Diversity, Equity and Inclusion (DEI)

Fujitsu gender and ethnicity pay gaps report 2022



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Our commitment

As a responsible business in the UK and around the world, Fujitsu's vision is that our people reflect the diversity of the societies and countries we operate in.

We know that we can best achieve our global purpose – to build trust in society through innovation – when we have diverse teams collaborating for the success of our customers and society at large. And we know that our people's creativity is richer and more compelling when we are informed by different perspectives that inspire innovative solutions.

Our commitment is to eradicate our gender and ethnicity pay gaps by 2030: we use this timeline to align global commitments to achieving the United Nation's 17 Sustainable Development Goals – especially Reduced Inequalities (SDG 10) and Gender Equality (SDG 5). We are on a journey toward this commitment, and to being an organisation that reflects the diversity of our world at all levels of our business.

Measuring our progress in gender and ethnic diversity – through publishing our pay gaps here – is an important part of understanding our progress toward achieving this vision.

And for us to continue working every day for a culture that is inclusive and equitable. Where everyone belongs, and where everyone can be themselves – completely.

#BeCompletelyYou

Anwen Owen, UK Managing Director, Fujitsu









Kelly Metcalf, Head of Diversity, Equity, Inclusion and Wellbeing, Fujitsu

Progress in our pay gaps, 2021-2022

In 2017, Fujitsu was in the first 1% of UK organisations to publish our **UK gender pay gap**.

Now in our sixth year, we are proud to report a 44% reduction in the median gap to **10.0%** and 43% reduction in the mean to **9.6%**.

Compared to our 2021 figures, this is a reduction from 11.8% median and 12.4% mean in 2021.

Fujitsu voluntarily published our **UK ethnicity pay gap** for the first time in 2021. Despite the Government decision not to introduce mandatory reporting obligations, Fujitsu remains committed to publishing our ethnicity pay data annually and using this as a measure by which our people, customers and society can hold us to account.

Our pay data shows us where we have gaps in representation and need to focus to ensure we fully represent the societies we serve. We are delighted in 2022 to report a 34% reduction in our median ethnicity pay gap from 2021, to **8.2%** and a 17% reduction in our mean, to **9.2%**.

In addition, we report a 6% increase – to 85.8% - in the number of people who have voluntarily shared their ethnicity information with Fujitsu. Increasing voluntary ethnicity disclosure is an important part of helping to ensure the accuracy of our ethnicity pay gap reporting.

More detail explaining our pay gaps, differences between ethnic groups and the reasons for changes in all our gaps is shown within this report.

What do the pay gaps measure?

The gender and ethnicity pay gaps may be confused with equal pay, but they measure something different.

The gender and ethnicity pay gaps measure the difference in average hourly rate of pay between all men and women and people of different ethnicities, irrespective of role or seniority. The pay gaps simply reflect the difference in the midpoints in the pay range of all male and female employees and all ethnic minority and white employees expressed as a percentage. We tend to focus our analysis on the median pay gaps as the median is less affected by pay outliers.

How is this different to equal pay?

Equal pay however relates to **pay** equality between men and women and people of all ethnicities doing like work. Equal pay is a legal requirement.

At Fujitsu, we take deliberate steps for equality of pay for all our people. We complete bi-annual Equal Pay Audits covering both gender and ethnicity, along with providing our HR Business Partners with access to a pay equality dashboard that enables them to assess pay equality in real-time, by both gender and ethnicity for people working in like roles.



Ethnicity and Gender Pay Gaps

These measure the difference in **average** pay between people from different ethnic backgrounds or between men and women, irrespective of their role or seniority

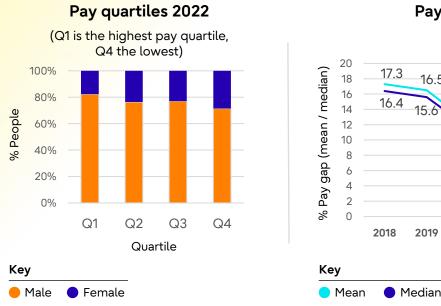


Unequal pay

Is paying people doing the **same** job differently because of their gender or ethnicity \equiv $^{\vee}$

Gender pay gap figures

The gender pay gap represents a seniority gap, with a greater proportion of our women occupying more junior roles, whereas a slightly higher proportion of our men occupy more senior roles. The ongoing reduction in our pay gap represents that we continue to improve female representation in senior roles, evidenced by the fact that the proportion of women in quartile two (the second highest pay quartile) now exceeds the proportion of women in quartile three (the second lowest pay quartile) for the first time.



Pay gap

16.5

2.3

11.6

2020

12.4

9.6

2022

11.8

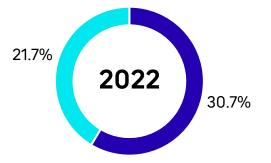
2021

Gender pay gap figures

Full and part-time pay gaps







Key Full-time Part-time





Ethnicity figures

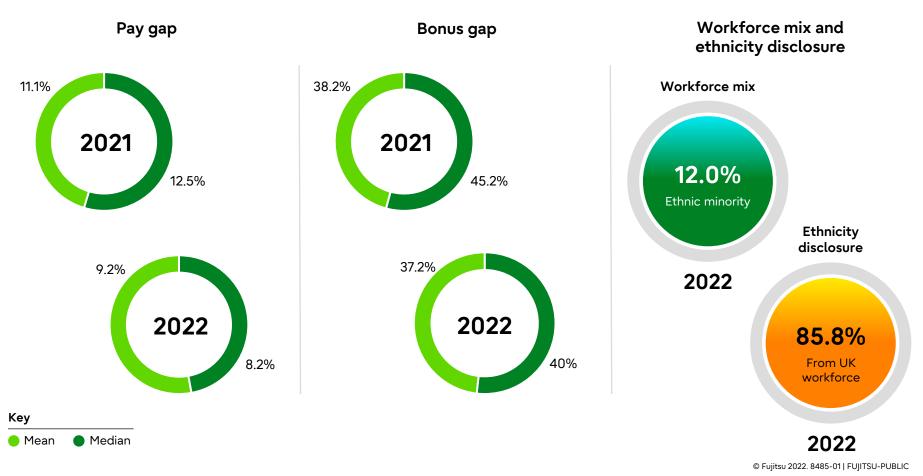
Similar to gender, our ethnicity pay gap represents a seniority gap; meaning that proportionally more people of an ethnic minority background occupy more junior roles compared to a higher proportion of people of white ethnic groups occupying more senior roles. The biggest drivers of the 34% reduction in the overall ethnicity pay gap 2021-2022 are:

- Increased ethnicity disclosure from our people meaning we have a better understanding of the ethnic diversity of our population. In April 2022, 85.8% of our UK workforce have chosen to disclose their ethnicity to Fujitsu. This is risen from 81.2% in April 2021, because people can see action being taken within our Ethnic Diversity Action Plan.
- The commitment of our hiring managers to having 50% diverse shortlists* for all external job vacancies has resulted in 20% of all new hires for the past six months are people of an ethnic minority background. In our junior talent pools this is even higher at 43%.

* Together with our recruitment partners, we strive to ensure that 50% of all people on job vacancy shortlists are from under-represented groups.



Ethnicity figures



Ethnicity figures

Looking at the high-level ethnicity pay gap is not enough and so we also publish pay gaps for the different ethnic groups, mirroring the ethnic groups set out by the Office for National Statistics (ONS). Our pay gap for people who have told us they are of an Asian ethnicity is reduced to 2.3% (from 8.2%) whilst the pay gap for people who have told us of a Black ethnicity is risen to 21.3% (from 15.6%). The reasons for the significant Black pay gap increase is because we have seen a 15% increase in the population of people telling us they're of a Black ethnicity; due to both new joiners into our junior talent programmes and because existing people who have chosen to tell us of their Black ethnicity are more likely to be working in more junior roles. With our sustained commitment to inclusive hiring and career progression to bridge representation gaps, we expect to see this gap reduce over coming years.

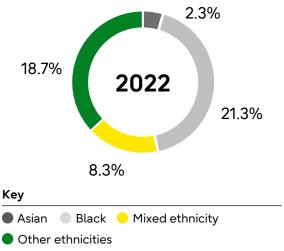
Full and part-time pay gaps



For 2022, we are reporting little change to-date within the pay gaps for people of a Mixed ethnicity and Other ethnicities.

In 2021, 8% of senior leadership level roles were occupied by people of an ethnic minority background: in 2022, this has risen to 9.1%. A key part of our actions to eradicate the ethnicity pay gap is ensuring the diversity of our leadership reflects both our workforce overall and society.

By different ethnic groups



Key Full-time Part-time

Here's what's been happening during 2021-22

We transformed our people-led networks

Whilst the pay gaps give an important barometer of progress in relation to gender and ethnic diversity, these are not our only focus areas for our Diversity, Equity, and Inclusion strategy. We recognise that each person is an individual made up of a unique combination of different characteristics – some visible, most invisible.







For this reason, we are proud to have established our **UK Inclusive Community during 2022**. This Community brings together all our Diversity, Inclusion and Wellbeing communities, enabling a greater focus on intersectionality and engaging every single person in the role they play in creating our inclusive culture.

We play close attention to our people engagement survey results, analysing these by diverse groups to understand any differences in experience.

For example, this taught us that during the pandemic, female colleagues especially valued Fujitsu's flexible by default policy and directly contributed to our 'Work Your Way' commitment to sustaining flexible hybrid working beyond the pandemic.

We continue to be recognised externally

In recognition of our commitment to #BeCompletelyYou, we are proud to have been awarded Employer of the Year at the 2022 Black Tech Achievement Awards and accredited as a Times Top 50 Employer for Women in the UK for the fifth consecutive year. For 2022, we retained our accreditation as a top employer on the Stonewall Workplace Equality Index for the seventh consecutive year. We are recognised as Disability Confident Leader, a Top employer for Social Mobility and signatory of Business in the Community's Race at Work Commitment.

We work hard to be an employer of choice for diverse talent and ensuring that everyone at Fujitsu can be completely themselves at work, progress their careers without barriers and sustain positive wellbeing at work.

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Here's what's been happening during 2021-2022...



We committed to inclusive career progression

During 2021, we were excited to introduce the McKinsey Black and Asian leadership programmes for colleagues to support career progression. This followed on from Career Ignition, a series of in-house events providing development and networking support.

Everyone taking part in the McKinsey programme, together with all ethnic minority colleagues in senior management roles, has a **Career Sponsor** who is part of the UK leadership team. The Sponsor's role is to advocate and identify opportunities for their sponsee.

2021 also saw the introduction of **Ignite**, our programme to support the career development of women into senior leadership. Meanwhile, our '**Future Me' mentoring programme** is in its 4th year, offering mentoring for women with their first steps into management roles. Our new Connect approach to performance and development ensures everyone has the support needed to achieve their career goals. Through four developmental conversations per year, much greater emphasis is given to supporting each person's career aspirations



We focused on education and Allyship

Our **Perspectives Reverse Mentoring programme** enables people managers across Europe to learn from the perspectives of colleagues with diverse experiences to themselves.

Plus, our **Role Model series** led by the Inclusive Community shares career inspiration from diverse colleagues around the business. In addition, we launched our new **DEI and Wellbeing curriculum and People Library** for colleagues to share lived experiences 1:1. Widening allyship in pursuit of LGBT+ inclusion, we sponsored research together with Out Now to advance <u>LGBT+ inclusion in remote working</u> and introduced a series of LGBT+ Allyship learning modules – encouraging our people to become certified as an Active Ally for LGBT+ people.



Here's what's been happening during 2021-2022...



We continued to embed flexibility through 'Work Your Way'

We continue to embed our Work Your Way commitment to hybrid working, enabling people to agree with their manager the right pattern of work locations and hours for them based on job responsibilities and personal preferences.



This commitment is a direct result of feedback from 85% of our colleagues in September 2020 that they wanted to continue to work more flexibly beyond the COVID-19 pandemic. Colleagues continue to report sustained improvements in their work life balance as a result of this, (74% favourable response in the UK, June 2022 compared to 68% December 2019).



We held our leaders to account

Every person at Fujitsu plays an important part in creating an inclusive culture. The UK leadership team recognise they set the tone and report on diversity and inclusion action plan progress within regular business reviews. In addition, our leaders have KPIs related to progress in diversity and inclusion.



We could not have done any of this without our people

Our thanks to our passionate Inclusive Community Co-Chairs, Executive Sponsors, DEI team and all Fujitsu employees for evolving our inclusive culture.

Deserved recognition to Cultural Diversity Network Co-Chairs, Amit Chouhan and Reena Chawla for their contribution to inclusion in removing barriers for ethnic minority employees. Amit was a finalist for 'Ally of the Year' at the Black in Tech Achievement Awards 2022, Reena was recognised on the Northern Power Women's Future list.

Special recognition to Women's Business Network Co-Chairs, Nanda Sharma, Saf Ali and Krista Griggs. Well done to Nanda and Krista who were shortlisted as Role Models within the Women in Tech awards categories: Woman of the Year and Role Model of the Year.

Ongoing action plans

Continuing to deliver our Gender Balance and Ethnic Diversity Action Plans with a focus on three critical areas:

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Inclusive hiring

- Working with our recruitment partners to ensure 50% diverse shortlists for all roles and take different approaches to recruitment that enable us to attract more people of under-represented ethnicities and women in technology roles
- Training our people managers in inclusive hiring practices to ensure candidates have an inclusive experience throughout every step of our recruitment process as well as shifting the emphasis to hiring for potential, rather than prior experience

Inclusive career progression

Continuing career sponsorship and talent development support for diverse communities, that will enable us to continue diversifying our leadership population #BeCompletelyYou – creating a culture that nurtures and thrives on diversity

- Continuing to gain trust with our colleagues to increase ethnicity disclosure, giving us an even clearer understanding of our ethnicity pay gaps
- Continuing our commitment to education and supporting our people to gain an understanding of the experiences of people of all ethnicities and genders, through the work of our Inclusive Community and DEI learning content
- Continuing to embed the benefits of our newly formed Inclusive Community: this will enable us to recognise intersectionality and improve visibility, and inclusion across all areas of diversity. This will create greater visibility and a sense of belonging for people of all genders, ethnicities and abilities, age ranges and within the LGBT+ community
- Continuing in our 5th year of our Perspectives' reverse mentoring programme for people leaders across Europe, giving the opportunity to work 1:1 with a mentor from a different background to themselves
- Growing engagement in our Inclusive community to benefit people in all areas of our business



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