

# With Our Business Partners



## Promoting Socially Responsible Procurement

### **Socially Responsible Procurement Efforts**

In procurement, we pursue a policy based on harmonious coexistence with our business partners, fair and proper evaluation and selection of suppliers, and the promotion of socially responsible procurement activities.

We work together with our suppliers to implement procurement activities grounded in the principles of corporate social responsibility (CSR). In particular, in March 2006, we published our CSR Procurement Guidelines which state our requirements such as respect for human rights, labor, health and safety and fair trading, asking our suppliers for their strict compliance.

Also, in 2007 we published the Fujitsu CSR Promotion Guidebook, which describes concrete efforts based on the CSR Procurement Guidelines, and held a briefing session for approximately 180 of our main suppliers. In the briefing session, in addition to explaining about the CSR Procurement Guidelines and the CSR Promotion Guidebook to suppliers, we conducted a written survey to ascertain progress status and CSR activities systems at our suppliers. We carry out this written survey every year and provide the results to our suppliers as feedback to support their proactive improvements related to CSR management.

 **Fujitsu Procurement Policy and CSR Procurement Guideline**  
<http://www.fujitsu.com/global/about/procurement/policy/>

### ■ Informing and emphasizing the importance of CSR to buyers

Through education and training, Fujitsu keeps employees in charge of procurement informed of the importance of CSR-conscious procurement activities. In FY 2009, we held

classroom trainings on such themes as compliance with the laws governing subcontracting and worker dispatching, information security, and personal information protection in procurement activities as well as CSR-conscious procurement and green procurement activities. In FY 2010 we will continue similar education to further increase our buyers' awareness on CSR issues.

## Collaborative Promotion of CSR with Suppliers

### **Promoting Green Procurement**

We have set out the basic requirements for environmentally sound procurement of parts, materials and products in the "Fujitsu Group Green Procurement Direction" and are working with our suppliers on green procurement activities (see page 73).

In the Fujitsu Group Environmental Protection Program (Stage V), to promote further reductions in environmental burdens, we requested cooperation from our suppliers in enhancing their environmental management systems (EMS). In practical terms, we held explanatory meetings urging them to further advance and acquire third-party accreditation of their EMS and/or comply with the Fujitsu Group Environmental Management System (FJEMS).

Fujitsu is improving its management of chemical substances by requesting that our suppliers construct a chemical substances management system (CMS\*1) based on the guidelines for the management of chemical substances included in products created by JAMP\*2. Through activities such as separate briefings to individual suppliers and requests to improve after audits, our control of chemical substances in our products is being extended

## Fujitsu CSR Procurement Guidelines

### **1. Protection of the Global Environment**

Complying with the Fujitsu Group Green Procurement Direction, we promote the establishment of environmental management systems ("EMS"), and we aim to supply products and services that involve low environmental load and do not contain hazardous substances.

### **2. Compliance with Laws and Regulations**

We adhere to applicable laws, regulations and accepted social practices governing our local and global businesses.

### **3. Respect for Human Rights, Labor, Health and Safety**

- We respect individuals' human rights and do not unfairly discriminate against people based on race, color, religion, creed, sex, social status, and physical or mental disability, and we do not engage in human rights abuses such as sexual harassment. Also, we do not induce anybody to infringe such human rights.
- We establish comfortable work environments for the security and health of our employees.
- We do not use child labor or any form of forced or compulsory labor.

### **4. Assurance of Safety and Quality of Products and Services**

We maintain high standards of safety and quality in our products and services.

### **5. Maintenance and Promotion of Information Security**

We maintain and promote information security in order to properly protect our own information and information systems and those of third parties.

### **6. Fair Trade and Corporate Ethics**

#### **1. Fair Trade**

We promote fair, transparent and free competition and do not engage in any illicit trade.

#### **2. Protection of Confidential Information**

We maintain and promote proper handling of confidential information, including third parties' confidential and personal information.

#### **3. Protection of Intellectual Property**

We strive to obtain, maintain and utilize the intellectual property of others, understanding the role that intellectual property plays as an important resource to underpin organizations' business activities.

#### **4. Prohibition of Bribes**

We do not engage in any bribery of public officials or any similar activities, or any corruption, extortion, or appropriation through the abuse of one's position in the organization.

throughout the entire supply chain.

To further promote activities to assure biodiversity and reduce CO<sub>2</sub> emissions in the supply chain, in FY 2009 we implemented surveys that asked our main suppliers about actual results of their specific efforts and issues in these areas.

**\*1 CMS**

Chemical substances Management System

**\*2 JAMP**

Joint Article Management Promotion Consortium

### Supply Chain BCM

To ensure the stable supply of products and services to our customers in the event of unexpected eventualities such as natural disasters, Fujitsu has made a major commitment to strengthening its BCM (business continuity management) since FY 2007. (See page 20.)

We have so far held a total of 18 briefing sessions for our main suppliers to explain the necessity for BCM and Fujitsu's approach to it, and have surveyed the level of BCM efforts at 700 of our main suppliers. For these main suppliers, we do not just ask for their commitment to BCM, but also help them to improve their BCM capabilities by, for example, holding workshops to enhance the requisite knowledge.

### Rigorous Compliance

The Group is working to ensure rigorous compliance throughout the entire supply chain.

The rapidly deepening recession in the second half of fiscal 2008 formed a severe operating environment for procurement in the manufacturing industry, but the Fujitsu Group worked in good faith, taking account of full compliance with the laws governing procurement transactions, including the law on subcontractors and the Worker Dispatching Act.

Furthermore, to support strengthened compliance by our business partners, in June 2009 we held training sessions that directed the attention of management and workers in our major solutions-related partners towards legal-compliance issues.

### Promoting Information Security Measures

The Fujitsu Group has set the goal of eliminating information security breaches and, along with our suppliers, continuously implements measures to prevent such breaches and to prevent any reoccurrences should they still occur. These measures include education, enlightenment, auditing, and information sharing.

When we start business with a new supplier, we have made it a rule to explicitly state in the contract that the supplier must manage information security and handle personal information at the same level as Fujitsu. If a serious problem in information security occurs at a supplier, or if a supplier shows no improvement in its security management, we review the business relationship with the supplier and stop placing new orders.

In recent years, we have been working to implement

information security measures equivalent to those used in our domestic (Japanese) activities for an increasing number of offshore development projects with overseas partners.

### ■ Main efforts in 2009 (For suppliers of software development, services, or hardware manufacturing)

- Information security seminars (Dec. 2009)  
A total of some 1,100 companies and 1,200 individuals attended.
- Questionnaires to suppliers on information security measures (Feb. 2010 through Mar. 2010)
- Information security audits (on-site) of our suppliers (Apr. 2009 through Mar. 2010)  
A total of some 200 companies.

### Compliance Line Available to All Suppliers

Fujitsu launched a confidential communication channel called "compliance line," available to all suppliers, in August 2009. This is to receive reports from suppliers on any matters of potential or actual non-compliance with regard to our purchasing activities.

### Partnerships with Suppliers

In 1997, Fujitsu established its suppliers' performance review (SPR<sup>\*1</sup>) system, in which our 200 core suppliers (cover 90% or more of total procurement amount) are comprehensively evaluated for their products and efforts from the standpoint of quality, technology, price, supply, environmental action, and reliability. From FY 2008, we included in the part on environmental action and reliability the results of our survey of CSR, information security and BCM and used them to evaluate suppliers in the SPR program.

For partners in our solutions business, we set up a similar review system (PPR<sup>\*2</sup>) in 2004, and since FY 2008 we have expanded the coverage of annual evaluation to about 550 partners.

With our main suppliers, we have regular business review meetings at supplier top management level in which we provide and share with them the results of our evaluation and explain the outlook of our business and our procurement strategies.

**\*1 SPR**

Suppliers' Performance Review

**\*2 PPR**

Partners' Performance Review

### Social Events with Our Suppliers

Since 1997, Fujitsu has held social events with suppliers. These events are organized to strengthen our partnership with them. We offer letters of appreciation at the events to those suppliers who have made exceptional contributions to our business, and the company president and purchasing VP give presentations to share our procurement policies in line with Fujitsu's business plans.

The fiscal 2009 event was held in January 2010, attended by approximately 700 representatives from some 270 domestic and overseas suppliers.



Supplier social event