

With Our Business Partners

We promote our CSR procurement in cooperation with our business partners as well as support their efforts to enhance business continuity management (BCM) and compliance.

Promoting Socially Responsible Procurement

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 the explanation 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 (of whom there were about 750 in FY 2010). 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.

WEB 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 2010, we held 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 2011, 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 61).

We request that all of our suppliers implement an environmental management system (EMS) so that they can continuously implement environmental burden reduction. In particular, we periodically survey their EMS implementation status and, as a general rule, request that they establish an EMS subject to third-party certification. We also ask that our suppliers build a chemical substances management system (CMS*¹) based on the JAMP*² guidelines for the management of chemical substances included in products. We monitor our suppliers' production sites and promote efforts at improvement to strengthen management of chemical substances included in products in the supply chain.

As a new initiative starting in FY 2010, we request that our suppliers make efforts toward limiting and reducing CO₂ emissions and conserving biodiversity. In particular, we held briefing sessions for our suppliers, and asked for their support after we explained the importance of declaring their commitment to these themes explicitly and of promoting activities with specific goals. Especially, with regard to conserving biodiversity, we supported our suppliers' efforts in this area by preparing and providing guidelines for them which include concrete examples of such efforts at corporations and information on ways of promoting such activities.

*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 contingencies, Fujitsu has made a major commitment to strengthening the BCM capabilities of our suppliers since FY 2007.

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 individual 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.

We have so far held a total of 23 briefing sessions for our main suppliers to explain the necessity for BCM and Fujitsu's approach to this issue. Furthermore, every year we conduct a questionnaire survey on the subject matter and in FY 2010 we surveyed some 750 suppliers about BCM by questionnaire. We also held workshops in order for the suppliers whose efforts in this area are not making progress to acquire the necessary knowledge about BCM. As a result, the percentage of suppliers who developed their own BCM plans improved significantly from 11% in 2006 to 48% in 2010.

In FY 2011, we will be promoting further BCM enhancements throughout the entire supply chain after verifying how our suppliers coped with the Great East Japan Earthquake, which occurred on March 11, 2011.

Thorough Enforcement of Compliance

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

Every year, we conduct a written survey to assess the status of compliance system formation in our suppliers' supply chains (i.e., secondary and more distant suppliers), which will verify the thoroughness of compliance enforcement. Also we are promoting business transactions with the consideration of risk assessment by identifying the products and regions that are concerned with high risk of labor and other problems and by determining whether or not we are procuring from the regions in question. Furthermore, in an effort to strengthen the compliance of our suppliers, we held training sessions in February 2011 that directed the attention of management and workers in our major solutions-related partners towards compliance issues.

Promoting Information Security Measures

The Fujitsu Group has set the goal of eliminating information security breaches and, along with our suppliers, we continuously implement 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 shall manage information security and handle personal information at the same level as Fujitsu does. If any serious problem in information security occurs at a supplier, or if a supplier shows no improvement in its security management, we reconsider the business relationship with the supplier and may discontinue 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 FY 2010 (For suppliers of software development, services, or hardware manufacturing)

- Information security seminars (Dec. 2010)
A total of some 1,200 companies (some 1,300 individuals) attended
- Questionnaires to suppliers on information security measures (Feb. 2011 through Mar. 2011)
About 1,400 companies
- Information security audits (on-site) of our suppliers (Apr. 2010 through Mar. 2011)
A total of some 190 companies

Compliance Line Available to All Suppliers

Fujitsu launched a confidential communication channel, called the "Compliance Line," available to all suppliers, in August 2009. The Compliance Line is to receive reports from suppliers on any matters of potential or actual non-compliance action with regard to our purchasing activities (see page 93).

Partnerships with Our Suppliers

In 1997, Fujitsu established its suppliers' performance review (SPR^{*1}) system, in which our about 200 core suppliers (covering 90% or more of total procurement) are comprehensively evaluated for their products and efforts from the standpoint of quality, technology, price, supply, the environment and reliability. From FY 2008, we have added the results of our survey on CSR, information security and BCM to "environment and reliability" section of the SPR and used them to evaluate suppliers in the SPR program. For our partners in the solutions business, we developed a similar review system (PPR^{*2}) in 2004. Starting in 2008, we reviewed about 1,500 solution-related system supplier companies and provided the results as feedback to about 200 of our main suppliers.

With our main suppliers, we hold business review meetings organized by our top management in which we directly share the results of our evaluation with suppliers and explain the outlook of our business and our procurement strategies.

*1 SPR: Suppliers' Performance Review

*2 PPR: Partners' Performance Review

Fujitsu Supplier Day

Since 1997, we have held Fujitsu Supplier Day to strengthen our partnership with our business partners. In the event, we present letters of appreciation to those suppliers who have made exceptional contributions to our business, and the company president and the VP in charge of Purchasing give presentations to share our procurement policies in line with Fujitsu's business plans.

The FY 2010 event was held in January 2011 and was attended by approximately 740 representatives from some 370 domestic and overseas suppliers.



Fujitsu Supplier Day