

Global Responsible Business

- Compliance -

The Fujitsu Group recognizes the operation and maintenance of internal control system including compliance is one of the most important management issues, from the perspective of maintaining and improving corporate value. Therefore, we will ensure to keep entire organizations informed about the Fujitsu Way Code of Conduct.

Furthermore, in all our business activities, we shall be aware of and act with integrity on a higher level of corporate ethics respecting international and local standards.

Compliance

Goal

Long-term Goal to be achieved by FY2030

The Fujitsu Group, from the perspective of maintaining and improving corporate value, recognizes that the installation and operation of an internal control structure, which includes compliance, is one of the most important aspects of management. The Fujitsu Group will disseminate the Fujitsu Way Code of Conduct throughout the entire organization. Furthermore, the Fujitsu Group will be aware of a higher level of corporate ethics, which includes social norms in that scope, and act with integrity in all of its business activities.

- [↓ Policies and Structure for Implementation](#)
- [↓ Top Management Initiatives](#)
- [↓ Global Compliance Program](#)
- [↓ Initiatives for Security Export Controls](#)
- [↓ Our Approach to Tax Matters](#)
- [↓ FY 2018 Performance](#)

Policies and Structure for Implementation

At the Fujitsu Group, the Risk Management & Compliance Committee, which is operated under the direct control of the Board of Directors and headed by the President, is responsible for overseeing Group-wide compliance at the global level based on our Basic Policy for Establishing Internal Control (*1). Together with appointing a Chief Risk Management & Compliance Officer (CRCO) who is tasked with carrying out the Committee's compliance-related policies and decisions, the Committee established the Global Compliance Program. In cooperation with Region Risk Management & Compliance Committees, which have been established as subcommittees in each region, the Committee strives to raise Group-wide awareness of the Fujitsu Way Code of Conduct and achieve compliance with that Code.

The Risk Management & Compliance Committee and the Region Risk Management and Compliance Committees regularly verify the current operational status of the Global Compliance Program and file reports with the Board of Directors. Under the initiative and supervision of top management, these Committees implement and operate the internal company rules, training activities, and monitoring systems necessary for compliance with the laws and regulations that concerns the business activities of the Fujitsu Group.

*1 "Basic Policy for Establishing Internal Control" in Japan
[https://pr.fujitsu.com/jp/ir/report/2018/n119.pdf\(P.3-P.7\)](https://pr.fujitsu.com/jp/ir/report/2018/n119.pdf(P.3-P.7))

The Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct that all Fujitsu Group employees should abide by, shown on the right. Fujitsu has also refined the Fujitsu Way Code of Conduct, developed Global Business Standards (GBS) (*2) in 20 languages to serve as a guide on legally compliant behavior for all Fujitsu Group-affiliated employees around the world, and applies GBS uniformly across the Fujitsu Group.

*2 Global Business Standards
<https://www.fujitsu.com/global/about/philosophy/codeofconduct/gbs/>

FUJITSU Way

Code of Conduct

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

Top Management Initiatives

Top Management proactively and continuously expresses its intentions to strive for compliance through their measures such as transmitting messages to employees, and in doing so, Fujitsu puts the Fujitsu Way Code of Conduct and GBS into practice, and make them widespread across the entire Fujitsu Group.


After the antitrust matter in relation to transactions for communication equipment targeted at electric power companies the President himself sends repeated messages to all employees, declaring that Fujitsu will put an end to compliance violations, including bid rigging and forming cartels. Even overseas, regional heads and Group company top managers continuously send messages that explain the importance of compliance and corporate culture that has zero tolerance for illegality.

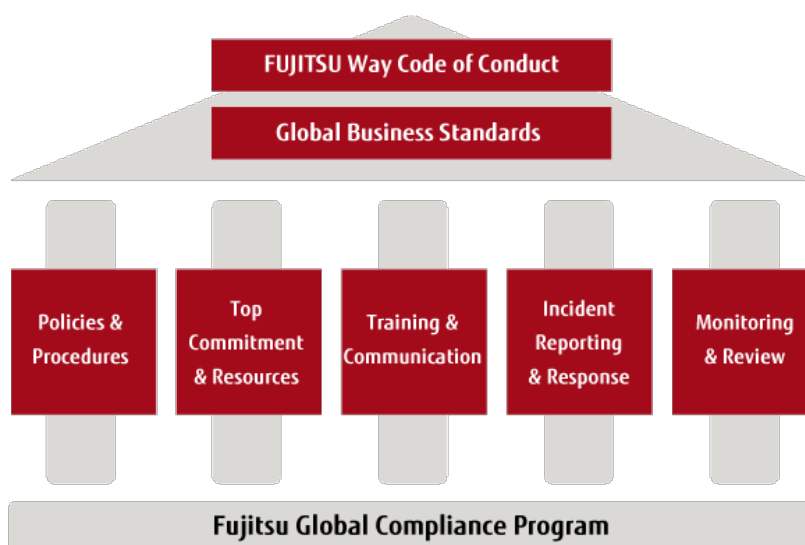
Furthermore, starting in December 2017, Fujitsu newly established the Fujitsu Compliance Week in accordance with International Anti-Corruption Day on December 9th, which is designated by the United Nations, and engages in measures like sending out simultaneous messages across the Fujitsu Group to encourage employees to think once again about compliance and to promote the discussion.

Global Compliance Program

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

When implementing the GCP, we establish internal Group rules and deploy an officer responsible for compliance activities to each region to secure the implementation structure. We also continuously provide employees with various forms of training, and aim to embed the Fujitsu Way Code of Conduct and GBS. In addition, we have established an internal whistleblower system(*3) in case of compliance issues, and in the event that compliance violations are discovered, employees are required to immediately report them to the Risk Management & Compliance section. We periodically verify the effectiveness of the GCP through measures such as risk assessment, audit, and reviews by external specialists, and continuously work towards improve the GCP.

 [See here \(PDF\) for more information about the promotion of the Global Compliance Program.](#)



*3 Internal Whistleblower System

The Fujitsu Group has established a point of contact inside and outside the company, operated as the Compliance Line/Fujitsu Alert, to receive reports from all Group employees (including retirees, temporary transfers, contracted employees, part-time employees and dispatch workers) and offer consultations (including anonymous reports).

We have established a Compliance Line for Suppliers in Japan to receive reports from the suppliers of Fujitsu and domestic Group companies, to whom we directly supply products, services, software and other goods. FUJITSU Alert is also available overseas in 20 languages, and accepts reports from customers, suppliers and other third parties 24 hours a day, 365 days a year.

- Fujitsu Alert
<https://secure.ethicspoint.eu/domain/media/en/gui/102834/index.html>
- Compliance Line for Suppliers in Japan
<https://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/>

Our Response to Compliance Issues

In July 2016, Fujitsu was found to have violated the Antimonopoly Act with regard to coordinating an order of electric power security communications equipment for Tokyo Electric Power Company., Inc. (now Tokyo Electric Power Company Holdings, Inc.), and was ordered to cease and desist, in addition to being ordered to pay a surcharge (hereafter, the TEPCO case). Subsequently, in February 2017, Fujitsu was found to have violated the Antimonopoly Act with Chubu Electric Power Co., Inc. regarding transactions for hybrid optical communications equipment and transmission-path equipment (hereafter, the CEPCO case). With regard to the CEPCO case, by immediately filing for immunity from or reduction of surcharges, Fujitsu was fully exempted from having to pay a surcharge, and also avoided being subject to a cease and desist order. Fujitsu will once again deeply reflect on what led to this series of incidents, and sincerely apologizes to all parties affected for the trouble caused.

Fujitsu took disciplinary action against the employees involved in these violations and imposed salary reductions (a 10-30% reduction in monthly salary for three months) on seven executives, including the Chairman and the President, based on a resolution by the Board of Directors. Immediately after the TEPCO case came to light, the President declared that bid rigging and cartel forming would be stamped out, and continued to repeat this message to all executives and employees. The executives in charge have also made Fujitsu's commitment to compliance known to their subordinates. As mentioned above, Fujitsu also conducts compliance training for all Fujitsu Group executives and employees inside and outside Japan.

Furthermore, with the aim of securing effectiveness of the GCP in Japan, Fujitsu established the Domestic Compliance Program, based on Japan Fair Trade Commission documents about the state of business compliance with the Antimonopoly Act. In FY 2017 and FY 2018, Fujitsu adopted Antimonopoly Act-focused internal seminars and audits as key measures, promoted relationship-building and two-way communication with the relevant divisions, and worked to create an environment that would not allow for bid rigging.

As we continue to enhance our compliance-related initiatives based on these programs, we will work to win back the trust we had early on, and strive to prevent such issues from happening again.

Initiatives for Security Export Controls

The export of goods and the transfer of technology that could be used for the development or production of weapons of mass destruction or conventional weaponry is controlled by an international framework for security export controls, with the objective of maintaining global peace and security. In Japan, regulations for security export controls are implemented under the Foreign Exchange and Foreign Trade Act (the Foreign Exchange Act).

In line with the Fujitsu Way Code of Conduct's stipulation that employees should comply with all laws and regulations, Fujitsu has enacted "Internal Compliance Program" on Security Export Control Regulations whose fundamental objective is the promotion of security export controls that are not only in accordance with the Foreign Exchange Act, but with the Export Administration Regulations (EAR) of the United States, which are applied extraterritorially.

Fujitsu has established a system in which the President serves as the designated Chief Security Export Control Officer, while the Security Export Control Office in the Legal, Compliance and Intellectual Property Unit serves as the organization that promotes security export control activities. The Security Export Control Office carries out all classification and transaction screening (verifying the country/region receiving the goods/technology, the intended application for it, and the identity of the client) for export of goods and the transfer of technology to overseas locations, where all necessary licenses are adequately obtained before shipment. In addition, in the "Internal Compliance Program" such process is established that legal violations shall be reported immediately. When conducting business, in order to prevent legal violations by misinterpretation of and/or overlook of related regulations, we coordinate closely with the Ministry of Economy, Trade and Industry, which has jurisdiction over export administration regulations.

In order to maintain this internal system for security export controls and keep it going, we continue to conduct regular audits and provide export controls training to all executives and employees.

With regard to all domestic and overseas Group companies, Fujitsu headquarters offer guidance about how to develop rules and establish frameworks for proper security export controls, provides educational support and audit support, and organizes gatherings within the Group for the purpose of information exchange, among other activities. In addition, since FY 2013, Fujitsu has been developing an e-Learning course that covers security export controls and is available in 20 languages for Group companies around the world.

Our Approach to Tax Matters

Tax compliance at Fujitsu is carried out according to the Fujitsu Way Code of Conduct.

- We strive to comply with all applicable laws, rules, regulations and treaties in each country, as well as guidelines by OECD and other international organization, and to properly file and pay taxes.
- We strive to respect the general rule of an arm's length price in transactions between related companies, and to pay proper taxes in the countries where business activities are conducted.

We will follow Principles of the Fujitsu Way in our relationships with tax authorities, and act with sound ethics and integrity. After taking the above into account, we will follow the corporate values of the Fujitsu Way, and in order to continuously increase our corporate value, we will aim to implement proper tax management.

FY 2018 Performance

Compliance Training

- **Within Japan**
 - Training for new company executives at Fujitsu and domestic Group companies
 - Internal seminars for managers at Fujitsu and domestic Group companies
 - E-Learning courses for all employees at Fujitsu and domestic Group companies: 98.3% of employees at Fujitsu taking part, 98.4% of employees at domestic Group companies taking part (as of May 2019)
 - E-Learning courses for new employees: 99.6% of new employees at Fujitsu taking part, 98.9% of new employees at domestic Group companies taking part (as of May 2019)
 - Group training sessions for sales divisions: Implementation focused on supervising divisions of public businesses
- **Overseas Regions**
 - E-Learning courses for employees at overseas Group companies (offered in 20 languages and available in 72 countries): Over 93% of employees taking part (as of April 2019)
 - E-Learning courses for new employees
 - Separate group training sessions for each region and division
 - Training for employees who will leave for overseas: monthly

Security Export Controls

- Regular internal audits: 30 divisions within Fujitsu
- Audits, training and structural enhancement and support: 37 domestic Group companies and 12 overseas Group companies