



## 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

#### WHAT FUJITSU ASPIRES TO BE

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 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.

#### GOALS FOR FY2022

To further disseminate compliance related part of the Fujitsu Way Code of Conduct throughout the entire organization, the Global Compliance program is rolled out for the entire Fujitsu Group, thereby instilling a high level of compliance awareness in the organization, and the management is to take the lead in fostering a corporate culture where each employee does not tolerate any wrongdoing (Zero Tolerance).

KPI: Deliver messages from the President or the Heads of each Business Group/Region on the importance of compliance (at least once a year)

## 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 the Policy on the Internal Control System(\*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 "The Policy on the Internal Control System"  
<https://www.fujitsu.com/global/images/notice120b.pdf> (P.2-P.7)

## The Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct, the fundamental principles 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.



Fujitsu Way Code of Conduct

\*2 Global Business Standards  
<https://www.fujitsu.com/global/Images/notice120b.pdf> (P.2-P.7)

## 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.

The President himself has repeatedly sent out messages to all employees, both in Japan and overseas, to declare that Fujitsu will put an end to compliance violations, including collusion 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 wrongdoing.

Furthermore, Fujitsu 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.

- About the promotion of the Global Compliance Program  
[https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting\\_the\\_Global\\_Compliance\\_Program.pdf](https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf)



\*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 and Fujitsu Alert 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/>

## Initiatives for Security Export Controls

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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, IP and Internal Control 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.

## System to Ensure Proper Financial Reporting

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In the Policy on the Internal Control System, which was resolved by the Board of Directors, Fujitsu stipulates the following points.

1. The Company has, apart from the organization that prepares financial reports, an organization under the Chief Financial Officer responsible for establishing, operating, and evaluating internal control over Fujitsu Group financial reporting, to ensure the effectiveness and reliability of financial reports.
2. These organizations create unified accounting policies shared throughout the Fujitsu Group and rules for establishing, operating, and evaluating internal control over financial reporting.

## Status of operations:

Under the direction of the Risk Management & Compliance Committee, the organization responsible for internal control and internal audits has established a system called "Eagle Innovation." In accordance with the rules established by the Company based on the principles of the Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting published by the Business Accounting Council, internal control over financial reporting throughout the Fujitsu Group is assessed. The activity statuses and assessment results are reported to the Chief Financial Officer and the Risk Management & Compliance Committee.

## Our Approach to Tax Matters

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

- We understand the purpose and spirit of each country's tax laws and treaties, as well as other guidelines such as those laid out in the BEPS (Business Erosion and Profit Shifting) Project led by the OECD, and abide by them. We strive to file tax returns and pay taxes appropriately.
- We strive to respect the general rule of an arm's length price in transactions between related companies. We will thereby not engage in profit shifting to countries where we do not conduct business activities—countries which are tax havens or have low tax rates—in an intentional attempt to avoid taxation.

We will act in good faith in our relationships with tax authorities, and behave in an ethical and transparent manner, in accordance with the values that are cherished by the Fujitsu Way.

Based on the above, we aim to achieve proper tax management, in order to continuously improve corporate value.

## FY 2019 Accomplishments

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### Compliance Training

- Compliance e-Learning for all officers and employees at Fujitsu Group (Conducted in 20 languages for approximately 130,000 people)
- Other e-Learnings and face-to-face trainings for different regions, companies, positions and/or functions (For example, trainings conducted for newly appointed executives, managers and oversea assignees, newly hired employees or sales employees)

### Security Export Controls

- Regular internal audits: 30 divisions within Fujitsu
- Seminars for employees responsible for export controls at Group companies: 61 domestic Group companies
- Audits, training and structural enhancement and support: 26 domestic Group companies and 7 overseas Group companies