# Environmental and Social Contribution Activities Underpin Our Commitment to Responsible Corporate Citizenship

Fujitsu engages in a wide variety of social contribution activities that aim to enrich peoples' lives, both in their relations with one another and with the world at large. To help cultivate tomorrow's business leaders, we are supporting education, academic research and international exchange programs. In addition, we are actively carrying out an extensive range of environmental protection activities.

By quantifying costs and benefits, the Fujitsu Environmental Accounting System helps us maximize the effectiveness of our environmental investments. Our environmental protection activities and investments will be continued on a long-term basis in tandem with a comprehensive public information program.

# Environmental Accounting



Note: Costs are based on the Environmental Protection Agency's " Guidelines for Understanding and Publicizing the Costs of Environmental Protection." Benefits are determined according to Fujitsu's " Guidelines for Environmental Accounting."

# Breakdown of Environmental Costs and Benefits: Fiscal 1998

Costs ¥15.0 billion			Fujits	u Major Subsidiaries	<sup>5</sup> (¥ Billion)
Direct Costs: Environmental protection to maintain production activities			4.2	3.5	7.7
Indirect Costs: Environmental promotion activities (personnel costs), obtaining ISO 14001 certification and maintenance expenses		1.1	1.5		2.6
Energy Conservation Costs: Energy conservation measures		0.8 0.1	100		0.9
Recycling Costs: Collection and remanufacturing of products 0.2		0.2			0.4
Waste processing		0.8 0.8	1000		1.6
Research and Development Costs: Development of environmentally sound products and environmental technologies		0.5 0.1			0.6
Costs for Public Information: Promotion of green spaces, creation of environmental reports and environmental publicity		0.3		1	0.5
Other: Costs for dealing with environmental risks, such as restoration of polluted soil and antidioxin measures		0.6 0.1	S. 1		0.7
			Fujitsu: 8.0	Major Subsidiaries: 7.0	Total: 15.0
Benefits ¥18.1 billion					(¥ Billion)
Environmental Protection Activities in Support of Production: Contribution of environmental protection activities to overall value added through production activities			3.7	2.3	6.0
Energy Conservation Cost Savings for Manufacturing Facilities: Reduction of expenses resulting from reduced use of electricity, oil and gas		0.6 0.3			0.9
	Sales of new products and reusable products utilizing recycled waste materials	0.5	2.9		3.4
Activities: recycled waste mate Cost reductions result waste materials	ting from decreased volume of	0.2 0.1			0.3
	Expenses avoided for facility operation losses due to nonobservance of legal restrictions Expenses avoided for resident indemnification and insurance covering groundwater pollution and dioxin countermeasures	1.8	1.4		3.2
Expenses avoided for		0.9 0.5			1.4
Environmental Business Activities: Contribution to sales by environmental business products (environmental safety data sheet management system for chemical substances, environmental monitoring systems, etc.)		0.5 0.3			0.8
Increased Efficiency of Environmental Activities: Cost reductions from decreased paper use and utilization of management systems		1.3	0.3		1.6
Environmental Education Activities: Cost benefits resulting from in-house education of environmental ISO system construction consultants and inspectors		0.2			0.5
			Fujitsu: 9.7	Major Subsidiaries: 8.4	Total: 18.1

Independent Opinion on 3. Optidoe "Environmental Cost and Effect" Information for the 1999 Annual Report (Your Endod Match 31, 1999) As a rough of our examination, the independent opinion of Ota Showa Environmental Management and Quality Research Institute is as follows: of Fights Limited In our cyloles, the procedures performed by the Company and the methods of sconnecting followed to the preparation of the "Environmental Cent and Effort" information included in the Company's Hoya annual response are presented foliely in conferently with Philms Limited's "Culdelines for Environmental Accounting." June 23, 1999 Natural Alderer President Fajina Limited Yesso Karthen Y. Kastadaraa Representive Director On Showa Revisionscend Management and Goality Rowards Invitate 1. Perpose and Scope of Neview We have reviewed the "Environmental Cost and Elloyr" information for the 1999 sensed report of Poplins Limited ("Poplins" in the "Company") and its principal absidiaries, propared and Eurobodyn on by the Company, who are responsible for its contents. The purpose of our review is to reports an opticion in the "Environmental Cost and Ellow" information, to validate the procedures portformed by the Company its collecting this data and to mente their the methods of accounting followed were in memberse with Poplins's "Could-laws for Environmental Accounting." 1. Procedures With the Company's constant, we conducted our toriew as follows: (1) We reviewed the postodness parliament by the Company and the methods of accounting followed in the preparation of the "Environmental Cast and Effect" information. (2) We compared the information presented in the "Environmental Cost and Effect" information in the respective supporting disconnects and verified the assumpt of the natural door. Fujitsu is the first Japanese (7) When doesnot receivary, we visided the Company's factories and a subsidiary and mode impairies of the individuals suppossible, conducted impections of the sites and reviewed the dociation-enaliting process at each facetion. company to receive independent certification in The professionals assigned to our review team included a certified environmental measurers, environmental management system auditors and settilised public respect to environmental accounting from the Ota occurrentance. Showa Environmental Management and Quality Research Institute.







#### We care for the Earth.

This environmental symbol, which uses the infinity mark from the Fujitsu logo in combination with images of the earth and a pair of watchful eyes, is intended to promote groupwide awareness of our environmental protection program. At the same time, it provides customers and the wider society a tangible indication of Fujitsu's commitment to protecting the earth's environment.

#### Green Product Assessment Standards

- Product recycling rate should exceed 75%
- Products should comply and be registered with the Energy Star Program
- Plastic components weighing more than 25g should display materials information
- 13 additional requirements

### FUJITSU'S ENVIRONMENTAL GUIDELINES AND OBJECTIVES

In July 1992, we established "Fujitsu's Commitment to the Environment," a statement of basic principles and conduct guidelines based on the fundamental philosophy of fully leveraging our resources as a technology creator to help harmonize human activity with the earth's environment. Following up and giving concrete shape to that initiative, we introduced our Second Environmental Protection Program in April 1996, which detailed a comprehensive range of measures and set several targets to be achieved by the end of fiscal 2000.

#### **Environmental Goals for Fiscal 2000**

- Establish and implement ISO-based environmental management systems in plants and offices, including development and service activities
- Attain a recycling rate of 90% for collected waste products
- Cut industrial waste materials output to 20% of fiscal 1991 levels
- Reduce chemical waste 20% from fiscal 1995 levels
- Lower electricity consumption as a ratio of net sales by 20% to 30% from fiscal 1990 levels

**Continued Progress in ISO Certification** By December 1997, all 11 of our domestic production bases had been awarded ISO 14001 certification, an international standard for environmental management systems. In February 1998, two of our development facilities were also so designated. Expanding efforts to include the manufacturing facilities of our principal domestic and overseas Group companies, a total of 39 domestic and 14 overseas bases had been awarded such certification as of the end of March 1999. In Asia, where the need to respond to environmental issues is particularly acute, all Fujitsu Group affiliates—with the exception of some recently constructed facilities—have obtained ISO 14001 certification. By the end of fiscal 2000, we intend to have achieved such certification at a total of 66 bases in Japan and 17 bases overseas.

Expanding Our Lineup of Environmentally Sound Products ≥ Our commitment to the environment includes a nationwide recycling program in Japan. During fiscal 1998, we collected approximately 8,000 tons of discarded products and achieved a recycling rate of 88%. In the area of product design and development, we have been promoting the development of environmentally sound products since fiscal 1993. In fiscal 1997, based on Germany's "Blue Angel" eco-mark, which denotes products that meet strict ecological standards, we established "Green Product" standards for our own product development efforts. Products developed according to these standards now bear Fujitsu's unique environmental symbol. As of the end of fiscal 1998, we had 45 types of Green Products, especially many of our personal computer models, and our goal is to eventually manufacture all products according to these demanding standards.

**Reducing Chemical Waste** At Fujitsu Computer Products of Vietnam, Inc. (FCV), which began operations in the summer of 1998, we introduced an innovative method for converting copper chloride produced in the metal plating process into copper oxide, a useful by-product. FCV is now exporting the copper oxide from this process to Japan, where it is used as a raw material for producing ferrite. The system has allowed the plant to reduce waste to 25% of previous levels. Global Environmental Protection Activities Protection Activities Recognizing early on the global impact of environmental problems, we have been working to implement activities to protect the earth's environment on a worldwide basis. In March 1996, Fujitsu received "The Grand Prize for the Environmental Award," and in September 1998, we decided to commemorate this award with a tree-planting project. Fifty thousand seedlings were planted in an area of approximately 50 hectares within Thailand's Kaeng Krachan National Park. Volunteers from Fujitsu (Thailand) Co., Ltd. collaborated in the planting.

Furthermore, during 1999 we plan to continue such tree-planting activities in a different region. Based on funds contributed by Fujitsu employees, we will cooperate with Fujitsu Computer Products of Vietnam in the regeneration of forests in Vietnam.

## SOCIAL CONTRIBUTION ACTIVITIES

**Cultivating Young Mathematical Talent** We provide support for the Mathematical Olympiad Foundation of Japan, which fosters mathematical creativity and promotes activities to discover mathematically gifted young people and help them further develop their abilities. The Foundation is responsible for selecting the Japanese representatives who participate in the International Mathematical Olympiad (IMO). Over the last nine years, more than 10,000 aspiring mathematicians have taken part in the Japanese Mathematical Olympiad and over 50 of these participants have been selected to represent their country at the IMO.

Supporting Education, Academic Research and International Exchange S A longstanding example of our efforts to help cultivate tomorrow's business leaders is our continuing support of the Japan-America Institute of Management Science (JAIMS), which we founded in Hawaii in 1972. JAIMS' mission is to contribute to the human and economic development of the Asia-Pacific region by educating and training managers to be effective leaders in an increasingly interdependent economy. To date, the institute has educated and trained more than 17,000 academic and seminar participants from over 50 countries.

In the same year that JAIMS was founded, we also established the Foundation for International Information Processing Education (FINIPED), which supports training in information processing for students from Japan and overseas. FINIPED subsidizes trainees and researchers who pursue excellence in their fields through exchanges and activities at JAIMS and universities around the world.

In 1985, the 50th anniversary of Fujitsu's establishment, we set up the Fujitsu Asia-Pacific Scholarship Program, whose mission is to provide opportunities for business people and students from the Asia-Pacific region to study the management styles and cultural values of the United States, Japan and China. Participants in the program acquire a broader outlook on their regional neighbors, accompanied by deeper mutual understanding—gains that will eventually benefit these individuals and their countries. Fujitsu bears all travel, living and education expenses.



Chairman Tadashi Sekizawa planting trees in Thailand's Kaeng Krachan National Park



Japan Mathematical Olympiad Awards Ceremony

#### International Mathematical Olympiad

Every summer, six high school students from each of the world's countries are selected to attend the IMO, in which participants pit their abilities against difficult mathematical problems. Promoting international relations and fostering mathematical creativity, the Olympiad was inaugurated in 1959 in Romania and will be held there again in 1999 to mark the 40th anniversary of the event. Japan is slated to host the IMO in 2003.



JAIMS trainees