmental challenges for customers and society through our business operations	▶ **Greenhouse gas emissions reduction rate:** • Fiscal 2021 target: 33.6% or more Achievement: 36.7% (Reduce by 4.2% each year compared with fiscal 2013) • Renewable energy usage ratio: 20.7% ▶ **Avoid risks and minimize our impact on the environment:** **[Business sites]** • Improve Power Usage Effectiveness (PUE) at datacenters: Actual 1.56 (Target 1.57) • Water usage: 57,000-m³ reduction from the previous year • Promote eco design for resource savings and circulation and increase resource efficiency of newly developed products by 10.1% (compared with fiscal 2019) **[Supply Chain]** • Reduced CO_2 emissions due to power consumption during product usage by 51% (compared with fiscal 2013) • Reduce CO_2 emissions and conserve water resources in the upstream supply chain: Request the Fujitsu Group's key partners to undertake reduction activities, 100% completed ▶ **Help to resolve environmental challenges:** • Transfer of carbon-neutral knowledge to business units • Improve the professional skills of employees by conducting in-house education through environmental study sessions and on-the-job training • Create solutions based on in-house references • Support customer proposals to resolve environmental issues • Redevelop EcoCALC, an evaluation tool for CO_2 emissions reductions, for global use and launch an intranet site for information sharing to raise self-awareness of environmental issues among employees

Pillar	What Fujitsu aspires to be	Goals for fiscal 2022	Major achievements in fiscal 2021
Compliance	Ensure that all officers and employees within the Fujitsu Group conduct their business activities with a high level of compliance awareness and through those activities, the Fujitsu Group fulfills our social responsibilities and earns the trust of our stakeholders.	**To further disseminate compliance-related part of the Fujitsu Way Code of Conduct throughout the entire organization, the Global Compliance Program is rolled out for the entire Fujitsu Group, thereby instilling a high level of compliance awareness in the organization, and the management is to take the lead in fostering a corporate culture where each employee does not tolerate any wrongdoings (Zero Tolerance).** • Deliver messages from the president or the heads of each business group/region on the importance of compliance (at least once a year)	Delivered messages to all employees from the CEO, the heads of each region, and presidents of Group companies in each country on the importance of compliance at Fujitsu Compliance Week to coincide with International Anti-Corruption Day

Supply Chain	In its supply chain, the Fujitsu Group will achieve responsible procurement that embraces diversity and gives full consideration to human rights, the environment and health & safety.	**The Fujitsu Group will achieve responsible procurement in its supply chain.**
		• To ensure that its major suppliers comply with the international standards for responsible procurement, the Fujitsu Group will obtain one of the following documents from its major manufacturing subcontractors and parts suppliers for its core products (Target KPI = 100%).
		  - Platinum or gold level of site recognition under the RBA[*1] Audit Recognition program
		  - Written consent with the Fujitsu Group CSR Procurement Guideline (equivalent to the RBA Code of Conduct)
		Promotion of supply chain diversity
		• We set supply chain diversity as our goal of Responsible Business and promote it globally.
		Reduction of greenhouse gas (GHG) emissions in supply chain
		• We requested our foremost suppliers to set the quantitative targets complying with international standards to reduce GHG emissions.
			• Availability of any of the following documents: 100%
			  - Platinum or gold level of site recognition under the RBA Audit Recognition program
			  - Written consent with the Fujitsu Group CSR Procurement Guideline
			• Achieved procurement KPIs from enterprises with diverse attributes, such as SMEs, women's management, and minority enterprises in the UK, the Americas, and Oceania
			• Completed to request 293 companies to participate in our Explanation Meeting

Occupational Health and Safety	The Fujitsu Group's first priority in all business activities is to protect the health and safety of our employees both in mind and body by providing a safe and healthy work environment tailored to the different cultures in which we operate. • We will foster a culture that does not tolerate accidents, incidents and poor safety performance. • We will ensure safety is a core business value, and make safety important and personal in order to influence people's decisions and behavior. • We will completely eliminate the loss of business opportunities due to preventable illnesses, injuries, and unexpected work-related accidents.	**The Fujitsu Group will maintain a safe and comfortable working environment, and promote employees' mental and physical health in every workplace.** • Zero occurrences of serious accidents • Implementing health and safety-related management reviews at the global level, conducted once a year	• Zero occurrences of serious accidents • Global OHS management leaders confirmed responses to COVID-19 in the Fujitsu Group
Community	Our employees, who possess an awareness that they belong to a global society, will have a positive impact not just on society, but on the economy and on business, by increasing their empathy for social issues and engaging in the co-creation of activities. We will evaluate, analyze and communicate the impact that our employees have made, and offer greater value to society.	**Contributing to the transformation of both our corporate culture and mindset of employees** • Rate of increase in the number of employees participating in social contribution activities related to social issues: 10% increase compared with fiscal 2019 under the "new normal" situation	Data collection started in fiscal 2021: Down 2.9% compared with fiscal 2019[*2]

*1 RBA: Responsible Business Alliance
   Fujitsu Joins EICC, a Global Corporate Social Responsibility Coalition (renamed as the Responsible Business Alliance (RBA) in October 2017)

*2 Face-to-face activities were limited due to the influence of COVID-19. As a result of various measures such as the holding of online events, the number of employees participating increased from the second half of fiscal 2021, but decreased from fiscal 2019.

Human Rights, Diversity, Equity and Inclusion

Why it matters to Fujitsu / Priorities

Tim White
Corporate Executive Officer
EVP, Vice Head of Global Solutions
(in charge of Global Delivery
& JGG)

Ensuring that employees in the Fujitsu Group feel that they belong is crucial to achieving Our Purpose and pursuing sustainable growth. This sense of belonging fosters greater engagement within the Group and encourages diverse thinking, differentiation, and innovation. Awareness of human rights also inspires true empathy, which is the starting point to engage with each of our customers that face a wide range of challenges.

Being a purpose-driven organization that respects human rights and drives diversity, equity and inclusion (DE&I) is imperative to improve the employee experience. In a genuinely diverse, equitable, and inclusive environment our employees can flourish and prosper to be the best they can, in their own individual ways. By respecting human rights and DE&I, we are attracting and retaining the best, most engaged employees and earning the trust of our customers.

Human Rights

Promotional framework

The Fujitsu Group promotes "human rights due diligence" based on the United Nations Guiding Principles on Business and Human Rights (UNGP). Through interviews with a wide range of internal divisions and exchanges of opinions with experts in and outside Japan, we have identified "customers and end-users," "employees," and the "supply chain" as three areas that are particularly affected by our business activities, and are implementing activities to resolve human rights issues in these areas. To promote human rights due diligence, we have also established a system in which human rights officers from each overseas region meet regularly within the framework of "Human Rights and Diversity," one of the priority issues of GRB. Looking ahead, we will review progress toward achieving our goals and KPIs and exchange opinions on human rights due diligence.

Education on human rights

In addition to regular education such as training at the time of hiring and promotion and management training, Fujitsu conducted e-learning in fiscal 2021 on "Business and Human Rights" for all Group employees globally in 16 languages to raise each employee's awareness of human rights issues, with approximately 92% of all employees having completed the course. In addition to basic knowledge on human rights, global trends, and corporate initiatives, this e-learning course introduced examples of corporate activities that may have a negative impact on human rights in the three areas defined by Fujitsu (customers and end-users, employees, and the supply chain), with the aim of deepening each employee's understanding of the importance of respecting human rights in day-to-day business.

Screenshot of e-learning document, fiscal 2021

Educational activities on human rights issues

Fujitsu conducts Groupwide educational activities for employees on human rights issues in conjunction with World Human Rights Day. In addition to delivering messages on human rights from the CEO and management team, we held a "Business and Human Rights" seminar to further deepen the understanding through e-learning. The seminar aimed to establish awareness of human rights in business and invited external speakers to discuss topics such as unintentional human rights violations caused by the provision of technology and solutions, the need for human rights awareness in the supply chain and with partner companies, and ensuring employees' mental wellbeing.

Seminar speakers
(From left) Hiroko Kuniya, journalist and broadcaster; Asako Nagai, Managing Director, BSR; Yumiko Kajiwara, Fujitsu CSO
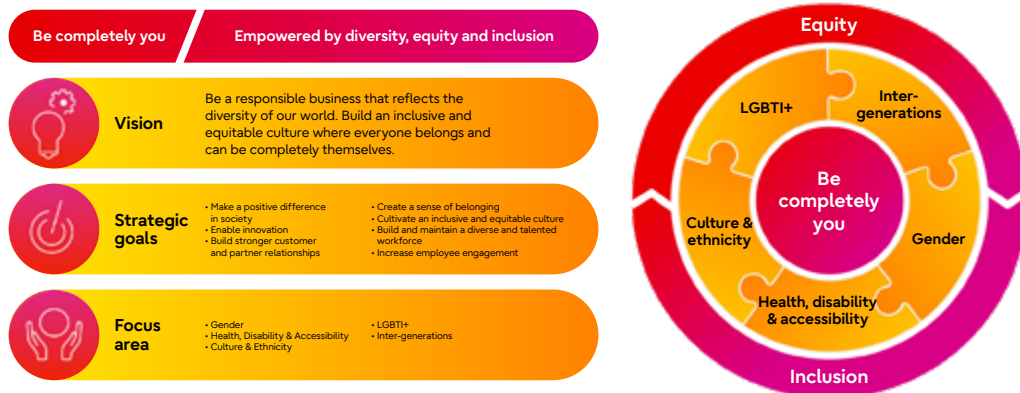
Diversity, Equity and Inclusion

Promotional framework

The Fujitsu Group has built a global system to promote diversity, equity & inclusion (DE&I) under the supervision of the executive officer in charge, starting with the establishment of a dedicated division to promote DE&I in 2008. This system includes regular regional promotion officer meetings to share issues and strategies, and plan and formulate new measures. In order to understand the status of promotion, we further included DE&I questions in our annual global engagement survey and established them as KPIs. In addition, we have appointed executive sponsors to represent supporters in priority areas to bolster promotional activities. In Japan, we are promoting DE&I by sharing information and measures with those responsible for promoting DE&I at Group companies and are working in close cooperation with them. We have included items related to DE&I in the goals of our senior management to increase the effectiveness of our efforts.

Launching the renewed Global DE&I Vision and Inclusion Wheel

In 2019, the Fujitsu Group established the Global D&I Vision and Inclusion Wheel as a common global guideline to accelerate initiatives aimed at inclusion that reflect the diversity of each individual. We have been promoting activities globally by defining a vision, strategic goals, and five focus areas. In 2022, we reviewed and updated our strategy, statement, and vision to build an inclusive and equitable corporate culture where anyone can play a role in their own way and feel a sense of belonging.

Renewed Global DE&I Vision (left) and Inclusion Wheel (right)

Organizing Diversity & Inclusion Sessions

To foster a corporate culture in which everyone can be completely themselves, as stated in the DE&I Vision—"Be Completely You"—the Fujitsu Group has been holding annual Diversity & Inclusion Sessions (formerly, the Companywide Diversity Promotion Forum) since 2008. These sessions are designed to reaffirm our awareness of DE&I and stimulate a new mindset and changes in behavior, and includes messages on DE&I from our management team and lectures by outside experts. Starting from fiscal 2021, we also opened the event to participants from outside Japan, making it a place to convey a globally unified message.

Diversity & Inclusion Session held in December 2021

Fujitsu Australia helps launch First Nations Service Centre

Together with the Cherbourg Aboriginal Shire Council and community in Queensland state, and the Queensland State Government, Fujitsu Australia (FAL) has established a First Nations Service Centre (Service Centre) in Cherbourg. The Service Centre supports digital innovation for First Nations communities and helps members of the communities who become employees of the Service Centre to obtain certification from a state vocational training college that will support their professional career development. We will continue working to empower the First Nations communities to gain and hone the skills they need to thrive in new careers in the digital economy.

FAL team members and Service Centre staff

For details on the Fujitsu Group's Diversity, Equity and Inclusion initiatives, please visit the following website.
https://www.fujitsu.com/global/about/csr/diversity/

Wellbeing / Occupational Health and Safety

Why it matters to Fujitsu / Priorities

Hiroki Hiramatsu
Corporate Executive Officer
EVP, Chief Human Resources
Officer (CHRO)

Wellbeing is the source of employee engagement, one of the Fujitsu Group's non-financial indicators. We are strongly committed to continuing to provide supportive work environments and opportunities for personal growth and self-realization, based on four elements: the health of employees and their families, relationships of trust with the Company and colleagues, self-driven learning and growth, and financial and non-financial compensation.

The health and safety of all employees working around the world should be the highest priority for any kind of business activity. This remains constant, even amid a continually changing business environment and with diversifying workstyle options. We share the status of occupational accidents and health and safety initiatives at the global level, while also emphasizing the importance of mental health to create environments where employees take a positive approach to their work and personal growth.

Wellbeing

Promotional framework

We hold regular meetings of the Global Wellbeing Committee as a promotional framework at the global level. Our diverse pool of talented employees is the most important resource for Fujitsu. Thus, one of our global key priorities for achieving sustainability and fully realizing Our Purpose is to protect employees' mental and physical wellbeing along with enriching and continuously improving our positive health culture where our employees can work to their full potential, both in mind and body. At the committee meeting, persons responsible for promoting wellbeing in each region come together online to share the status of global targets and individual initiatives in each region and to discuss measures for accelerating initiatives globally.

Advancement of Work Life Shift

In October 2021, we announced Work Life Shift 2.0 as the next stage of the Work Life Shift initiative announced in 2020. Looking ahead to the post-COVID-19 era, we will implement measures aimed at realizing a true hybrid working model that effectively combines real-world communication in the office along with further enhancement of personal life. We will position the office as a place that can provide its own unique experience, where we collaborate with start-ups and local governments, as with our work with Oita Prefecture in Japan, which we partnered with in March 2021, to drive regional regeneration. The program will also look to create new value by pursuing work–life synergies, such as promoting 100% male participation in childcare, workations, and involvement in side businesses, while also working on individual wellbeing to increase employee engagement.

Fujitsu Learning Festival 2022

In June 2022, the Fujitsu Group held the "Fujitsu Learning Festival 2022" as a five-day event for all employees and their families around the world, with approximately 40,000 people participating. The event was inaugurated last year and was designed to encourage employees to develop positive habits around independent, self-motivated learning. This initiative, which is part of Fujitsu's newly introduced job-based human resources system, relates to a new training policy to provide self-development support for employees who wish to carry out self-learning. This year's theme was "SDGs with Wellbeing/Fujitsu Uvance" and featured 182 items both online and in-person, including interactive sessions, seminars by speakers from inside and outside the Fujitsu Group as well as sessions and workshops held by employees. Events were livestreamed 24 hours a day throughout the event, connecting Japan, Europe, and the United States. Going forward, we plan to continue the event, aiming to create a positive cycle as an organization that empowers everyone to be themselves.

Fujitsu Learning Festival 2022

Occupational Health and Safety

"Welcome Ceremony for New Joiners," a new kind of welcome ceremony

We held a welcome ceremony for new graduate recruits in 2022 and mid-career hires in 2021 as an event designed to provide a sense of global unity. In order to facilitate worldwide participation and also to prevent the spread of COVID-19, the event was held in a hybrid format, with the main venue at the Fujitsu Uvance Kawasaki Tower connected online to other offices in and outside Japan. Employees in every region around the world participated, giving a worldwide cheer using the online function to welcome over 11,000 new colleagues to the team.

(From left) CTO Mahajan, COO Furuta, and CEO Tokita participating in the event

Day of the event at Fujitsu Uvance Kawasaki Tower

Designated as a world leader in migraine workplace awareness, education, and employee support programs

In March 2022, Fujitsu was designated by the Global Patient Advocacy Coalition of the International Headache Society (IHS-GPAC) as a world leader in migraine workplace awareness, education, and employee support programs. Together with IHS-GPAC and the Japanese Headache Society, Fujitsu ran the FUJITSU Headache Project from July 2019 to February 2022, utilizing e-learning programs to help approximately 70,000 Fujitsu Group employees in Japan increase their awareness about headaches, as well as holding video seminars for people suffering from chronic headaches, online headache consultations with specialists, and other programs. Fujitsu's efforts were lauded as a model case of corporate measures to support employees living with headache disorders.

Certified as a world leader in migraine workplace awareness, education, and employee support programs by the Global Patient Advocacy Coalition of the International Headache Society (IHS-GPAC)

For details on the Fujitsu Group's Wellbeing initiatives, please visit the following website.
https://www.fujitsu.com/global/about/csr/wellbeing/

Promotional framework

The Fujitsu Group has established a system to promote occupational health and safety in each region, and we are moving forward to ensure compliance and preventive measures for occupational health and safety in accordance with the laws of each country through a comprehensive, region-led approach.

In Japan, a Health and Safety Committee comprising the human resources and general affairs divisions, the health management division, and the labor union lead the initiatives to create healthier, safer work-places in accordance with policies related to the Occupational Health and Safety Management System. In overseas regions, we also have a cross-sectional system for incident management and conduct activities to raise awareness about occupational health and safety of employees.

We have set medium- and long-term goals that we aim to achieve globally, and we are working to strengthen governance, establish management systems, and develop human resources and skills in order to foster a culture that does not tolerate occupational accidents.

Infectious disease countermeasures

In response to the spread of COVID-19, we have adopted a workstyle based on an optimal split (or combi-nation) of office commuting and teleworking to ensure the safety and peace of mind of our employees globally. We have also generally adopted online meetings and banned overseas business trips and long-distance business trips within Japan. In addition, we have developed and disseminated guidelines for working from home and taken measures to review our internal operations and fulfill our social responsi-bilities, so that we can carry out operations smoothly, regardless of the environment.

For our office environments, we are implementing measures such as having seat layouts that take social distancing into account, making alcohol-based disinfectant available, and managing records of where people sit in non-fixed seating, in order to provide workplace environments where employees can work safely and with peace of mind.

As a countermeasure against infection by COVID-19, we are promoting vaccination in parts of Asia and Europe, including Japan, India, the Philippines, and Germany. In Japan, the third dose of the vaccine was implemented starting in March 2022. In the Philippines, we have been working to expand vaccination in local communities through measures such as donating surplus vaccines.

For details on the Fujitsu Group's Occupational Health and Safety initia-tives, please visit the following website.
https://www.fujitsu.com/global/about/csr/safety/

Community

Why it matters to Fujitsu / Priorities

Yumiko Kajiwara
Corporate Executive Officer
EVP, CSO

We recognize that contributing to local communities, one of our most important stakeholders, represents our social responsibility as a global corporation and a global citizen. We also believe that community activities by employees provide a valuable opportunity to deepen their understanding of social issues and empathy for people in difficult situations and contribute to the development of their own skills, instilling pride in working for the Fujitsu Group and giving them a sense of belonging.

   Our priority is to build a virtuous cycle that creates a positive impact, linking people and organizations through empathy for social issues, encouraging employees to contribute to communities through their activities, and inspiring innovation based on trust. In this way, we will work to realize Our Purpose.

Promotional framework

By understanding the issues in each community and promoting activities that are close to the local people, we aim to encourage employees in each country to see social issues as their own concerns and to take action to solve them. For this purpose, a person in charge of promoting community activities is assigned to each region to plan and promote activities in each country. The headquarters promotes the evaluation of the results of region-based activities, while global-level initiatives are planned by the headquarters and promoted by each region. The results of each initiative are shared between the headquarters and regions to plan better activities.

Holding online classes for junior high school students: Thinking about the SDGs through "design thinking"

Fujitsu has conducted online classes on social issues addressed by the SDGs, incorporating "design thinking" to come up with solutions, with the participation of 207 students from junior high schools across Japan. This endeavor aims to support the younger generation in developing the abilities necessary to participate in the creation of the society of the future. By teaching design thinking to junior high school students using teaching materials based on case studies about solutions designed by our employees, this program allows students to experience learning that touches on how to solve social issues as well as the thought process that helps formulate the solutions to such issues, which are the goals of the SDGs. We will continue to promote initiatives that support "learning to connect with society."

Supporting career development in STEM fields through virtual work experience

Fujitsu UK offers virtual work experience placements in the UK with the aim of supporting the development of students' skills and helping to promote careers in STEM* fields. The program offers fair and equitable work experience opportunities to students across the country, regardless of geographic location, and is designed by Fujitsu UK employees to provide students with a fascinating insight into the IT industry and an understanding of the impact of technology on society. We aim to accept 2,400 students per year in the future as we continue to stimulate the next generation of students and create opportunities to develop future digital talent.

* Science, technology, engineering, and mathematics

Work experience providing practical skills and industry experience

The Fujitsu Group donated funds to provide humanitarian assistance to those who have been impacted by the ongoing conflict in Ukraine, including the people of Ukraine and the surrounding region. For details on the Fujitsu Group's response to the crisis in Ukraine, please **see page 90, "Economic security initiatives."**

Supply Chain

Why it matters to Fujitsu / Priorities

Takashi Yamanashi
Corporate Executive Officer, SVP
Head of Global Supply Chain Unit

The Fujitsu Group's value creation rests on cooperation with our customers and with all stakeholders related to the supply chain, which delivers products and services to the individuals and society at large. Together with our stakeholders, we will uphold the responsibilities of a global corporation by giving consideration to human rights, diversity, the environment, and other aspects in all of our supply chains around the world. Moreover, building supply chains that exhibit resilience in the event of unexpected changes, such as natural disasters, is of the highest importance for upholding our responsibility as a company. The Fujitsu Group continuously inspects, upgrades, and strengthens its supply chains so as to increase its competitive advantages, capture value creation opportunities, and contribute to risk management.

Promotional framework

The Global Supply Chain Unit responsible for the supply chain function is in charge of its promotion, and the head of the unit takes the lead on important issues to create promotional frameworks regarding supply chain operations. To implement Groupwide measures, we have set up a global coordination structure to reflect society's expectations and initiatives in each region and community in planning and operations. Moreover, the unit promotes integrated efforts in which key social issues such as human rights, diversity, compliance, and the environment are addressed in our supply chain. To this end, the unit coordinates closely with the Sustainability Unit, units responsible for other key issues, and business units to promote initiatives.

Compliance with international standards on responsible procurement

The Fujitsu Group is a member of the Responsible Business Alliance (RBA), a global industry initiative for corporate social responsibility (CSR). Based on the RBA's Code of Conduct, the Group has formulated the Fujitsu Group CSR Procurement Guideline, which sets out standards for human rights, the environment, and other issues. The Group obtains proof of compliance with the RBA standards from its major suppliers, such as written statements of agreement with the Group's guidelines. With regard to forced labor, human rights abuse, and the sourcing of minerals from conflict-affected and high-risk areas, the Fujitsu Group conducts investigations based on guidelines of the Organisation for Economic Co-operation and Development (OECD) to eliminate such risks from its products, parts, and supply chain.

Elimination of greenhouse gas (GHG) emissions from the supply chain

In response to heightened awareness of environmental issues such as climate change, the Fujitsu Group has been requesting its suppliers to take measures to reduce GHG emissions. Furthermore, from fiscal 2021, we have been requesting our suppliers to set numerical targets for emissions reductions based on international standards and take actions to achieve them. The scope of our request was initially manufacturing-related companies, but we have now expanded this to also include service companies.

Promoting supply chain (supplier) diversity

The Fujitsu Group always strives to be a responsible business that reflects the diversity of our world, and we have also been increasing and promoting business with diverse suppliers. For example, in the United Kingdom, the United States, and Australia, we have set targets for procurement amounts and procurement ratios from companies managed by women, indigenous peoples, and minorities, as well as from small- and medium-sized companies. In Japan, we are also promoting the creation of transaction conditions and an environment suitable to highly skilled small- to medium-sized and start-up companies, as well as sole traders and others.

For details on the Fujitsu Group's Supply Chain initiatives, please visit the following website.
https://www.fujitsu.com/global/about/csr/procurement/

Compliance

Why it matters to Fujitsu / Priorities

Kyoko Mizuguchi
Corporate Executive Officer
EVP, General Counsel

Compliance is the bedrock upon which trust with customers is built, and remains essential for capturing business opportunities and for all value creation. To prevent compliance violations, senior management must make a strong, ongoing commitment to sustained efforts across the Group. The CEO and other members of the management deliver a message every year to the entire Group in order to create a corporate culture with zero tolerance for misconduct.

Going forward, we will work even harder with partners in our supply chain to increase awareness of compliance together. Over the medium to long term, we will take proactive measures to predict and detect misconduct by utilizing data.

Through these initiatives, we aim to contribute to maintaining and strengthening our competitive advantage and our relationships of trust with customers.

Promotional framework

The Fujitsu Group has a compliance division under the General Counsel and carries out measures based on the Fujitsu Global Compliance Program (GCP) in cooperation with compliance officers in each region. The results of these activities are reported to the Risk Compliance Committee, which was established based on the "Policy on the Internal Control System,"[1] and efforts to raise awareness and ensure the enforcement of the Fujitsu Way Code of Conduct throughout the Group are taken in cooperation with the Board of Directors and the Audit & Supervisory Board.

[1] Policy on the Internal Control System
https://www.fujitsu.com/global/imagesgig5/notice122b.pdf (P5–8)

Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct, which outlines the fundamental principles that all Fujitsu Group employees should abide by, as shown on the right. Fujitsu has also refined its Fujitsu Way Code of Conduct by developing the Global Business Standards (GBS)[2] in 20 languages to serve as a guide on legally compliant behavior for all Fujitsu Group-affiliated employees worldwide and applies the GBS uniformly across the Fujitsu Group.

We respect human rights.
We comply with all laws and regulations.
We act with fairness in our business dealings.
We protect and respect intellectual property.
We maintain confidentiality.
We do not use our position in our organization for personal gain.

[2] Global Business Standards (GBS)
https://www.fujitsu.com/global/about/philosophy/codeofconduct/gbs/

Global Compliance Program

Fujitsu has developed the Fujitsu Global Compliance Program (GCP) to implement and disseminate the Fujitsu Way Code of Conduct and the GBS and is working to maintain and improve the Fujitsu Group's global legal compliance structure. The GCP organizes Fujitsu's various compliance-related activities into five pillars in a systematic manner. The GCP promotes external understanding of Fujitsu's compliance structure and its compliance activities, in addition to clarifying what items Fujitsu needs to address on a continual basis. Based on this GCP, we implement various policies and initiatives in each region, taking into account factors such as each country/region's legal systems and government institutions' guidelines.

Policies & Procedures

Top Commitment & Resources

Training & Communication

Incident Reporting & Response

Monitoring & Review

Five pillars of the GCP

For details on the Fujitsu Group's Compliance initiatives, please visit the following website.
https://www.fujitsu.com/global/about/csr/compliance/

The Environment

Why it matters to Fujitsu / Priorities

Megumi Shimazu
Corporate Executive Officer
SEVP, Head of Global Solutions

Responsible action on global environmental issues, such as responding to climate change, strengthening resource circulation, and conserving biodiversity, is required of us as a company, but it is also essential for realizing Our Purpose. Moving quickly to mitigate our environmental impact, including by reducing greenhouse gas (GHG) emissions, and using the knowledge gained along the way to provide customers with new solutions and contribute to society will also stimulate our growth.

Currently, under Fujitsu Uvance, we are utilizing digital technology to develop energy systems and ascertain and reduce GHG emissions as we focus our efforts on realizing carbon neutrality for all of society and contributing to the building of resilient social infrastructure. We are using our high information sensitivity to address legal and regulatory systems in each country and region as well as customers' issues, thereby strengthening the creation of new value and our competitive advantage.

Promotional framework

To fulfill our social responsibility as a global environmental leader, we are promoting global environmental management as a single group, united by the commitment of our senior management to fulfilling Our Purpose. We continuously examine medium- to long-term issues, the formulation of policies, the sharing of business risks and opportunities arising from climate change, and our response to them, deliberating on these matters at the Sustainability Management Committee. Using the same structures as corporate management, we swiftly promote environmental policies and action plans within the Group, as well as initiatives on environmental materiality, aiming to further strengthen Group governance. Going above and beyond legal and regulatory compliance, we will work to reduce the environmental footprint of our business activities and the sale of products and services we offer. In doing so, we aim to enable more efficient and effective environmental management.

The Fujitsu Group's medium- to long-term environmental vision: Fujitsu Climate and Energy Vision

The Fujitsu Group has set out its medium- to long-term environmental vision, the "Fujitsu Climate and Energy Vision," which presents a future that the Group should strive to realize. The vision demonstrates how the Fujitsu Group will contribute to the realization of a carbon-neutral society and measures to adapt to climate change, while outlining its plan to achieve zero CO_2 emissions by 2050 through the provision of technology and services that support digital transformation. This vision has three pillars, namely, "Our Business: Achieve Zero CO_2 Emissions," "Mitigation: Contribute to a Decarbonized Society," and "Adaptation: Contribute to Measures in Society to Adapt to Climate Change." The Fujitsu Group aims to use digital technology effectively to accelerate its own efforts to become carbon neutral and, by providing the knowledge gained from such efforts to customers and society as solutions, leverage its own business activities as a way to mitigate and adapt to climate change. Under this vision, we will engage in further activities based on the latest environmental issues and social trends, such as setting a net zero target for GHGs.

Three pillars of the Fujitsu Climate and Energy Vision

Achieving zero
CO_2 emissions

Contributing to
a carbon neutral society

Contributing to
measures to adapt
to climate change

Business and social contribution

Start of a joint project on an environmental value distribution platform

IHI Corporation and Fujitsu started a joint project in April 2022 aimed at contributing to the realization of a carbon-neutral society and to revitalize the market of environmental value[1] trading ecosystems. Under this joint project, IHI and Fujitsu will work toward the commercialization and promotion of an environmental value distribution platform by leveraging their business knowledge in blockchain technology and carbon neutrality solutions in the market for trading environmental value, such as CO_2 reductions. Through this new platform, the two companies aim to support the efficient distribution of environmental value and the reduction of CO_2 emissions generated by companies around the world and contribute to the realization of the global goal of a carbon-neutral society.

[1] Environmental value: The added value of not emitting CO_2 during generation of renewable energy (such as green electricity), since CO_2 has an adverse impact on the environment, in addition to the value of the energy itself

VPP[2] and DR[3] trial project aiming for Japan's future energy market

Fujitsu and ENERES Co., Ltd. have developed a system that enables trading of energy shortages and surpluses between electricity consumers using blockchain technology. Specifically, the two companies have been working on a virtual power plant (VPP) and demand response (DR) trial for over seven years, from the start of the negawatt trading[4] trial in 2015 to participation in the Power Supply I' Adjustment Power for Coping with Severe Weather[5] initiative in 2021. The trial is testing technology for controlling demand-side electric power by deploying Fujitsu's cogeneration generator at its Numazu Plant at the request of a retail electricity provider during times of tight electricity supply.

Going forward, Fujitsu will conduct further collaboration aimed at expanding renewable energy by maximizing the use of distributed energy resources in Japan's energy market and contributing to the achievement of carbon neutrality based on its experience and knowledge from this project.

[2] VPP: Virtual power plant. Technology that controls the decentralized electricity sources such as generators and batteries, functioning as a single large power plant
[3] DR: Demand response. To control electricity demand during peak hours by having the demand side effectively save electricity
[4] Negawatt trading: A scheme for realizing peak cuts by reducing demand-side electricity usage and paying compensation for the reduced amount
[5] Power Supply I' Adjustment Power for Coping with Severe Weather: An initiative for controlling electric power on the demand side during power cuts during months with severe weather (July–September, December–February)

Joint trial project aimed at circulation of environmental value in homes and companies

Fujitsu, TEPCO Energy Partner, Inc., GridShare Japan Corporation (a wholly owned subsidiary of Itochu Corporation), and Ridgelinez Limited conducted a trial aiming to circulate environmental value in homes and companies in order to realize carbon neutrality. Specifically, the companies built a platform using blockchain technology and offered households with solar panels installed an environmental value token[6] called "Sun Coin" by consuming the power generated themselves. This approach offered consumers a unique way for households to reduce CO_2 emissions. The Sun Coins can be used to donate to a cause proposed by the companies or to support the companies' own increased use of renewable energy, enabling participants to contribute to achieving the SDGs and reducing the companies' CO_2 emissions. Furthermore, for the companies, the scheme offers a way to achieve renewable energy procurement targets while increasing customer engagement by receiving Sun Coins from households.

[6] Token: A digitalized right or asset issued uniquely by a company or organization using blockchain technology
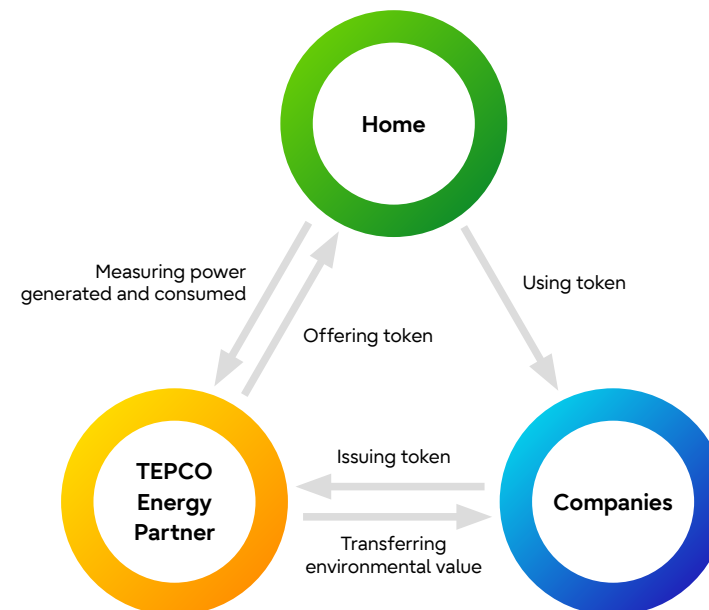
Environmental Action Plan

The Fujitsu Group formulated an Environmental Action Plan in 1993 and, since then, continues to broaden the scope of its environmental activities. Specifically, to significantly reduce our own environmental impact, we implemented far-reaching measures throughout our factories and offices to cut CO_2 emissions and chemical pollutants, reduce waste, and address other environmental concerns. In addition, we have also expanded the focus of our activities across the entire supply chain, including our customers, and society as a whole.

Currently, under the Fujitsu Group Environmental Action Plan (Stage X) (fiscal 2021–fiscal 2022), we have set targets based on recent social issues and demands that address the three global societal challenges of climate change, resource circulation, and living in harmony with nature (preservation of biodiversity), and we are working to minimize negative environmental impacts in the supply chain. We are also working to achieve these targets over the medium to long term through activities including reduction of GHG emissions by introducing and expanding renewable energy and improving the energy efficiency of datacenters, reducing resources in products by cutting down on the amount of new plastic used, and ascertaining and reducing the degree of environmental impact to help preserve natural biodiversity.

The Group received SBTi[7] validation of its "1.5°C-aligned" GHG emissions reduction targets for 2030 in April 2021. In addition, with a view to accelerating the realization of a carbon-neutral society, in June 2022, we submitted a commitment letter toward SBTi's net zero target validation, which has been accepted.

[7] SBTi (Science Based Targets initiative): An international initiative related to corporate GHG emissions reduction targets to control the rise in the average global temperature

Initiatives for procurement of renewable energy

The Fujitsu Group procures renewable energy based on regional characteristics in and outside Japan with a view to expanding the use of renewables. As an example inside Japan, when a system change in November 2021 made it possible for electricity users to purchase FIT non-fossil certificates[8] directly in the market, we used the system to purchase renewable energy in the Hokuriku area. After this initial purchase, we have expanded our direct purchasing from markets to all areas of Japan since fiscal 2022. Overseas, at Fujitsu Australia, we made a large-scale purchase of renewable energy using a virtual PPA[9] scheme. As a result, since June 2022, Fujitsu Australia's datacenters have been using renewable energy for around 40% of their electricity consumption. This corresponds to approximately 30% of the annual electricity consumption of Fujitsu Australia. We will continue to expand our use of renewable energy, aiming to achieve our GHG emissions reduction targets for 2030.

[8] FIT non-fossil certificates: Non-fossil certificates certifying the environmental value of non-fossil power sources, such as renewable energy from hydropower, solar power, or wind power, that also certify that the power is generated from a feed-in-tariff (FIT) power source
[9] Virtual PPA: A power purchase agreement (PPA) that involves a method of trading the environmental value of renewable energy separately from the actual electric power transaction

Initiatives for biodiversity in nature

Biodiversity loss has been recognized as a serious global risk. Realizing a goal called "Nature Positive," which refers to the achievement of a net positive improvement in nature, by 2030 represents an essential step in resolving this issue. At the Convention on Biological Diversity (CBD) COP15, the adoption of a post-2020 biodiversity framework that includes international targets for 2030 was outlined.

The Fujitsu Group aims to be among the first to advance new initiatives in this vital area. Under our Environmental Action Plan (Stage X), we have set targets for evaluating and reducing our dependence and impact on nature and biodiversity in our corporate activities. In tandem with these efforts, we are also working to preserve tropical forests and endangered species using digital technology. To realize a net positive improvement in nature by 2030, we will reduce the impact of our own business activities on biodiversity and contribute to society through promotion of biodiversity preservation.

For details on the Fujitsu Group Environmental Action Plan, please visit the following website:
https://www.fujitsu.com/global/about/environment/action-plan/

For details on the Fujitsu Group's environmental initiatives, please visit the following website:
https://www.fujitsu.com/global/about/environment/

TCFD-based information disclosure

The Fujitsu Group recognizes that climate change is an important issue for management as it has a significant impact on the sustainability of society over the long term, and we therefore conduct analysis to ascertain medium- to long-term risks and opportunities. In addition to our own response to climate change risks, we believe that examining the potential climate change risks affecting our customers and making value creation proposals to them using our strengths in digital technology will also lead to business opportunities. As a result, we have also strengthened our governance as we aggressively promote initiatives on management strategies for climate change countermeasures. In April 2019, we announced our support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), and we are working to disclose information effectively to various stakeholders, including investors.

For details on the Fujitsu Group's TCFD-based information disclosure, please visit the following website.
https://www.fujitsu.com/global/about/environment/tcfd/

Item		Response status
Governance	Oversight structure under the Board of Directors for climate-related risks and opportunities	• The Sustainability Management Committee shares the risks and opportunities arising from climate change, deliberates on medium- and long-term issues, and formulates policies. These results are reported to the Board of Directors via the Management Council. • In fiscal 2021, the results of analysis using multiple climate change scenarios, including limiting global warming to 1.5°C, were reported on and discussed by the Sustainability Management Committee. • Important risks identified for the overall Group, including climate risk, are reported periodically to the Board of Directors by the Risk Management & Compliance Committee.
	Role of management in assessing and managing climate-related risks and opportunities	• The representative director and CEO serves as the chair of the Sustainability Management Committee, with responsibility for the highest level of decision-making and for business execution. Directors are responsible for supervision based on reports by the Management Council. The chief sustainability officer (CSO) proposes reforms to directors and the executive team and executes business related to sustainability. • The Company decided to introduce ESG indicators, including consideration of climate-change issues, for evaluation of executive directors' bonuses.
Strategy	Short-, medium-, and long-term climate-related risks and opportunities	• The provision of ICT products that can contribute to climate change mitigation and adaptation measures creates opportunities to increase sales. Physical risks and legal risks have an impact on operational costs by requiring the implementation of measures in the Group's operations and supply chains.
	Impacts on business, strategy, and financial planning	
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• In fiscal 2021, scenario analysis was conducted for businesses susceptible to climate change, covering the period to 2050 and using 1.5°C and 4°C scenarios. • Analysis of the risk to the Company and the opportunities acquired by supporting resolutions to customers' issues found that the Company's businesses have strategic resilience from a medium- to long-term perspective.
Risk management	Climate-related risk identification and assessment process	• The Risk Management & Compliance Committee promotes Companywide risk management policy, including for risks related to climate change. Based on the risk assessment results for each division, the committee conducts a two-factor matrix analysis with severity and likelihood axes, selects and assesses risks, and reports the results to the Board of Directors.
	Climate-related risk management process	• The Company conducts risk monitoring using an environmental management system based on ISO 14001. The Sustainability Management Committee is responsible for managing the progress of climate change measures.
	Status of integration with organization-wide risk management	• The Risk Management & Compliance Committee identifies and evaluates Companywide risks, including climate change, and coordinates with the Sustainability Management Committee to identify, analyze, and evaluate risks, and to propose and implement recurrence prevention strategies.
Metrics and targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	• Fujitsu uses greenhouse gas (GHG) emissions and the renewable energy introduction rate as metrics.
	Scope 1 & 2, and the corresponding Scope 3 GHG emissions (Aggregate data based on the latest boundaries)	• Scope 1: 68 kt-CO_2 • Scope 2: 524 kt-CO_2 (Location based), 422 kt-CO_2 (Market based) • Scope 3: 1,207 kt-CO_2 (Category 1: Purchased Goods and Services), 3,142 kt-CO_2 (Category 11: Use of Sold Products)
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	• Fujitsu set a target of realizing carbon neutrality by 2050. In fiscal 2021, we updated our GHG emissions reduction target for 2030 to 71.4% (vs. fiscal 2013), corresponding to the "1.5°C standard." • Scope 1 & 2 GHG emissions reduction (vs. fiscal 2013): 37.2% reduction in fiscal 2021 vs. target (fiscal 2021/2030 = 33.6%/71.4%) • Scope 3 (Category 1 & 11) GHG emissions reduction (vs. fiscal 2013): 46.9% reduction vs. target (fiscal 2030 = 30%)

Climate change risks and opportunities

Based on external scenarios, we analyzed the business impacts of climate change in fiscal 2018 using a 2°C scenario and in fiscal 2021 using 1.5°C and 4°C scenarios. We identified the climate change risks and opportunities for the Group and examined countermeasures. Our aims are to respond to the negative impacts on the Company's operations and supply chains due to transition and physical risks, while also making proposals for value creation by understanding customers' climate change risks and capturing business opportunities.

Risks

Risk type		Term	Details	Key responses
Transition	Policy/ Regulation	Short- to long-term	• Increase in costs for responding to the strengthened laws and regulations on GHG emissions and energy use (such as a carbon tax, energy-saving policies, etc.) • Risk of diminished corporate value in the event of a violation of the above laws and regulations	• Continued reduction of GHG emissions (increased use of renewable energy and implementation of energy-saving measures) • Ensure legal compliance through EMS
	Market	Medium- and long-term	• Increase in electricity prices associated with promotion of a carbon-neutral society (spread of electrification)	• Reduced electricity consumption by formulating internal company standards and development of innovative technologies, etc.
	Technology	Medium- and long-term	• Risk that the Company could lose business opportunities if it were to fall behind in fierce competition in technological development (such as energy-saving performance and low-carbon services) and be unable to meet market needs	• Development of products and services for solving customers' climate change issues and promotion of innovation
	Reputation	Short- to long-term	• Increase in costs for responding to demands from stakeholders such as investors and customers • Negative impacts on ratings and sales due to delay in response to external requests	• Formulation and promotion of medium- to long-term environmental vision and Environmental Action Plan • Active disclosure of information to ensure transparency of climate change strategy
Physical (Natural disasters, etc.)	Chronic/ Acute	Short- to long-term	• Increase in costs for responding to changes in rainfall and weather patterns, increase in average temperature, sea level rise, flooding • Increase in costs for operation stoppages and recovery, including supply chains, due to increasing severity of abnormal weather	• Strengthening of BCP measures, survey of suppliers' business continuity systems and application of countermeasure such as multi-sourcing • Assessment and monitoring of potential water risks

Opportunities

Opportunity type	Term	Details	Key responses
Products/services	Short- to long-term	• Increase in sales due to development and supply of highly energy-efficient products and services	• Development and provision of high-performance and energy-saving 5G virtualized radio access network (vRAN) technology, high-performance and low-energy supercomputers, etc.
Market	Short- to long-term	• Acquisition of new market opportunities by applying ICT to create climate change countermeasures	• Development and provision of services to measure and visualize CO_2 emissions in supply chains and more efficient methods for the discovery of new materials for achieving zero emissions
Resilience	Short- to long-term	• Sales growth through new products and services for strengthening resilience	• Development and provision of disaster prevention information systems and an AI water management prediction system for estimating river levels during floods

Scenario analysis

In fiscal 2021, we conducted scenario analysis for our business areas that are considered particularly susceptible to the impacts of climate change covering the period to 2050 and using 1.5°C and 4°C scenarios. These areas were Sustainable Manufacturing (sectors studied: petrochemicals, automotive, foods, electronic device-related businesses), Trusted Society (sectors studied: public sector, transportation, energy-related businesses), and Hybrid IT (sector studied: datacenter-related businesses). The analysis was conducted in four steps: 1) assessment of risk severity, 2) definition of scenarios, 3) evaluation of impacts on business, and 4) discussion of countermeasures. For Sustainable Manufacturing and Trusted Society, our analysis focused mainly on opportunities for the Company's businesses, such as helping customers respond to climate change risks. For Hybrid IT, we analyzed both risks and opportunities, including response to climate-related risks for the Company's businesses and for its customers.

Analysis results

The analysis confirmed that the opportunities under the scenarios are aligned with the discussion and development direction of the Company's offerings, and that the Company has prepared countermeasures for the risks. From a medium- to long-term perspective, the Company's businesses were found to have strategic resilience.

Moreover, the scenario analysis results were also used as one of the inputs for examining businesses, and the Company formulated and announced the following themes for providing value in its key focus areas. In Sustainable Manufacturing: Carbon Neutrality (promoting the visualization and reduction of CO_2 emissions) and Resilient Supply Chain (resilient response to uncertainty); in Trusted Society: Sustainable Energy and Environment (carbon neutrality through green energy). The Company is now progressing with discussions on the details of our offerings, considering the opportunity-related measures revealed by the scenario analyses.

Sustainable Manufacturing (Opportunity Analysis)

● 1.5°C scenario   ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	Natural disasters		
Petrochemical businesses	Spread of ICT as a resource circulation-based business infrastructure to achieve carbon neutrality	Increase in plant and supply chain damage due to increased risk of natural disasters	● Acceleration of conversion of carbon-neutral materials into environmentally friendly products throughout the entire supply chain, advancement of portfolio transformation, and increase in demand for strengthening of traceability and streamlining of R&D	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Eco-friendly materials development solutions using materials informatics ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for plants and supply chains that are more resilient to increased severity of natural disasters	◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)
Automotive businesses	Increase in regulations on internal combustion engines (ICEs). Increase in spread of electric vehicles, and progress on achieving carbon neutrality throughout the product life cycle	Increase in plant and supply chain damage due to increased risk of natural disasters	● Increase in demand for measures to strengthen supply chain traceability and MaaS to help reduce environmental impacts throughout the life cycle	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Support for EV demand (e.g., circular management of EV batteries) ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management ● Digital technology-based process automation services from design to manufacturing and maintenance
			◆ Increase in demand for accelerated development and increased advancement of ICEs. Increase in demand for stable raw material procurement and enhanced business continuity capabilities due to increasing severity of natural disasters	◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM) ◆ Engineering outsourcing service which contributes to acceleration of development processes/technology and selection of management resources
Food-related businesses	Increased awareness of ethical consumption, promotion of resource circulation and biodiversity	Increase in agricultural damage due to increased risk of natural disasters and temperature rises	● Changes in consumer awareness are driving an increase in demand for environmentally friendly packaging, certificates of origin, smart agriculture, and response to food loss	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Support for enhancing traceability throughout the value chain (demand and supply optimization, support for consumer behavior change) ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for "resilient agriculture" as natural disasters put stable food supply at risk	◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)
Electronic device-related businesses	Increase in plant energy efficiency and expansion in market for products for EVs. Increased potential for radical manufacturing reforms, such as local production for local consumption and 3D printing	Increase in plant and supply chain damage due to increase in natural disaster and water shortage risk	● Spread of energy- and labor-saving technologies. Increase in demand for radical transformation of business model, such as demand chain management	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Digital technology-based process automation services from design to manufacturing and maintenance ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for higher labor productivity at production sites and construction of plants and supply chains resilient against natural disaster risks	◆ Digital technology-based process automation services from design to manufacturing and maintenance ◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)

Trusted Society (Opportunity Analysis)

● 1.5°C scenario   ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	**Natural disasters**		
Public sector-, transportation-, and energy related-businesses	The values by which people select cities and services, such as environmental concerns, will change as decarbonization progresses	Increase in damage to cities, buildings, and infrastructure due to increase in natural disaster risk	● Increase in need for digitalization of city and energy infrastructure and quantification and visualization of new values such as environmental concerns	● Services/solutions related to prediction and control of energy demand and supply balance using real-time data to help achieve a carbon-neutral society through green energy
			◆ Increase in demand for resilient city infrastructure	◆ Building of digital twin infrastructure and enhanced use in simulations, city infrastructure optimization giving consideration to human traffic and individuals, support for resilience in transport and logistics, and disaster prevention/mitigation

Hybrid IT (Risk & Opportunity Analysis)

● 1.5°C scenario   ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	**Natural disasters**		
Datacenter-related businesses	Advancement of environmental value traceability, adoption of smart electricity management systems for datacenters	Increase in damage to datacenters due to increase in natural disaster risk	● Datacenter carbon neutrality itself becomes a source of competitive advantage as energy-saving and environmental considerations become standard selection criteria for customers	● Highly energy-efficient datacenters
			◆ Increase in demand for resilient datacenters and need for response to heightened disaster risk for the Company-owned datacenters	◆ Disaster recovery center services in preparation for disasters ◆ Robust datacenters with fully prepared earthquake and security countermeasures

The above scenario analyses are intended to verify the strategic resilience of the Company's business based on assumed hypotheses and are positioned as one simulation that takes into account future uncertainties.

For details on the Fujitsu Group's TCFD-based information disclosure, please visit the following website:
https://www.fujitsu.com/global/about/environment/tcfd/index.html

Collaboration with stakeholders

Participation in external organizations

World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is an international organization of over 200 international companies that aims to realize a sustainable society through business. Fujitsu has been a member since 2013, and Takahito Tokita, our CEO, is currently contributing to the organization's activities as a board member.

In 2021, the WBCSD released its long-term vision, "Vision 2050: Time to Transform," which we were involved in revising and translating into Japanese. The vision sets out the role that companies should play in addressing the pressing issues facing global society in order to realize "a world in which more than 9 billion people are able to live well, within planetary boundaries." Our Purpose is consistent with the direction that "Vision 2050" is aiming for, and we will continue to work toward the realization of a sustainable world.

Internal awareness building in collaboration with the WBCSD

In November 2021, Peter Bakker, president and CEO of the WBCSD, gave a lecture titled "Vision 2050: Time for Action" to our management team to help them understand how companies can contribute to sustainability. A video of the event was made available to all employees via the intranet to promote a broad understanding of sustainability from the management level to the front lines. Fujitsu will work in cooperation with various stakeholders to realize Our Purpose in line with the WBCSD's Vision 2050.

Lecture

World Economic Forum

The 2022 Annual Meeting of the World Economic Forum (WEF), held in May for the first time in two and a half years as an in-person meeting, was themed "History at a Turning Point: Government Policies and Business Strategies," and included discussions on global pandemics, the crisis in Ukraine, and geopolitical challenges. From Fujitsu, CEO Takahito Tokita and COO Hidenori Furuta participated in the meeting. Through senior management communication with various stakeholders and their feedback, we will work toward the realization of a sustainable world.

Stakeholder dialogue: Advancing business management through dialogue with external experts

Ms. Yumiko Noda, Chairman and Representative Director of Veolia Japan K.K., the Japanese subsidiary of the Veolia Group, which operates water, waste, and energy businesses globally, and Ms. Kaoru Kobu, Head of ESG, Japanese Equity Investment at Invesco Asset Management Japan, one of the world's leading independent asset management firms, were invited to participate in a dialogue with our management team on the topic of "Purpose-driven management enters a new phase: Strategies for sustainable growth and enhanced corporate value in the medium to long term."

The two experts offered many suggestions, including that having purpose is a source of inspiration for employees with diverse values and a foundation for connecting the company with its stakeholders, and that implementing management and business strategies based on purpose is the key to increasing corporate social value. They also expressed their high expectations for visualized intangible assets, including human capital, that present evidence based on actual results to further enhance corporate value.

We will continue to apply the valuable feedback we have received to our management efforts as we move forward with purpose-driven management.

For more information on stakeholder dialogues, please visit the following website:
https://www.fujitsu.com/global/about/csr/society/dialog/2022/

For information on stakeholder engagement, please visit the following website:
https://www.fujitsu.com/global/about/csr/society/dialog/