Socially Responsible Procurement Activities

We value cooperative relationships with our business partners and are collaborating with them to consolidate a framework for responsible business dealings.

Establishing Procurement Guidelines in Keeping with Our Corporate Social Responsibilities

Amid a growing awareness of the importance of corporate social responsibility (CSR), we are working with our business partners to ensure that procurement activities are carried out in accordance with CSR principles, not only in our own business activities but throughout the entire supply chain.

In March 2006, based on *The FUJITSU Way*, we articulated a basic stance on procurement under the theme of "promoting CSR-conscious procurement," and at the same time published new CSR Procurement Guidelines outlining for our business partners various CSR-related considerations we require in order to do business. These guidelines stipulate items concerning conservation of the global environment, legal compliance and other issues, explains how business partners can comply with them, and urges them to do so.

In the future we will stipulate additional CSR measures as part of the criteria by which we evaluate and select our partners. We will also boost our CSR-related support for business partners by providing assistance in developing environmental management systems, hosting seminars, and other measures.

Basic Stance on Procurement (headings)

- 1. Coexistence with Suppliers
- 2. Fair and Proper Evaluation and Selection of Suppliers
- 3. Promotion of CSR-Conscious Procurement Activities

CSR Procurement Guidelines (headings)

- 1. Protection of the Global Environment
- 2. Compliance with Laws and Regulations
- 3. Respect for Human Rights, Labor, Health and Safety
- 4. Assurance of Safety and Quality of Products and Services
- 5. Maintenance and Promotion of Information Security
- 6. Fair Trade and Corporate Ethics
 - 1) Fair Trade
 - 2) Protection of Confidential Information
 - 3) Protection of Intellectual Property
 - 4) Prohibition of Bribes

Procurement Policy/CSR Procurement Guidelines (full text) http://www.fujitsu.com/global/about/procurement/policy/

Procurement Cooperation with Business Partners Advancing Green Procurement

We have set forth our basic requirements for environmentally sound procurement practices in the "Fujitsu Group Green Procurement Direction" and are working with our business partners on activities in this area.

One example relating to the establishment of our partners' environmental management systems is that we require them to have third-party accreditation, such as ISO14001, in keeping with calls for activities to further reduce ecological burdens, as in the EU's Restrictions on Hazardous Substances Directive and the Kyoto Protocol.

We also promote green procurement targets in line with the Fujitsu Group Environmental Protection Program (Stage IV), and at the end of fiscal 2005, our rate of procurement from partners with an established EMS reached 99.7% (see Page 43). In fiscal 2005, we conducted 22 seminars to help those business partners still lacking third-party accreditation to improve their EMS, with a total of 1,544 companies in attendance. In the seminars we spoke of the need for a greater awareness of global environmental conservation and the significance of obtaining third-party accreditation.

We will continue to help our business partners with initiatives such as strengthening management of chemical substances contained in the goods they supply to us, in order to help them improve their environmental management systems.

Information Security in Collaboration with Our Business Partners

Recently there has been a marked increase in the number of information security incidents, such as the loss or theft of notebook PCs or storage media, or data leakage due to infected file-sharing software. We are strengthening our Group-wide internal information security measures to prevent the occurrence or reoccurrence of such incidents.

For example, starting in September 2005, we carried out the following initiatives in collaboration with some of our contract software development and service partners.

- Information Security Seminars (September-October 2005) (A total of 20 seminars with approx. 1,200 companies in attendance)
- Questionnaires on the status of our business partners' information security measures (October-November 2005)
- Audits (on-site) of the information security measures of our business partners (December 2005-ongoing)
- Information Security Training Course (February-March 2006)
- Directives prohibiting the use of "Winny" P2Pfile-sharing software (December 2005; March 2006)