

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

The Fujitsu Group has pursued "operating in harmony with nature" since its founding in 1935. Environmental conservation is one of our highest priorities, and our sustainable environmental management is promoted to realize "To make the world more sustainable by building trust in society through innovation" which is the Purpose of Fujitsu. As a global ICT corporation, the Fujitsu Group develops advanced environmental technologies, and makes products and services employing these technologies available throughout the world. Through the pursuit of this mission we not only lessen the environmental burden of our own business activities but also help to reduce the environmental burden of our customers and society.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	April 1 2020	March 31 2021

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

- China
- Germany
- Japan
- Malaysia
- Philippines
- Republic of Korea
- Taiwan, Greater China
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Tenants without facility management authority (offices)	Among Fujitsu Group offices, tenants without facility management authority are excluded because measures to reduce water consumption are limited and it is sometimes difficult to grasp water consumption. When the amount of water used per tenant office area is used to estimate the amount of water excluded, it is only about 3.8% of the total water used, which is very small.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	[direct use] Fujitsu uses massive amounts of high-quality freshwater for cleaning semiconductor substrates and print circuit boards during their production. Our earnings may be impacted in the event freshwater availability is stagnated due to lower product yields. Therefore, having ample amounts of high-quality freshwater is vital. Freshwater is also used for the cooling tower at data centers. Stable supplies of freshwater are vital in providing IT services around the clock, 24/7/365. Fujitsu Group will be less dependent on fresh water towards the future. This is primarily because the Company has sold its main semiconductor plants in an effort to focus on IT services instead of manufacturing, and also because the Company is developing green data center technologies to reduce the load on data center cooling towers. [indirect use] Significant loads of high-quality freshwater are used for the cleaning of substrates during production at our semiconductor substrate supplier. The timely procurement of substrates will be made impossible in the event usage of freshwater becomes limited across multiple suppliers, and may ultimately lead to our loss of trust following delays in our product deliveries. Having ample amounts of high-quality freshwater at our supplier manufacturing plants is thus important. Future dependency will be decreased due to shift our core business from manufacturing to IT services and we will no longer need to procure substrates.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	[direct use] Semiconductor and printed circuit boards plants which withdraw a large amount of water collect and treat wastewater and reuse it as recycled water to clean them. We consider it important to use recycled water to ensure sustainable use of water resources by reducing withdrawal of freshwater, meet customer demands, and reduce cost. Fujitsu Group will be less dependent on recycled water towards the future. This is primarily because the Company has sold its main semiconductor plants, and the abovementioned PCB plant is also planned to be sold. [indirect use] At our substrate suppliers that require such large volumes of water, waste water from the manufacturing process is collected and processed into recycled water so they are used to clean substrates. We consider availability of recycled water important in order to use water resources efficiently to reduce environmental impacts and cost. Future dependency will be decreased due to shift our core business from manufacturing to IT services and we will no longer need to procure substrates.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	In all the facilities, we control water withdrawals by categorizing water into service water, industrial water, groundwater, and recycled water. We monitor the amount of water used which is written in the bills of the Waterworks Bureau (for clean water) and the Enterprise Agency (for industrial water) and which is shown by groundwater withdrawal and recycled water meters installed in the facilities on a monthly basis. For the plants using a large amount of water, water withdrawals are monitored in real time through a building management system. The monitoring data of all the facilities are collected through an in-house system by the environmental department on a monthly basis.
Water withdrawals – volumes by source	100%	In all the facilities, we control water withdrawals by categorizing water into service water, industrial water, groundwater, and recycled water. We monitor the amount of water used which is written in the bills of the Waterworks Bureau (for clean water) and the Enterprise Agency (for industrial water) and which is shown by groundwater withdrawal and recycled water meters installed in the facilities on a monthly basis. The monitoring data of these facilities are collected through an in-house system by the environmental department on a monthly basis.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	In the plants that produce semiconductors and printed circuit boards, we monitor supplied water quality to check if it meets acceptance criteria of pure water (pH, water temperature, electrical conductivity, FT test (time to pass through filter), etc) on a daily basis. In all the facilities that collect water withdrawn from the Waterworks Bureau in a water tank (with capacity more than 10m3) and supply it, we monitor the water annually to see if it meets the drinking water safety standards (regarding pH, residual chlorine, bacteria including colon bacilli, heavy metals, disinfection by-products, taste, color, odor, etc.) specified by law.
Water discharges – total volumes	100%	In large facilities, we monitor the amount of water discharged to sewers and rivers in real time using drainage water flow meters installed in the facilities through the building management system. For the facilities that discharge water only to sewers, we monitor the amount of water discharged written in drainage bills of the Sewerage Bureau. The monitoring data of the all facilities are collected through an in-house system by the environmental department every six months.
Water discharges – volumes by destination	100%	In large facilities, we monitor the amount of water discharged to sewers and rivers in real time using drainage water flow meters installed in the facilities through the building management system. For the facilities that discharge water only to sewers, we monitor the amount of water discharged written in drainage bills of the Sewerage Bureau. The monitoring data of the all facilities are collected through an in-house system by the environmental department every six months.
Water discharges – volumes by treatment method	100%	The treatment methods include neutralization, chemical precipitation, purifying tank, and no treatment (for water not in contact with chemical substances such as cooling water). Meters are installed in each treatment facility for daily monitoring. The monitoring data of the all facilities are collected through an in-house system by the environmental department every six months.
Water discharge quality – by standard effluent parameters	100%	For all facilities, we have our own set of standards in place that are stricter than those stipulated in the local authority ordinances, and monitor pH, BOD, COD, etc. on a basis ranging from real-time to semi-annual (depending on the parameter). We measure pH with pH electrodes installed at outlets and conduct real-time monitoring with the building management system. Regarding BOD and COD, a third-party analytical body analyses sample water and delivers the results in hard copy by snail mail. This results are inputted in Microsoft Excel worksheets by the person in charge of each site. The data thus inputted are gathered by the environmental department every six months through an in-house system.
Water discharge quality – temperature	100%	The effluent temperature of water discharged to rivers may affect the ecosystem. Given this, in facilities that discharge water to rivers, thermometers are installed at the outlets to monitor effluent temperature on a basis ranging from monthly to semi-annual. Facilities equipped with the building management system conduct real-time monitoring of effluent temperature.
Water consumption – total volume	100%	Evaporation from circulated coolant water in cooling towers installed in all facilities accounts for most of our water consumption. It is impossible to measure the amount of water evaporated (consumed) for cooling towers as they are not equipped with dedicated inflow meters. Thus, we monitor the amount of water consumption through calculation by deducting discharge from withdrawal. Facilities withdrawing a large amount of water conduct real-time monitoring of water consumption derived by deducting discharge from withdrawal via the building management system. In other facilities, the person(s) in charge conducts monthly monitoring by calculating consumption on Excel worksheets. The consumption data are gathered by the environmental department every six months through an in-house system.
Water recycled/reused	100%	In all the facilities that use recycled water, we have installed meters(PH, flow rate, electrical conductivity) and monitor it in real time through the building management system. The monitoring data of the facilities are collected through an in-house system by the environmental department on a monthly basis.
The provision of fully-functioning, safely managed WASH services to all workers	100%	We hire an external qualified person(s) to monitor drinking water quality at the ends of pipes where chlorine concentration becomes lowest, pursuant to the Water Supply Act and other legislation in Japan. Test reagents are used once a year to measure pH and residual chlorine at the site where water is sampled. Regarding colon bacilli, external qualified persons bring water samples back for analysis and later delivers the results in hard copy by snail mail. This results are inputted in Microsoft Excel worksheets by the person in charge of each site. The environmental department confirm the execution of above tests by audit conducted according to the ISO14001-based Environmental Management System.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	6769	Lower	The decrease was due to the deconsolidation of a semiconductor plant (Mie Plant) from 3Q FY2019 and printed circuit board plant (subsidiary tenanted by the Nagano Plant) from 4Q FY2020. It also arose from the resulting fall in water withdrawn through initiatives to reduce water withdrawal at semiconductor plants and other facilities to achieve the targets set in the Fujitsu Group Environmental Action Plan Stage IX, established to cut the excessive rise in water withdrawal due to increased production of semiconductor components. Consequently, the total water consumed decreased by 32.0% from the previous fiscal year. As for future trends in the short term, the semiconductor plant (the remaining functions of the Aizu Wakamatsu plant), which accounts for about 10% of the total volume of withdrawn water, will be deconsolidated. For other plants, the volume of withdrawn water will likely not increase significantly from a large increase in production, regardless of increasing production volume for some electronic components due to a rise in teleworking demand on the back of the pandemic. The downward trend in water withdrawal volume is thus expected to continue. In the mid- to long-term, the total withdrawal is expected to keep decreasing because, based on our business strategy to shift the business focus from manufacturing to IT services, other water-dependent plants will leave the consolidated group.
Total discharges	6482	Lower	The deconsolidation of a semiconductor plant (Mie Plant) from 3Q FY2019 and printed circuit board plant (subsidiary tenanted by the Nagano Plant) from 4Q FY2020 was one of the factors behind the decrease in water discharged from the previous year. Given that the majority of the Company's water intake is for cleaning printed circuit boards and electronic components, almost all water intake is discharged except for the evaporation from cooling-tower operations. Therefore, reductions in water withdrawn also lead to reductions in water discharged. These factors resulted in a 28.8% fall in total water discharged compared to the previous fiscal year. As for future trends in the short term, the semiconductor plant (the remaining functions of the Aizu Wakamatsu plant), which accounts for about 10% of the total volume of discharged water, will be deconsolidated. For other plants, the volume of discharged water will likely not increase significantly from a large increase in production, regardless of increasing production volume for some electronic components due to a rise in teleworking demand on the back of the pandemic. The downward trend in discharged water volume is thus expected to continue. Also, in the mid- to long-term, the total discharge is expected to keep decreasing because, based on our business strategy to shift the core business from manufacturing to IT services, other water-dependent plants will leave the consolidated group.
Total consumption	287	Lower	Evaporation from circulated coolant water in cooling towers (water-cooled air-conditioning) installed at all facilities accounts for most of our water consumption. It is impossible to measure an amount of water evaporated of cooling towers as they are not equipped with dedicated inflow meters. Thus, we calculate water consumption by deducting discharge from withdrawal ([FY2020 Water consumption of 288 million liters] = [FY2020 Withdrawal of 6,738 million liters] – [FY2020 Discharge of 6,450 million liters]). In FY 2020, the amount of water taken and the amount of wastewater were each reduced by about 30% due to business transfers, etc., and the amount of consumption was also reduced. Going forward, consumption is expected to continue decreasing in the short term, given that our semiconductor plants (remaining parts of the Aizuwakamatsu plant in Aizuwakamatsu, Fukushima prefecture) with many cooling towers will be deconsolidated. However, consumption figures may fluctuate regardless of the actual increase or decrease, depending on the wastewater meters' measurement deviations. Also, in the mid- to long-term, the total consumption is expected to keep decreasing because, based on our business strategy to shift the business focus from manufacturing to IT services, more manufacturing plants equipped with cooling towers are expected to leave the consolidated group.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	The latitudes and longitudes of all the facilities are input on WRI Aqueduct, and area-by-area physical risk (quantitative/qualitative) and facilities with a total risk score 8 or higher are identified. The results showed 7 facilities in Japan and 8 overseas scored 8 or higher, which are then designated as facilities located in water stressed areas. These facilities are either offices or assembly plants, which are not highly dependent on water. On the other hand, all of highly water-dependent facilities (Aizu-Wakamatsu Plant, Takaoka Plant, Wakaho Plant, Arai Plant) except Akashi Facility score less than 8. Akashi Facility (Akashi City, Hyogo Prefecture) has no production lines but yet withdraws a relatively large amount of water, entailed high quantitative physical risk, and its deteriorated storage function was a high-risk factor. Thus, we had experts conduct field interviews and carried out research on the Facility's current withdrawal demands and supply status and future outlook based on information published by the Enterprise Agency which supplies industrial water to this facility. As a result, it was found unlikely that the Akashi Facility would be exposed to quantitative risk. Kamata Facility (Ota-ku, Tokyo), which is an office with small dependency on water, was found to entail high qualitative physical risk. Thus, we checked examinations of drinking water for employees in terms of their execution status (at least once a year) and results (pH, residual chlorine, colon bacilli and other bacteria, heavy metals, disinfection by-products, taste, color, odor, etc.) and confirmed there was no water quality risk. We assume the results of qualitative physical risk assessment by WRI Aqueduct are based on the results of groundwater quality measurements taken by the Ministry of the Environment. Kamata Facility has no functions such as manufacturing that require withdrawal of a large amount of water and does not have a need to withdraw groundwater now and in the future. Therefore, we confirmed it is very unlikely that the Facility would be exposed to the risk in the future. It was also confirmed that the Facility has no factors to worsen water quality risks (e.g. the use of chemical substances in the location).

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	Because the supply from rainwater is unstable, and withdrawal of water directly from wetlands, rivers, and lakes poses a problem of water rights over the basin, which makes them an unstable supply sources, it is not supposed to be used at semiconductor plant which require a large amount of water withdrawal at all times (Aizu-Wakamatsu Plant) and also at data centers (Akashi Facility and Tatebayashi Facility) which require stable water supply for cooling towers to keep customers' IT equipment running reliably. Facilities locate in industrial parks operated by local governments, e.g. Aizu-Wakamatsu Plant and Tatebayashi Facility, and all overseas sites have stable water sources owned by local governments, thus we don't need to directly withdraw from fresh surface water. We do not assume withdrawal from fresh surface water in the future because water supply from local government will continue to be most stable.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	For our data centers services (Akashi Facility and Tatebayashi Facility), and electronic components manufacturing (Aizu Wakamatsu Plant, Oyama Plant, Takaoka Plant, Wakaho Plant and Arai Plant) which collectively account about 78.0% of total water withdrawal, sodium contamination poses a risk of defects and faults in IT equipment and an inefficient operation of cooling towers and thus should be avoided. To this end, it is not possible to use salt-containing water at this facilities. Thus they are not located in regions where it is possible to withdraw brackish water or sea water. Data centers that sustain our Technology Solutions will increase its importance in our business in future, and therefore, we will continue to stay away from salt-containing water.
Groundwater – renewable	Relevant	4014	Lower	Semiconductor and printed circuit board plants use a large amount of water in the cleaning process. Among them, those located in Nagano, Fukushima, or Niigata Prefecture that boast rich groundwater (renewable) and low ground subsidence risk (Wakaho Plant, Takaoka Plant, Aizu-Wakamatsu Plant, Arai Plant) use groundwater for water cost reduction purposes. The main reason for the decrease from the previous fiscal year is that the semiconductor plant (Mie Plant) and printed circuit board plant (subsidiary tenanted by the Nagano Plant) were deconsolidated. In terms of future trends, given the semiconductor plant (the remaining functions of the Aizu Wakamatsu plant) will be deconsolidated and the Company's management policy of shifting its core business from manufacturing to IT services, a significant increase in water withdrawal arising from a large increase in production is unlikely. As such, the downward trend in water withdrawal from groundwater is expected to continue.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	Non-renewable groundwater is an unstable source of water, and therefore, in terms of business continuity, it is highly risky for plants requiring a large volume of water to depend on non-renewable groundwater. Also considering the fact that the Japanese government prohibits use of non-renewable groundwater, we are technically unable to withdraw non-renewable groundwater. To this end, plants requiring use of groundwater (Aizu-Wakamatsu Plant, Wakaho Plant, Takaoka Plant, Arai Plant) are all situated in regions with a rich supply of groundwater and renewable (Nagano, Fukushima and Niigata Prefecture that boast rich groundwater (renewable) and low ground subsidence risk) to ensure business continuity. Given this, we do not and will not withdraw non-renewable groundwater now and in the future.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	We produce system products (e.g. main frames, UNIX servers, super computers), network products (e.g. mobile phone station towers, optical transmission system), and devices (e.g. electronic components such as semiconductor packages) (as of the reporting year). No produced water or processed water is present in the electric/electronic equipment procurement process and in the manufacturing process, respectively. Therefore, we cannot withdraw produced water or process water. Because our services will primarily be pertaining to software development and IT system development after deconsolidating our plants in the short term (by selling the semiconductor plants (remaining parts of the Aizuwakamatsu plant)) based on our shift of our main line of business from manufacturing to IT services, we will not be involved in processed or produced water in our future businesses as well.
Third party sources	Relevant	2755	Lower	Facilities which located in industrial parks run by local governments, such as Tatebayashi Facility in Japan, and all overseas sites, withdraw water from these local governments (i.e. third-party sources) there. The main reason for the decrease from the previous fiscal year is the semiconductor plant (Mie Plant) was deconsolidated from 3Q FY2019 and the printed circuit board plant (Nagano Plant) from 4Q FY2020. As for future trends in the short term, the semiconductor plant will be deconsolidated. For other plants, the volume of withdrawn water is unlikely to increase significantly from a large increase in production. The downward trend in water withdrawal volume from third parties is thus expected to continue. In the medium to long term, the Fujitsu policy of shifting the core business from manufacturing to IT services, the volume of water withdrawn from third parties is likely to continue declining as more plants that are highly dependent on water are expected to be deconsolidated.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	5251	Lower	Business sites that generate significant volumes of water discharge may exceed the treatment capacity of municipal wastewater treatment facilities. For this reason, the Aizu Wakamatsu Plant, Koyama Plant, Takaoka Plant, Wakaho Plant, Arai Plant, Sarakita Plant and Akashi Plant have set voluntary control standards stricter than the effluent control standards of the respective local governments where they are located, and discharge water into rivers after monitoring the water quality. The deconsolidation of a semiconductor plant (Mie Plant) from 3Q FY2019 and a printed circuit board plant (subsidiary tenanted by Nagano Plant) from 4Q FY2020 contributed to the fall in freshwater discharged into surface water. Discharge will continue decreasing because semiconductor plants that discharge into fresh surface water (remaining parts of the Aizuwakamatsu plant) are leaving the consolidated group based on our business strategy to shift our core business from manufacturing to IT services.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	For our data centers services (Akashi Facility and Tatebayashi Facility), and electronic components manufacturing (Aizu Wakamatsu Plant, Oyama Plant, Takaoka Plant, Wakaho Plant, Arai Plant and Kouhoku Plant) which collectively account 82% of total water discharge, sodium contamination poses a risk of defects and faults in IT equipment and thus should be avoided. Thus, these facilities are not located in regions where it is possible to withdraw brackish water or sea water, and we are not relevant to their water. Going forward, as data centers that sustain our Technology Solutions will increase its importance in our business, the use of brackish surface waters and sea water will remain prohibited. Therefore, we do not consider areas that allow withdrawal from/discharge into brackish water or sea water as prospective sites for our business.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	In Japan where our major facilities (Aizu-Wakamatsu Plant, Oyama Plant, Takaoka Plant, Wakaho Plant, Arai Plant, Kouhoku Plant, Akashi Facility and Tatebayashi Facility) that collectively account for about 80% of group-level water discharge are located, underground seepage discharge is basically prohibited by law for environmental considerations. Given this, we never conduct underground seepage discharge in overseas sites, regardless of the law, and this policy will not change in the future.
Third-party destinations	Relevant	1230	Lower	Facilities including semiconductor plants in Japan and all overseas sites are located in industrial parks. As the local government provide water supply and sewage services there, we discharge water to a third-party destination (local governments' facilities) to an extent that would not exceed the treatment capacity of their facilities. For FY2020, the volume of water discharged to third parties declined by approximately 20% due to the deconsolidation of a semiconductor plant (Mie Plant) from 3Q FY2019 and a printed circuit board plant (Nagano Plant) from 4Q FY2020. Going forward, our wastewater emitted to third parties is expected to decrease in the short term, given that our semiconductor plants will be deconsolidated and other plants are not likely to see significant increases in water withdrawal following increased production. In the mid- to long-term, the total discharge is expected to keep decreasing because based on our business strategy to shift the core business to IT services.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	3796	Higher	51-60	Depending on the impurities contained in the wastewater discharged from the manufacturing process, the water is treated by coagulation sedimentation, ion-exchange resin adsorption, oxidation reduction, etc., followed by filtration and neutralization. An alarm is issued before monitored items exceed their specified values, and discharging is shut down to prevent water outside specifications from being discharged. The water is returned to the previous process for retreatment.
Secondary treatment	Relevant	501	Higher	1-10	Biological treatment is used for denitrification and dephosphorization, neutralization and sterilization. An alarm is issued before monitored items exceed their specified values, and discharging is shut down to prevent water outside specifications from being discharged. The water is returned to the previous process for retreatment.
Primary treatment only	Relevant	1112	Higher	11-20	After sedimentation of suspended solids, the pH of treated water is monitored to ensure that it is neutral. An alarm is issued before the pH exceed their specified values, and discharging is shut down to prevent water outside specifications from being discharged. The water is returned to the previous process for retreatment.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All water discharged from business sites is discharged into rivers or sewers after appropriate treatment, and there is no discharge into the natural environment without treatment.
Discharge to a third party without treatment	Relevant	1072	Much lower	11-20	This also applies to domestic wastewater from offices, etc., which is discharged into the sewage system and treated at local government treatment plants.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No water is discharged by other treatment.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

76-100

Rationale for this coverage

We set out conservation of water resources as a requirement in the green procurement standards for suppliers, and requests all suppliers to take actions. In particular, we position suppliers with the highest annual procurement values and suppliers associated with our main products as our "major suppliers" (5% of the total number of suppliers and 80% of the total procurement costs) and are subject to survey on environmental activities conducted that includes the annual volume of water withdrawal, status of water related initiatives, and cooperation with stakeholders. The responses to the survey are reflected in the assessment of the supplier and results are fed back to them, requesting to take corrective actions as necessary. Depending on the results of such actions, the suppliers are reconsidered. Based on the contribution to our business and the answers to the survey, letters of appreciation may be awarded.

Impact of the engagement and measures of success

The annual survey on environmental activities asks suppliers to provide the annual volume of water withdrawal, status of water initiatives, and cooperation with external organizations. Based on their responses, we identify issues and the status of supplier activities and consider what actions to take with regard to our supply chains. We also reflect responses collected for the survey in supplier assessments, give feedback to the suppliers, asking for remedial actions where necessary, and use the results when considering future business terms. The success of the survey is measured by the annual response rate, the threshold of which is 90%. The response rate for FY2020 was 100%, and the survey was assessed as successful.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Water management and stewardship action is integrated into your supplier evaluation
Water management and stewardship is featured in supplier awards scheme

% of suppliers by number

26-50

% of total procurement spend

76-100

Rationale for the coverage of your engagement

As part of Fujitsu's collaborative efforts with suppliers, we analyze and evaluate supply survey results and use them to review our business conditions. We also award certificates of appreciation to suppliers with remarkable evaluation results. This survey is conducted for product suppliers in which procurement totals at least 6 million yen per year (47% of all suppliers and accounting for 86% of the total procurement amount) every fiscal year on business continuity against natural disasters, including earthquakes and floods, and the spread of diseases, including infectious diseases. Water risks such as tsunamis, floods and heavy rains are also included in the survey. For our business partners determined to be particularly at risk, we have prepared to minimize the impact on our business, including multi-sourcing. In addition, if a supplier's efforts to prevent wastewater and water source pollution are determined to be inadequate, Fujitsu provides guidance and encourages improvement. This is based on an on-site audit based on the RBA Code of Conduct.

Impact of the engagement and measures of success

Because supplier water management-related assessments, awards and other engagement activities are based on survey results, Fujitsu thinks that collecting data through surveys is important for supplier engagement. By collecting the data, Fujitsu creates a list of the locations and other information of its business partners and utilizes it for investigation in the event of an unexpected situation. This identifies and mitigates the impact on products. And because the impact from water-related risks such as tsunamis, floods and heavy rains are reflected to supply stability in the supplier evaluation, Fujitsu can now take measures such as reviewing future terms. Therefore, the response rate of the annual survey for product-related business partners (86% of the total procurement amount) in which procurement totals at least 6 million yen per year is set as an indicator for successful engagement (threshold is 90%). In FY2020, the response rate was 92%, which was evaluated as successful.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

As a global ICT company, along with mitigation of our business impacts on water resources, we consider it important to play our roles of providing solutions for customers facing water issues. This is the reason to prioritize customer engagement. Fujitsu primarily engages in B to B businesses. In particular, the governments and local governments whom Fujitsu has continued delivering core ICT systems are important customers. We have a wide range of knowledge and technologies developed through long-standing efforts to tackle flood damage and control in Japan in collaboration with national and local governments. In other countries of Asia, we start engaging with governments and agencies to address increasingly experiencing water disasters that affect unexpectedly wide areas and damage urban infrastructures due to the recent extreme weather. Our opportunities of engagement lie in mitigating risks of water scarcity and water-related disasters by helping government and agencies to gather disaster and damage information as quickly as possible by ICT solutions. For example, the Jakarta State Disaster Prevention Bureau has adopted our disaster information management system, which was developed based on a wide range of experience in and advanced knowledge on disaster control in Japan. With this system, the Bureau established a structure to ensure timely and accurate response to natural disasters. We are a company that provides ICT infrastructure, and customers are the main players engaging in activities to resolve water-related issues. Given the fact that communication is pivotal in providing ICT infrastructure that will effectively back these activities, we put a high level of priority towards customer engagement. It bases its successful level of engagement on whether the provision of ICT services such as disaster prevention and water management solutions have led to actions by customers that will resolve water-related issues.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
International methodologies
Databases
Other

Tools and methods used

WRI Aqueduct
Regional government databases
Internal company methods
External consultants
Other, please specify (audit based on EMS of ISO14001)

Comment

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise Risk Management
International methodologies
Other

Tools and methods used

Internal company methods
Other, please specify (RBA, business continuity survey)

Comment

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water is essential as cleaning water for semiconductor wafer and printed circuit boards and cooling water for data centers. Given operations may be suspended in the event water becomes unavailable, water availability in each region is an issue that must be taken into account. We use WRI Aqueduct to assess water availability of basin level for all the facilities. The latitudes and longitudes of locations of all facilities are input to WRI Aqueduct, and facilities with a total risk score (including quality and quantity physical risks) 8 or higher are identified as facilities located in water stressed areas. The results showed 7 facilities in Japan and 8 overseas 8 or higher, which are facilities with little dependent on water like either offices or assembly plants. Highly water dependent facilities are scored less than 8. It was found that the Akashi Facility, which has no production lines but yet withdraws a relatively large amount of water, entailed high quantitative physical risk, and its deteriorated storage function was a high-risk factor. Thus, we conducted onsite interviews by experts, and carried out research on the Facility's withdrawal demands and supply status and future outlook based on information from the Enterprise Agency which supplies industrial water to this Plant. As a result, this Plant would unlikely be exposed to quantitative risk. We use the drought/flood databases issued by the national and local governments to assess the water availability of basin level for data centers including Akashi Facility etc equipped with cooling towers to ensure minimum 72-hour operation in the event of a water supply suspension as a data center requirement. Such assessments are conducted when a data center is built or undergoes operational change. In the case of Tatebayashi Facility for example, the flood/inundation/drought risks to its water source, i.e. Tone River are assessed based on data over the past 10 years issued by the Ministry of Land and Gunma Prefecture.
Water quality at a basin/catchment level	Relevant, always included	Water is used for the cleaning of semiconductor wafer and printed circuit boards in Fujitsu's manufacturing locations. Controlling the concentrations of fluoride and suspended matter within the wastewater is important in complying with laws and regulations, as well as reducing environmental burdens. The water quality of each region is thus an issue that must be taken into account. We use WRI Aqueduct to assess water quality risks of basin level for all the facilities. The latitudes and longitudes of locations of all facilities are input to WRI Aqueduct. As a result, we extracted Kamata Facility located in an area with a higher risk of water quality. As a next step of the screening results, we checked for actual potential risks. First, we checked if the plant have any facilities which have high dependency on water and found no such facilities or functions. Next, we confirmed that water examinations (residual chlorine, etc.) of service water were conducted once a year and the results of the examinations to confirm the fact that there are no water quality risks for employees at the moment and its evidence. As for the quality of water discharges, we set in-house standards which are stricter than legal restrictions, and are based on the information we obtained from the internal audits in each facility based on the ISO14001-based Environmental Management System; and the quality is controlled by specialists in charge of pollution prevention. For example, as for Akashi Plant which discharge water to closed water areas, the Inland Sea of Japan, we consult with local government to establish self-commitment control levels which are stricter than legal standards regarding fluorine, which is biologically toxic, suspended solids, which contribute to water pollution, total nitrogen etc which cause eutrophication. Based on these levels, we monitor the quality of water discharges regularly and report it to the local governments.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	For wastewater from Fujitsu's facilities, the company will be at risk of receiving complaints from residents living near rivers and claiming worsened living environments and health conditions due to pollution and also from local governments that manage the water quality of rivers if it released wastewater with water qualities that violate standards prescribed in laws and regulations. Conflicts with stakeholders on regional-level water resources are thus issues that must be taken into account. To this, Fujitsu identifies complaints made to each of its facilities through the Environmental Management System based on ISO14001. The details of the complaints and Fujitsu's responses are shared within the company and utilized to provide swift responses and prevent recurrences. For example, Akashi plants that release wastewater in the Inland Sea of Japan, that are closed water areas and susceptible to impact from water pollution, consult with the local governments. They work to prevent complaints by using information obtained from the Environmental Management System and on-site auditing by facilities based on the system on biologically toxic fluoride, water-polluting SS (suspended particulates), eutrophication-causing total nitrogen and total phosphorus as reference, configuring agreed standards that are stricter than legal standards, having administrators responsible for pollution prevention in Fujitsu regularly monitor wastewater quality and reporting results to the local governments.
Implications of water on your key commodities/raw materials	Relevant, always included	Our Device Solution business (including manufacturing of semiconductors and printed-circuit boards), which constitutes 8% of total revenues, accounts for about 67% of total water withdrawal. In the production process of semiconductors and printed circuit boards, a large amount of high-quality pure water is used to clean the manufactured products. Any impurities in the water used for cleaning may cause a short circuit in semiconductors, etc. and thus increase the rate of defects, ultimately damaging our cost competitiveness. Therefore, the availability of quality freshwater is vital. In this respect, we carry out WRI Aqueduct-based water quality risk assessment for the regions where our semiconductor plants (Aizu-Wakamatsu Plant), printed-circuit board plants (Takaoka Plant and Wakaho Plant, Arai Plant), and other facilities locate. Furthermore, based on the ISO14001-compliant Environmental Management System and the facility-by-facility information obtained in onsite audits conducted based on that system, we set source acceptance criteria for pure water (pH, water temperature, electrical conductivity and FT test) and conduct daily monitoring. On the other hand, our Technology Solutions business, which constitutes about 85% of our revenues, uses water as a coolant for the cooling towers installed at data centers, but the amount of water withdrawn by this business sector is relatively very small. For example, the amount of water withdrawn by the Tatebayashi Facility, one of our largest data centers, accounts for as little as 3% of total withdrawal. Nonetheless, cooling of IT equipment is essential to ensure the stable operation of data centers for 24 hours, 365 days a year. Thus, we carry out drought and flood risk assessment and implement necessary measures upon construction of each data center to confirm it can be operated for at least 72 hours in the event of water supply suspension.
Water-related regulatory frameworks	Relevant, always included	Although water is indispensable as it is used for washing water in manufacturing locations and as cooling water in data centers, operations may be shut down in the event water intake restrictions following water shortage and enforcement of stricter waste water quality standards come into effect. In reference to national laws, the environmental department requests the consulting company to examine the condition of revision once a month to ascertain the regulatory framework and risk on our business. When there is a pertinent legal revision, the environmental department contacts each operation department to review the response to be taken by the company. As for regulations stipulated by the local municipality, the general affairs division of each operation department constantly monitors the regulatory trends in the respective regions, for instance, by attending briefings conducted by the local government. For example, when the Water Pollution Prevention Act of Japan was amended, the Oyama plant and other key facilities in the country gathered information such as through their respective municipality's information session and rolled out measures toward risk management. When the guideline value or other values are changed, the changes are reflected in the voluntary management standard, which are applied in the monitoring of the amount of water withdrawal, waste water quality and other matters. The compliance status of the respective operation department is confirmed through monitoring based on ISO14001 Environmental Management System and internal audit of each facility.
Status of ecosystems and habitats	Relevant, always included	Fujitsu positions "Protecting the environment and contributing to society" as one of the corporate values of the FUJITSU Way and strives to take this value into action in the Fujitsu Group Environmental Policy. Water discharged to rivers may affect the ecosystem in terms of water quality and drainage water temperature. If the environmental impact caused by our business sites is clarified, there is a risk that our brand value will decline, which will lead to a decrease in sales, or a lawsuit will be filed. As for drainage water quality, through the Environmental Management System based on ISO 14001, information obtained from on-the-spot audits of each facility based on this EMS. Based on this information, Fujitsu sets internal standards that are stricter than laws and regulations, with pollution prevention advisors in the company responsible for their management. In addition, ecological impact tests on water discharge are conducted at large establishments to assess the risks to the ecosystem in rivers. For example, at the Akashi Plant, fish that are susceptible to pollutants are selected and kept in the final effluent, and their survival is monitored daily. In addition, Fujitsu conducts cleanup activities in river basins around its offices, including the Urakami rivers, to conserve the ecosystem. As for the temperature of water discharged to rivers, we install thermometers in outlets at facilities that discharge water to rivers in order to monitor the drainage water temperature in real time through the building management system.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Regarding the Fujitsu Group's Health and Safety Policy, the Fujitsu Group regards ensuring the health and safety of employees as one of its most important management topics, and places the highest priority on "protecting health and safety both in mind and body" in all of its business activities. The Company recognizes that protecting the health and safety of its employees is part of its corporate responsibility, considering the occurrence of employee health problems due to inadequate management of drinking water and the occurrence of problems with employees' physical and mental health resulting from failure to deal with an unsanitary water environment as risks. Based on the company's own drinking water management guidelines (company method) on the basis of regulations, we have conducted once a year monitoring to see whether water safety standards (residual chlorine, pH, Escherichia coli, etc.) as prescribed by the law are met, targeted for Akashi Facility, Tatebayashi Facility that supplies water intake from the Waterworks Bureau after storing it in the water reservoir in the premises. Furthermore, we input latitudes and longitudes of locations of the all facilities into the WRI Aqueduct, and we extract the facilities that are located in the areas where the sum total of physical risks (quantity, quality) and comprehensive risks in respective areas is 8 or more. As a result, we identified the Kamata Facility (Ota Ward, Tokyo) as a location with a high qualitative physical risk. Therefore, we checked if the water quality inspection (pH, residual chlorine, bacteria including Escherichia coli, heavy metals, disinfection byproduct, taste, color, smell etc.) of drinking water are conducted once a year, and confirmed these results. As a result we found no water quality risk. It is assumed that the groundwater quality measurement results of the Ministry of the Environment constitute the grounds for the qualitative physical risk assessment of the WRI Aqueduct. Because the Kamata Plant has mainly office function, and is not scheduled to take underground water both now and in the future, we confirmed that employees will be unlikely exposed to risks in the future.
Other contextual issues, please specify	Relevant, sometimes included	All overseas facilities including Kuala Lumpur in Malaysia and Changzhou and Changsu in China are located in industrial parks and receive water supply from third parties (local governments). In the future, the jurisdictions of these locations may suddenly raise the clean water charge, which will cause concern over losses and supply of components and parts. For example, the Shinko Electric Industries Malaysia Plant once received a totally unexpected notice of increases in the rates of electricity and water, starting from the following week. This kind of risk is present in other locations, too. Therefore, we perform scenario analysis to study financial impacts by assessing what sort of new capital investment will be required in the event of increases in the rates. As the basis for this scenario analysis, we conduct risk assessment on regions where these suppliers are located, based on our internal knowledge about each country and its legislative movements developed through WRI Aqueduct and the Environmental Management System (EMS). We keep an eye on legislative movements all the time according to the process of EMS to ensure we can act proactively before enforcement of new legislation. Also, being a member of Business Alliance for Water and Climate Change, we obtain information about initiatives to address regional-level water risks.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	In the event our product manufacturing facilities and data centers are hit by a water-related disaster or other type of disaster, we are at risk of experiencing delays in providing customers with products, physical damage to their IT system devices and information system failures in data centers. Moreover, in the event the amount of cooling water in the data center is short due to drought, etc., we are at risk of suspending services. This may lead to a loss of trust triggered by decreased service functionality and ultimately leading to bearing liability. Therefore, we first run a screening assessment on drought and flooding risks through WRI Aqueduct in order to know the occurrence risks of natural disasters in each of our locations. Regions evaluated as having particularly high risks of flooding are further assessed about their risks by surveying hazard maps issued by local governments and plan countermeasures accordingly. However, without regard to WRI assessment results, all data centers run detailed assessments and plan countermeasures accordingly based on hazard maps issued by municipalities, etc. We also run engagement activities to our customers by thoroughly communicating these risk assessment results during meetings. Data centers roll out engagement activities with customers such as through disclosing assessment and authentication (CASBEE)* results on the environmental consciousness of buildings, including water usage, on open websites. *Comprehensive Assessment System for Built Environment Efficiency
Employees	Relevant, always included	Regarding the Fujitsu Group's Health and Safety Policy, the Fujitsu Group regards ensuring the health and safety of employees as one of its most important management topics, and places the highest priority on "protecting health and safety both in mind and body" in all of its business activities. The Company recognizes that protecting the health and safety of its employees is part of its corporate responsibility, considering the occurrence of employee health problems due to inadequate management of drinking water and the occurrence of problems with employees' physical and mental health resulting from failure to deal with an unsanitary water environment as risks. In addition, the increase in our employees' water usage risk cost increases. In terms of water quality, Fujitsu monitors on an annual basis whether the water safety standards (residual chlorine, pH, coliform bacteria, etc.) stipulated by law are met at all business sites where water is withdrawn from the waterworks bureau, stored in on-site storage tanks, and then supplied, in accordance with laws and regulations. For water usage, each facility assesses risks through the Environmental Management System based on ISO14001. Posters encouraging water conservation are posted in offices and engagement activities designed to reduce water usage are implemented accordingly.
Investors	Relevant, always included	At the Fujitsu Group, there have been more investments from investors who run ESG-conscious, passive management. These investors tend to place emphasis on the disclosure of ESG-related information, including water-related risks and climate change. Thus, appropriate disclosure of information, such as water-associated risk assessment on businesses and current water usage status, is gaining importance. Although water is indispensable as it is used for washing water in manufacturing locations and as cooling water in data centers, funding from investors may slow down if water-related risks in such locations were not correctly disclosed and revealed as such. Fujitsu discloses information on latent risks pertaining to water. For example, in the securities report for fiscal 2020, we have indicated "Risks of occurrences of earthquakes, floods, fires, demonstrations, operational mistakes, etc. in institutions such as domestic and overseas plants, factories, data centers", and also striving to disclose latent risks through this CDP (Carbon Disclosure Program). We have also been holding an ESG briefing every year since FY2015 in an effort to provide information to our investors.
Local communities	Relevant, always included	In the event facilities discharge water that does not fulfill quality standards stipulated in laws and regulations, conflicts may arise with stakeholders such as local residents near the rivers. Consequently, the company will be at risk of reputational loss and facing operational suspension. For example, Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan respectively, there are more stakeholders who will be affected by wastewater than in other areas, Therefore, we set in-house standards which are stricter than legal restrictions, based on the ISO14001-based Environmental Management System and the information we have obtained from the on-site audits in each facility based on the system; and the quality is controlled by the person in charge of pollution prevention in each facility. For example, as for Akashi Plant, we consult with local governments to establish voluntary control levels which are stricter than legal standards regarding SS (Suspended Solids), which contribute to water pollution, total nitrogen and phosphorus which cause eutrophication. Based on the levels, we monitor the quality of water discharges regularly and report it to these local governments who has access to communicate to local communities as an authority of the basin. In addition, at branches, employees participate in river cleaning activities to build engagement with local communities.
NGOs	Relevant, always included	In the event facilities discharge water that does not fulfill quality standards stipulated in laws and regulations, conflicts with NGOs involved in conservation of peripheral river basin and marine environment may occur. Consequently, the company will be at risk of reputational loss and facing operational suspension. For example, Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan respectively, there are more stakeholders including NGOs protecting the basin and their activity will be affected by wastewater than in other areas, which may cause risks of conflicts with them. Therefore, we set in-house standards which are stricter than legal restrictions, based on the ISO14001-based Environmental Management System and the information we have obtained from the on-site audits in each facility based on the system; and the quality is controlled by the person in charge of pollution prevention in the facility. For example, as for Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan, where there are more stakeholders who will be affected by water than in other areas, we consult with local governments to establish voluntary control levels which are stricter than legal standards regarding SS (Suspended Solids) which contribute to water pollution, total nitrogen and phosphorus which cause eutrophication. Based on the levels, we monitor the quality of water discharges regularly and report it to these local governments who has access to communicate to NGOs involved in the protection of the basins or the sea as an authority of the basin. A website that presents Fujitsu's water quality improvement efforts is also available to the public. In addition, at branches, employees participate in river cleaning activities together with NGOs to deepen trust.
Other water users at a basin/catchment level	Relevant, always included	If our facilities discharge wastewater that exceeds the water quality level established by law, it may cause a conflict with other water users in the regions including those engaging in fishery in the river basins or the sea to which the wastewater is discharged. This is included in Fujitsu's risk assessment to avoid conflicts with other water users of the community. For example, Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan respectively, other water users will be affected by wastewater than in other areas, which may cause risks of conflicts. Therefore, we set in-house standards which are stricter than legal restrictions, based on the ISO14001-based Environmental Management System and the information we have obtained from the on-site audits in each facility based on the system; and the quality is controlled by in-house administrators in charge of pollution prevention. For example, as for Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan, where there are more stakeholders who will be affected by water than in other areas, we consult with local governments to establish voluntary control levels which are stricter than legal standards regarding SS (suspended solids) which contribute to water pollution, total nitrogen and phosphorus which cause eutrophication. Based on the levels, we monitor the quality of water discharges regularly and report it to these local governments who has access to communicate to other water users as an authority of the basin. A website that presents Fujitsu's water quality improvement efforts is also available to the public. In addition, at branches, employees participate in river cleaning activities to build engagement with other water users of the community.
Regulators	Relevant, always included	There is a risk of a violation of the law from the regulators and loss of credibility from customers and/or investors to our company, if the standard value specified by the regulators (local government) is exceeded. In particular, areas facing the Seto Inland Sea, which is a closed water body, have stricter wastewater SS (suspended solids) than other areas. This puts companies that lack proper management more at risk of violations. Therefore, we place emphasis on the management of wastewater quality at the facilities in accordance with the regulations prescribed by regulators (local governments), and we conduct dialogues with them and monitoring trends of legal regulations at each facility. And through on-site audits at each facility based on Environmental Management System (EMS) along with ISO 14001, we continuously evaluate the compliance with laws at each facilities. In addition, referring to the information obtained from on-the-spot audits of each facility based on EMS, internal standards that are stricter than laws are set, and its management is carried out by pollution control managers in the facility. As for engagement, for example, the Akashi Plant, which discharges water through the Akane River into the Seto Inland Sea, a closed water body, has consulted with the local government and set agreed values for suspended solids (SS), which cause water pollution, that are stricter than the legal standard values. The water quality of discharges is regularly monitored by the in-house pollution control manager and reported to the local government. In addition, a website that presents Fujitsu's water quality improvement efforts is also available to the public.
River basin management authorities	Relevant, always included	River basin management authorities are local governments, which are also regulators. There is a risk of a violation of the law from the authorities and loss of credibility from customers and/or investors to our company, if the standard value specified by the authorities is exceeded. In particular, Akashi, Hyogo, where discharges from the Akashi Plant flows into a closed water body via the Akane River, has stricter wastewater SS (suspended solids) standards than other areas. This puts companies that lack proper management more at risk of violations. Therefore, we place emphasis on the management of wastewater quality at the facilities in accordance with the regulations prescribed by authorities, and we conduct dialogues with them and monitoring trends of legal regulations at each facility. And through on-site audits at each facility based on EMS along with ISO 14001, we continuously implement evaluations of the compliance. In addition, referring to the information obtained from on-the-spot audits of each facility based on EMS, internal standards that are stricter than laws are set, and its management is carried out by pollution control managers in the facility. As for engagement, for example, the Akashi Plant, which discharges water through the Akane River into the Seto Inland Sea, a closed water body, has consulted with the local government and set agreed values for suspended solids (SS), which cause water pollution, that are stricter than the legal standard values. The water quality of discharges is regularly monitored by the in-house pollution control manager and reported to the local government.
Statutory special interest groups at a local level	Relevant, always included	If our facilities discharge wastewater that exceeds the water quality level established by law, it may cause a conflict with other special interest groups in the regions including fishery cooperatives working in the river basins or the sea to which the wastewater is discharged. For example, Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan respectively, more stakeholders including fishery cooperatives are exposed to the influence of wastewater than in other areas, which may cause risks of conflicts with them. Therefore, we set in-house standards which are stricter than legal restrictions, based on the ISO14001-based Environmental Management System and the information we have obtained from the on-site audits in each facility based on the system; and the quality is controlled by in-house administrators in charge of pollution prevention. For example, as for Akashi Plant which discharge water to closed water areas, namely, the Inland Sea of Japan, where there are more stakeholders who will be affected by water than in other areas, we consult with local governments to establish voluntary control levels which are stricter than legal standards regarding SS (Suspended Solids) which contribute to water pollution. Based on the levels, we monitor the quality of water discharges regularly and report it to these local governments who has communication access to fishery cooperatives as an authority of the basin. In addition, our key facilities publish environmental reports on data pertaining to environmental burden, including water, and details on addressing water issues and roll out engagement activities with local organizations.

	Relevance & inclusion	Please explain
Suppliers	Relevant, always included	Our business may be affected when factory operations of supply sources are suspended due to natural disasters such as tsunami, flooding and heavy rain. To avoid such risks, suppliers are subject to risk assessment. For example, when the Chao Phraya River in Thailand overflowed its banks in 2011, the factories in the supply sources ceased operations, with the impact towards business calculated as a reduction of 28 billion yen in sales (including a decrease in revenue associated with reviews of production plans and sales plans due to floods, trial calculation of rough impact values such as cost increases, etc., delay in parts procurement and price increase, impact values caused by production adjustment of clients). In order to avoid such risks of supply chain disruption due to natural disasters such as tsunami, flood, and heavy rainfall, for products suppliers from which procurement of at least 6 million yen a year is made, their business continuity systems against water-related risk such as tsunami, flood, and heavy rainfall are examined and assessed every fiscal year, and preparations are in place to minimize the impact on our business, including multi-source utilization, utilizing a list of suppliers compiling their base locations and emergency contacts, investigating the situations of suppliers in the case of unexpected emergencies, and determining the possibility of securing necessary items and using replacements from other companies and the necessity of transferring production lines, etc. Based on their responses collected, an assessment is made in Fujitsu to review business terms and send forth letters of appreciations to suppliers. Furthermore, Fujitsu participates in the CDP Water Supply Chain program to survey supplier initiatives and potential water-related risks.
Water utilities at a local level	Relevant, always included	Since the semiconductor plants (a part of Aizuwakamatsu Plant) use large quantities of high-quality pure water, the quality of the water supplied from water utilities at a local level may not meet the pure water standards of the semiconductor plants. In such a case, it becomes impossible to accept water supply. This is included in our risk assessment because it may impact product supply. For example, in one case, the Aizu Wakamatsu Plant stopped receiving water for several hours because the turbidity exceeded the Company's standards in FT testing. In this case, although it was able to avoid a big impact on the production plan, there is anticipated a risk that a situation where a big impact is given on the production plan will occur in the future. Furthermore, with reference to the information obtained from on-the-spot audit of each facility based on the Environmental Management System along with ISO 14001, we set the internal water quality standard values (PH, water temperature, conductivity, FT Test) with respect to the pure water supplied from water utilities at local, and carried out monitoring on a daily basis. Based on these risk assessment results, we continue to maintain communication with local governments, who are the communities' water suppliers. Furthermore, for water quality, in the event the quality of wastewater worsens and violates laws and regulations, Fujitsu is at risk of reputational loss and facing operational suspensions. Through the Environmental Management System based on ISO14001 and information obtained through on-site auditing of facilities using this system, Fujitsu sets internal standards that are stricter than laws and regulations, with pollution prevention advisors in the company responsible for their management. This operational management enables Fujitsu to respond appropriately to irregular on-site inspections by local governments and to conduct two-way engagement.
Other stakeholder, please specify	Not considered	Not considered

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

We identify water and assess water-associated risks pertaining to direct operations and the supply chain by using tools. For direct operations, we assess our production bases across the world on their compliance with laws, responses to stakeholders, progress on goals pertaining to water, and other matters, through the Environmental Management System based on ISO14001 and on-site audits of facilities. In addition, in order to secure 72-hour operations at data centers in the event of a blackout and water supply disruption, we have been using regional government databases to assess risks pertaining to water supply and disasters during all data center construction since 2013. Furthermore, we will utilize WRI Aqueduct to assess physical and reputational risks moving forward across all 55 locations with the purpose of identifying water-related stress points.

For the supply chain, we have been incorporating the internal company method since 2013 to collect and analyze information on annual water usage, efforts on using sustainable water sources and collaborations with external organizations for our key first suppliers (accounting for approximately 80% of our procurement value) and reflect the results on our assessment of suppliers. In addition, to suppliers, we have been introducing the importance of evaluating water-related risks and public evaluation tools. We also have been conducting annual on-site audits based on RBA's code of conduct since FY2015. Here, we survey applicable first suppliers' efforts on preventing wastewater and water pollution whom we selected based on water pollution risk assessment of regions, procurement history and other evaluation results. And as a part of our enterprise risk management, Fujitsu conducts business continuity surveys on natural disasters, including water-related disasters, for our suppliers in the manufacturing industry (accounting for about 86% of our procurement value) every year through using JEITA's standard survey form in order to identify suppliers at risk against natural disasters and minimize the risks to our business. In order to roll out approaches to our second suppliers through first suppliers, we are currently focusing on reaching out to our first suppliers.

The risks identified through the process of identifying and evaluating these risks are reported to the Risk Compliance Committee chaired by the President. Based on this information, decisions on damage minimization and recurrence prevention measures are made, taking into account the qualitative and monetary impact of the risk and its probability of occurrence.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Risk and Compliance Committee, established under the board to manage important risks, define a measurement method of "risk amount" (substantive change) related to both direct operation and supply chain, as at "Risk Amount = Influence degree x possibility of occurrence". The "impact level" is assessed on a level of 1 through 5 with the two indicators of "loss of trust" and "monetary damages including decrease in sales" that occurred due to an inability to continue business. The "probability of occurrence" is assessed on a level of 1 through 5 based on the number of occurrences within a fixed period.

Qualitative impact is assessed between 5 levels, such as a level stating "Has impact on the Fujitsu Group's continuity." Monetary impact is also assessed between 5 levels, such as "more than 100 billion JPY." The 5 levels of assessment for "probability of occurrence" include "Likely to occur (occurs several times a year)." Each of the items will be assessed as possessing "substantive financial or strategic impact on our business" if each of the levels multiplied by the "risk quantity" is equal to or greater than the threshold of 15.

This applies to both direct operation and the direct supply chain. In the case of direct operation, for example, in a printed circuit board or semiconductor plant (Takaoka Plant, Wakaho Plant, Aizu-Wakamatsu Plant, etc.), if groundwater or water is limited by 10% for a month due to a decrease in the water level of the water source dam, the financial impact of the expected production decrease is estimated to be several 1 billion yen. Based on the fact that such restriction of water intake has not occurred since the establishment of the plant until now, it is assumed that it will occur at a level of once in 30 years. These assumptions are evaluated on a scale of 5, and given the "amount of risk" results to less than 15, they are not evaluated as having a "substantial financial or strategic impact".

As an example of the supply chain, when the Chao Phraya River in Thailand overflowed its banks in 2011, the factories in the supply sources stopped their operations, which affected our businesses. This impact was calculated as a reduction of 28 billion yen in sales (including a decrease in revenue associated with reviews of production plans and sales plans due to floods, trial calculation of rough impact values such as cost increases etc., delay in parts procurement and price increase, impact values caused by production adjustment of clients). We assume that flood damage of the same level occurs at a level of once a decade. The financial impact and the frequency of occurrence are evaluated on a scale of 1 to 5, and results in an "amount of risk" of less than 15. Therefore, flood damage comparable to the flood in Thailand is not evaluated as having a "substantial financial or strategic impact".

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Since a large volume of water is used to manufacture substrates of semiconductors and printed circuit boards, and stable water supply is needed to ensure providing data center service for 24/365 where overheating of IT equipment is avoided by cooling towers, the events where the pure water withdrawal is limited can bring a substantive impacts. At present, however, substantive impacts can be avoided because the following assessments and risk management have been undertaken. For all 55 sites including high water dependent facilities such as Aizuwakamatsu Plant (semiconductors), Oyama Plant, Takaoka Plant, Wakaho Plant, Arai Plant (printed circuit boards), Akashi Facility, Tatebayashi Facility (data center with cooling towers) assessments are conducted on legal compliance, responses to stakeholders, and the status of water management activities every year through internal audits based on ISO 14001. We also conduct the risk assessment by WRI Aqueduct for all 55 sites and we found that the scores for 15 sites exceed the threshold as water stress area located. However, all of which are sales offices or assembly plants with low degree of dependency on water. The scores for the sites with high dependency did not exceed the threshold except Akashi Facility. We conduct future detailed investigations for it and found substantive impacts can be avoided. For all data centers including Akashi and Tatebayashi Facility, flood and drought risk are assessed for ensuring 72-hour operation in case of water supply interruption, using databases provided by the governments and measures to avoid risks were taken. As we are shifting our core business from highly water dependent manufacturing to less water dependent IT services based on our business strategy, substantive impacts are not anticipated in the future as well.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Since our supplier of substrate for semiconductors use large volumes of water, events where water supply is limited can lead to procurement risk and substantive impact on sales. For instance, in Taiwan water source contamination from gallium, indium, and arsenic in 2006, causing significant impacts on semiconductor suppliers depending on high-quality pure water that led loss of sales, and in Thailand floods in 2011 which hit 80 sites of our suppliers including semiconductor parts. Furthermore, suppliers imposing excessive loads on water basin through water consumption and discharge can be a risk of losing credibility from our customers and other stakeholders. However, that substantive impacts from these risks can be avoided because the following assessments and measures have been undertaken. We assess environmental engagement of suppliers through the annual survey where "the major business partners (5% of total suppliers, 80% of total procurement costs)" related to our main products are asked to answer their engagements. In the survey, information is collected and analysed on the annual water intake, the state of efforts on the sustainable use of water resources, and cooperation with external organizations, and the results are reflected in the evaluation of suppliers. And we request improvements if necessary. We also carry out annually on-the-spot audits based on the Code of Conduct of RBA to complement the survey from FY2015. Of our main suppliers, companies were selected based on the risk of water source pollution, procurement results, and other evaluation results. Fujitsu conducted a survey on measures to prevent wastewater and water source pollution, and provides guidance to suppliers with insufficient systems. And we point out issues and encourage countermeasures. According to survey results to date, no water-related risks, including outflow pollution, have been identified. (In fiscal 2019, the survey was conducted at three companies. However, in FY2020, on-site audits were not conducted in response to the pandemic.) We also conduct a business continuity survey against natural disasters including water disasters every year, for product suppliers (86% of total procurement) through the standard form of JEITA. For suppliers deemed to have a high risk, we take measures to minimize it. A list of suppliers' sites locations and emergency contacts is managed to avoid impacts in the case of unexpected events.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

The cleaning of semiconductors and printed circuit boards requires significant water usage and accounts for a considerable portion of production costs in each plant. Therefore, the cutting down of water withdrawal leads to cost reduction and hence is a strategic business opportunity. With that said, the Environmental Action Plan has set goals for water intake and improvements on the manufacturing process, including the reuse of pure water, are in effect at each plant. During the Environmental Action Plan IX period from 2019 to 2020, a reduction of approximately 180,000 m3 of water intake was achieved, and there was an opportunity for a calculated reduction of approximately 45 million yen in water intake costs. For example, our group company Shinko Electric Industries that manufactures printed circuit boards and our Aizuwakamatsu plant that manufactures semiconductors use massive loads of water during the cleaning processes and have hence set targets for water withdrawal. At Shinko Electric Industries, an approximately 102,000 m3 reduction was achieved through a review of manufacturing conditions, optimization of equipment flow rates, and reduction of washing water, and there was an opportunity for a calculated reduction of approximately 25.5 million yen in water intake costs.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

45000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

The amount of water intake reduced for FY2020 during the Fujitsu Group Environmental Action Plan Stage IX was 102,000m3. This equates to approximately 25.5 million yen in cost reduction when the unit price (average water rates for typical plants) is multiplied. Although we estimated approximately 45 million yen in cost reduction effects through reaching the reduction of 180,000 m3 in the Environmental Action Plan IX (2 years) . The cost reduction effect was estimated by multiplying the average water charge by the actual water consumption reduction.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	As a company-wide policy, the Fujitsu Group is implementing the Fujitsu Way, including "Purpose" which is the significance of the Company's presence in society. We are also implementing the Fujitsu Way in our environmental policy with the aim of contributing to global sustainability, including addressing water issues. In regard to the direct use of water, we recognize that it poses a risk that may impact on the continuity of our business particularly for manufacturing because it uses significant volumes of water. Therefore, we evaluate businesses' dependency on water and its impact and set goals toward reducing water intake in our Environmental Action Plan. In regard to the indirect use of water, we also encourage our suppliers to promote sustainable usage of water resources in our Green Procurement Standards for their cooperation towards contributing to sustainability and deepening their knowledge on this issue. We have also announced our support for the global initiative to further commit towards achieving sustainability. In addition, we have cited our support towards achieving SDGs through ICT in the Fujitsu Technology and Service Vision. Given the heightened risks pertaining to water intake through water-related disasters and drought for our customers, including our key customers in the public sector, we are working to provide ICT that helps resolve such water-related issues. In the Fujitsu Group Policy on Respecting Human Rights in Employment, the Group's efforts toward developing a comfortable work environment that takes into consideration for its employees' safety and health are cited and also it mentions matters pertaining to water usage. Business Alliance for Water and Climate.pdf http://www.fujitsu.com/actionplan .pdf http://www.fujitsu.com/sdg .pdf http://www.fujitsu.com/policy .pdf http://www.fujitsu.com/greenprocurement .pdf http://www.fujitsu.com/waterused .pdf fujitsu-technology-and-service-vision-en .pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	The CEO chairs the Risk Management and Compliance Committee to identify and prevent important risks in our business, including risks of water-related disasters and of reputation risks by failure on controlling waste water quality, and responds to the impacts by appointing the person responsible for executing measures. He takes the position because it handles high priority corporate issues for whole Group. The CEO also chairs "the Sustainability Management Committee" to discuss med/long-term issues and formulates the policies for reducing water withdrawal and engagement to suppliers and customers. The CEO takes the position to make decisions from diversified points of view such as business strategy, market opportunities, and supplier management. He is also responsible for reporting to the Board after deliberating them at the Management Council. For example, in the Environmental Action Plan X (2021 ~ 2022), the target of "Reduction of water consumption (Reduce water consumption by 30,000 m3 or more in two years)" was decided in FY 2020.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives Other, please specify (Review supply chain management strategy)	The governance mechanisms selected are conducted in the Committees chaired by the president and Representative Director, the CEO, who is granted decision-making powers in business execution to the extent deemed appropriate by the Board, briefs the Board on the outcome of these Committees such as; the risk identified and its management policies including the risks of water-related disasters in the Risk Management and Compliance Committee, and policies and strategies of use of water reductions, water pollution prevention, supplier engagement, and research and development and provisions of solutions towards SDGs including water issues in the Sustainability Management Committee. Furthermore, the CEO briefs the Board of the business strategies and divestiture of relatively high water dependent businesses including semiconductor manufacturing, the results of the "President's Award", which is the highest level employee incentive system within the company to commend efforts that gained valuable achievements in a wide range of business activities and technology development that response to water issues. The CEO briefs in particular Outside Directors on the Board to receive their feedback including challenges to be addressed. For example, they pointed out enforcement of communication to raise awareness on what Fujitsu has achieved, and business strategy to put company resources on targeted markets in SDGs.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The CEO chairs the Risk Management and Compliance Committee, established directly under the Board, to identify and prevents important risks in our business, including risks of water-related disasters, and respond to the impacts by appointing the person responsible for executing measures, and he report the outcome of the Committee to the Board twice a year. The CEO also chairs the Sustainability Management Committee to discuss med/long-term issues and formulates the policies for reducing fresh water withdrawal and engagement to suppliers and customers. The CEO takes the position to make decisions from diversified points of view such as business strategy, market opportunities, and supplier management and so on. He is also responsible for reporting to the Board after deliberating them at the Management Council. CEO's outcome is reported to the Board as well, mainly to external board members to receive their feedback from the point of view out of Fujitsu.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Reduction in consumption volumes	The "Reduction in consumption volumes" indicator is a part of the Environmental Action Plan Stage IX, a short-term target for FY2019 to 2020 ("Reduce total water usage by 1% compared to FY2017"). The achievement of the targets set in the Environmental Action Plan is pivotal when promoting the company's reduction of environmental burden, and the results are reflected in the monetary compensation for Chief Sustainability Officer (CSO).
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	There are no incentives other than monetary compensation.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Environmental department oversees group's environmental management engage in lobbying activities, and also ensure consistency with the group's strategy by following procedures. Our Environmental Action Plan defines the objectives and targets regarding dependency on water resources, their impact on business and reduction of water use. All employees including government affairs divisions are provided the training opportunity through e-learning. Environmental department also monitor national policy and risks for our business and contacts relative department to review the response to be taken by the company and work on policies as necessary. As for local policies, the general affairs division of each site constantly monitors the regulatory trends in regions, for instance, by attending briefings of the local government. When the regulations are changed, the changes are reflected in the in-house standard. Also, an annual audit of all sites is carried out based on ISO14001 to check the local law. In the event an inconsistency between government policies and our activities has been identified, we will immediately implement corrective measures. In addition, if there is reasonable ground to change a government policy, we will reach out to the government (Ministry of the Environment, etc.) ourselves or through an industrial association (JEITA, Japan Electronics and Information Technology Industries Association etc.) by submitting public comments, written opinions, etc.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

fujitsu_yukashokenreport2020.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	As an Executive Committee member of the WBCSD, Fujitsu worked on revising the WBCSB's long-term vision "Vision 2050" and took part in developing "Vision 2050: Time to Transform." "Vision 2050: Time to Transform" sets a shared vision of a world in which more than nine billion people are able to live well within the Earth's limits by 2050, in response to three key global challenges: climate change, destruction of the natural environment, and rising inequality. This vision includes areas of business activities essential to society, including water-related issues. This vision is consistent with Fujitsu's Purpose, "to make the world more sustainable by building trust in society through innovation," which is also one of Fujitsu's long-term goals. Fujitsu will help to achieve this vision by leveraging its unique ICT. For example, technologies such as high-performance computers and artificial intelligence enable strategic urban planning and efficient disaster response planning based on natural-disaster simulations. The Company will also contribute to creating safe and secure cities resistant to floods and other water-related disasters.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	The Fujitsu Group has set "Co-creation in an ecosystem" as one of its strategies to achieve the visions laid out in "Vision 2050: Time to Transform." By forming an ecosystem of companies and organizations that transcends industry boundaries, the Company aims to co-create social values and guide solutions to overcome challenging social issues. Fujitsu is working on ecosystem-based businesses by combining insights and experience in specialized fields possessed by various companies and academic research institutions with its insights and experience in digital technology. For the water issue, we include disaster preventions toward extraordinary natural disasters, including flooding caused by extreme weather, as an area that we can potentially generate greater values by utilizing Fujitsu Group's core business of digital technologies (High performance computing technologies, AI, Cloud, etc.) through our attainment of "Co-creation in an ecosystem". Given that we have always taken part in building social infrastructure since our founding, we need strategies and partnerships that eye long-term goals. For example, United Nations Development Programme, International Research Institute for Disaster Science of Tohoku University, and we have established a partnership aimed at achieving seven targets by 2030 set (SDGs 11.b) in the Sendai Framework for Disaster Risk Reduction 2015-2030. We support the establishment and operation of global database.
Financial planning	Yes, water-related issues are integrated	21-30	The business opportunities for resolving "Vision 2050 : Time to Transform"-derived social issues are integrated. For water-related issues, disaster prevention measures for flooding and other consequences of extreme weather have been integrated. In attaining "Co-creation in an ecosystem", we believe extensive partnerships with other organizations, including international institutions, governments, corporations and NGOs will create, if not maximize, social values of larger scale. Therefore, water-related issues are reflected in financial planning as investments toward establishing partnerships and for developing new technologies for quickly finding optimal solutions from massive amounts of data (quantum computing technologies, AI) to solve the social issues containing complex factors. For instance, UNDP, etc. and the Fujitsu Group have reflected the budget for designing and building database on disasters, including floods due to abnormal weather, in the financial planning to establish a partnership toward achieving seven targets by 2030 set in the Sendai Framework for Disaster Risk Reduction 2015-2030, which is included in Target 11.b of SDGs 11. The reason the time horizon of "21 to 30 years" was selected is that the Company perceives the solving of social issues derived from "Vision 2050: Time to Transform" as a new business opportunity made possible by "Co-creation in an ecosystem" using Fujitsu's digital technology, and views the year 2050 as a milestone.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

-41

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

5

Anticipated forward trend for OPEX (+/- % change)

-1

Please explain

In fiscal 2020, we invested in the expansion of wastewater treatment facilities, but capital investment decreased significantly due to a decrease in large-scale investment in the expansion of other wastewater treatment facilities implemented in the previous fiscal year. From the next fiscal year onward, investment and operating expenses are expected to remain the same or gradually decrease as the Fujitsu Group's business environment gradually shifts from manufacturing to IT services.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We examine whether to adopt internal water pricing, considering the possibility of a rise in water prices in the countries where our bases are located, especially in Asian countries.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	The Fujitsu Group positions the environmental conservation as one of its utmost priorities in management and has established the Fujitsu Group Environmental Policy to promote the environmental management that reflects the Group's uniqueness. According to the Environmental Action Plan, a 2-year environmental action plan that stipulates the Fujitsu Group's objectives and goals toward key environmental issues was formulated in the Sustainability Management Committee led by the CEO, and then reported and approved in the Management Council and Board. Water-related targets are set based on analysis conducted by facilities that forecast water usage. Specifically, each facility identifies its current and forecasted dependence on water and analyses forecast figures for water usage based on production plans. The target water usage levels based on these analysis results are then gathered by the department responsible for the environment to draft water-related goals. As for company-wide level activities targeting offices, etc., reduction of water consumption leads to cost reduction, and therefore target setting and reduction activities are required in the environmental management system based on ISO 14001. The proposed goals are then deliberated in the Sustainability Management Committee led by the CEO and set officially as goals if approved.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Following the Fujitsu Group Environmental Action Plan, which promotes environmental management, we develop the Fujitsu Group Environmental Action Plan Stage IX in the Sustainability Management Committee chaired by the CEO and it is approved by and reported to the Management Council and the Board. Regarding water resources, we set a goal of reducing the environmental loads of our business activities and a target of a reduction in water withdrawals by 83,000 m3 in total (from FY2019 to FY2020) compare to 2017. The target unit for the amount of water intake at factories is set as the amount of water intake reduction (m3) based on the amount of water intake in fiscal 2017, which is the latest data at the time of the formulation of the action plan. In 2020, the Environmental Action Plan Stage X (FY2021-FY2022) was formulated, including the goal to "reduce water usage by 30,000 kiloliters or more by implementing water-resource conservation measures."

Quantitative metric

Absolute reduction in total water withdrawals

Baseline year

2017

Start year

2019

Target year

2020

% of target achieved

100

Please explain

The target of 83,000 m3 set in the Ninth Environmental Action Plan (2019 – 2020) was exceeded by 102,000 m3 in FY 2020. The total reduction during the planning period (2 years) was 180,000 m3. The progress rate was 217%, which was a significant achievement.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Engagement with suppliers to help them improve water stewardship

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

The action guideline for the Fujitsu Group Environmental Policy that promotes the environmental management at Fujitsu aims to reduce environmental burden across all life cycles of ICT products and solutions, and focuses on involving the entire supply chain to reduce environmental burden, including water-related impact. This goal is important for Fujitsu due to following two reasons. At first, this is based on the estimation that suppliers' environmental impact from water usage is about 10 times larger than that of Fujitsu's. Secondly the water-related risks of our suppliers that spread across the globe are diverse and range from drought, flooding and deteriorating quality. It is crucial to roll out engagement activities that maintain communication with suppliers on our environmental impact reduction initiatives. The "Green Procurement Standard" has been established to reduce the environmental burden during procurement on a companywide level, and Fujitsu requires all suppliers to conserve water resources such as through reducing water usage. We require all our suppliers to work on conserving water resources, including reducing water usage. The top 80% of the suppliers in terms of annual procurement value and suppliers involved in our core products, we conduct surveys on their environmental activities such as annual water intake and water resource conservation (water intake reduction, water pollution prevention, etc.) and encourage proactive efforts as "key suppliers."

Baseline year

2018

Start year

2019

End year

2020

Progress

From FY 2019, in order to assess progress, the Company has used the "survey response rate of major suppliers (suppliers that account for the top 80% of annual procurement and suppliers pertaining to the Company's mainstay products)" as an indicator and has set a target of "response rate of 90% or more" for each fiscal year. The recovery rate in FY2019 and FY2020 was 100%, and the goal has been achieved. In addition, from FY2019, we have been disclosing educational materials intended to promote water-related risk analysis for suppliers and are working towards improving our water stewardship to enforce our initiatives on conserving water resources. We will continue these efforts in fiscal 2021 and beyond.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

In progress

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Representative Director President (CEO)	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes