



Global Responsible Business

- Compliance -

The Fujitsu Group recognizes the operation and maintenance of internal control systems, 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 all organizations in the group informed about the Code of Conduct guidelines in the Fujitsu Way. Furthermore, in all our business activities, we shall be aware of and act with integrity at a high level of corporate ethics that respect international and local standards.

Compliance

Goals

WHAT FUJITSU ASPIRES TO BE

Ensure that all officers and employees within the Fujitsu Group conduct their business activities with a high level of compliance awareness and through those activities, the Fujitsu Group fulfils our social responsibilities and earns the trust of our stakeholders.

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 wrongdoings (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 reports directly to the Board of Directors and is chaired by the President, is responsible for overseeing group-wide compliance at the global level based on the "Policy on the Internal Control System" (*1). The Risk Management & Compliance Committee nominates the executives who shall be responsible for compliance and risk, and the said executives, together with the relevant departments shall carry out measures based on direction from the Risk Management & Compliance Committee and the Global Compliance Program. The Risk Management & Compliance Committee collaborates with the Regional Risk Management and Compliance Committees, which have been formed as subcommittees, and raise group-wide awareness of the Fujitsu Way Code of Conduct and achieve compliance with it.

The Risk Management & Compliance Committee and the Regional Risk Management & Compliance Committees verify the Global Compliance Program's current operational status on a regular basis 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 required for compliance with the laws and regulations governing the Fujitsu Group's business activities.

*1 Policy on the Internal Control System (p.5-p.10)
<https://www.fujitsu.com/global/images/gig5/notice121b.pdf>

Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct, which outlines the fundamental principles that all Fujitsu Group employees should abide by, as shown on the right.

Fujitsu has also refined its Fujitsu Way Code of Conduct, by developing the Global Business Standards (GBS) (*2) in 20 languages to serve as a guide on legally compliant behavior for all Fujitsu Group-affiliated employees worldwide, and applies the GBS uniformly across the Fujitsu Group.

*2 Global Business Standards (p.22)
<https://www.fujitsu.com/global/about/philosophy/codeofconduct/gbs/>



Fujitsu Way Code of Conduct

Top Management Initiatives

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

The President has repeatedly sent out messages to all employees, both in Japan and overseas, declaring that Fujitsu will put an end to compliance violations such as collusion and the formation of cartels. Even overseas, regional heads and Group company top managers continuously send out messages emphasizing the importance of compliance and a corporate culture that has zero tolerance for wrongdoing.

Furthermore, Fujitsu established the Fujitsu Compliance Week, which begins on December 9th, the United Nation's designated International Anti-Corruption Day, and employs measures such as sending out simultaneous messages across the Fujitsu Group to encourage employees to focus on compliance and promote compliance discussions.

Global Compliance Program

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

When implementing the GCP, we establish internal Group rules and assign a compliance officer in each region to be responsible for compliance activities and ensure the structure's implementation. We also continuously provide employees with various forms of training, with the goal of embedding the Fujitsu Way Code of Conduct and the GBS. In addition, we have established an internal whistleblower system(*3) in the event of compliance issues, and employees are required to immediately report compliance violations to the Risk Management & Compliance division if they are discovered. We periodically verify the effectiveness of the GCP through measures such as risk assessment, audit, and reviews by external specialists, and continuously work towards improving the GCP. Refer to the PDF below for information about promotion of the Global Compliance Program.

- Promoting the Global Compliance Program
https://www.fujitsu.com/global/documents/about/csr/compliance/2021_Promoting_GCP_en.pdf



*3 Internal Whistleblower System:

The Fujitsu Group has established an internal and external point of contact, known 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 to provide 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 its Japanese Group companies, to whom we directly supply products, services, software and other goods. Fujitsu Alert is also available in 20 languages outside of Japan, and it 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

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

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 rules for establishing, operating, and evaluating internal control over the unified accounting

policies shared throughout the Fujitsu Group and 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 the system, and 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 status and assessment results are reported to the Chief Financial Officer and the Risk Management & Compliance Committee.

Our Approach to Tax Matters

Tax compliance at the Fujitsu Group 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 2020 Performance

Compliance Training

- Compliance e-Learning for all officers and employees at the Fujitsu Group (Conducted in 16 languages for approximately 130,000 people)
- Other e-Learning and on-demand training for different regions, companies, positions and/or functions (For example, training conducted for newly appointed executives, managers and overseas 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: 53 domestic Group companies
- Audits, training and structural enhancement and support: 38 domestic Group companies and 5 overseas Group companies