



A better balance for business success

International Women's Day 2019

Understanding Fujitsu UK's Gender Pay Gap

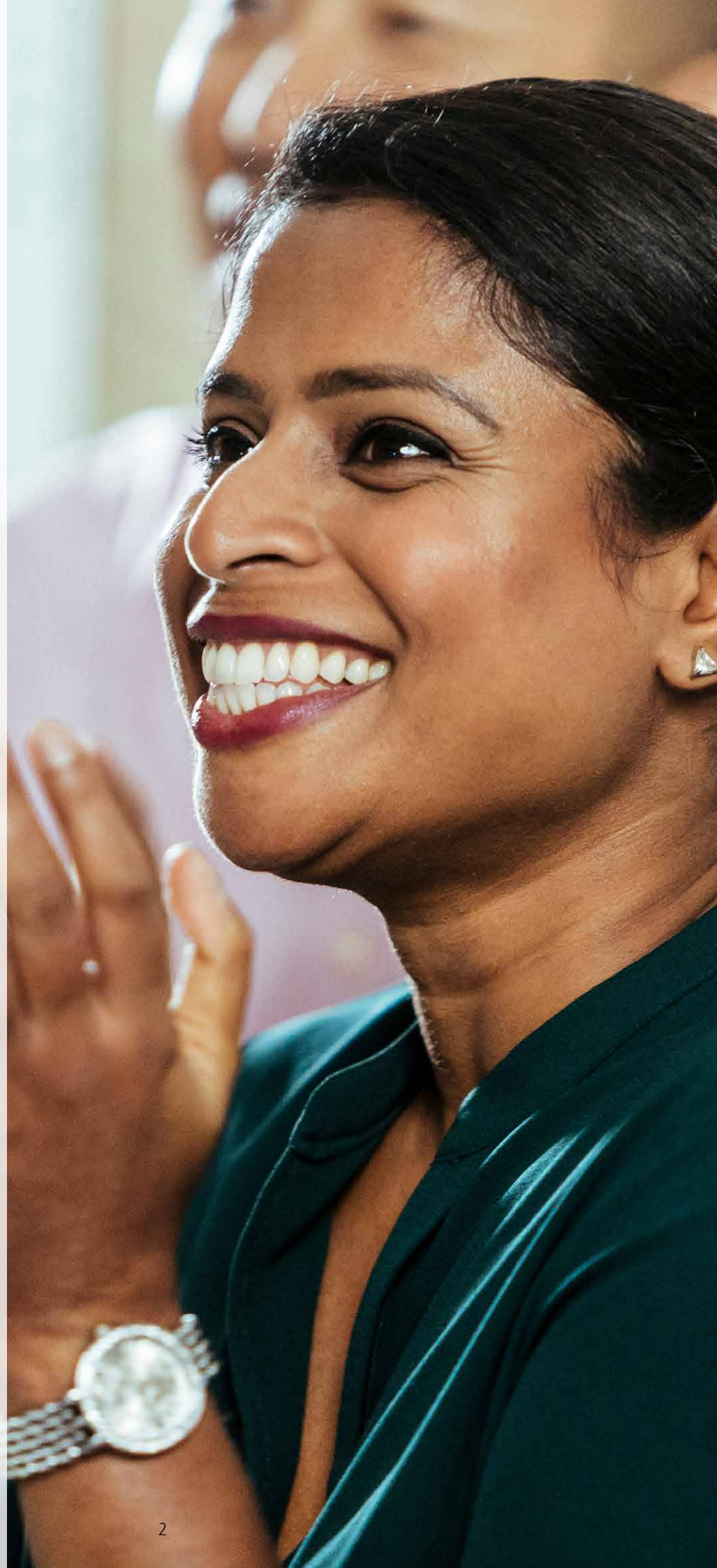
#IWD2019
#BalanceforBetter

shaping tomorrow with you

This document sets out our Gender Pay Gap Report for 2018 and gives a detailed comparison against the 2017 benchmark figures.

It also provides a progress update against the **Fujitsu Gender Action Plan** that is driving our progress to achieve gender parity.

Fujitsu, empowering human difference



Contents

Foreword	4
Fujitsu Gender Goals 2020.....	6
2018 Statutory Disclosures as at 5 th April 2018.....	9
Explaining the gap at a glance.....	9
Equal Pay Audit.....	12
Overall make up of our workforce	13
Median gender pay gap	14
Mean gender pay gap	18
Gender pay gap quartile figures	22
Bonus gender pay gap	26
Social mobility.....	28
Does ethnicity make a difference?	29

Foreword

In our first Gender Pay Gap Report published in September 2017, I said that the gender pay gap was a critical issue for Fujitsu and one we should not shy away from tackling.

That first report was a pivotal exercise, setting a clear benchmark that brought into focus what actions were needed to achieve change.

Since then, statistics reported to me evidence the progress made against our Gender Action Plan and diversity ambitions. We have set KPIs to ensure we deliver the gender balance and diversity that our business needs to continue to grow and thrive.

We are fostering an inclusive culture at Fujitsu, from the hiring choices we make, to the conversations we have every day, and the way people progress their careers. I expect to see real progress, year-on-year.

To give some context to this report, 2017 also saw significant transformational change, new digital processes, and greater efficiencies for our organization. The restructure of the EMEA business, in which we implemented a new, streamlined operating model, resulted in a reduction in the overall workforce by 12.8%. As expected, this change has had some impact on our gender balance.

As we move forward, our entire leadership team is committed to focus on achieving all the ambitions we set out in our Gender Goals for 2020.

The Gender Action Plan is now starting to yield results, demonstrated by an improved median gender pay gap, which has narrowed by 1.5% - from 17.9% to 16.4%.

But this is not enough. I wanted us to have a much deeper analysis of the data, and to go beyond the statutory declaration on the pay gap. I wanted to ensure that we have a thorough understanding of pay data, based on gender, age, and ethnicity, as well as other factors that might influence our pay gap, such as flexible working trends. This is so that we can really determine what actions will have the most impact, enabling us to ensure transparent and fair pay for everyone.

I welcome this more detailed analysis and the insights it provides.



Duncan Tait
SEVP and Head of EMEA Region



Fujitsu Gender Goals 2020

UK&I D&I Vision

We believe in the power of human difference to create a better future in a digital and diverse world. This is our road map to achieve gender parity and ensure that Fujitsu UK&I is the place where women can succeed.



Introduction

Fujitsu is proud to be a responsible business that believes in the economic empowerment of women to help drive its own growth agenda.

Under laws welcomed by Fujitsu, since April 2018 all employers in the UK with 250 or more employees must report statutory calculations showing the size of their gender pay gap annually.

The gender pay gap gives a snapshot of the gender balance within an organization. It measures the difference between the average earnings of all male and female employees, irrespective of their role or seniority. It is distinct from equal pay, which is about ensuring that men and women are paid the same for carrying out work of equal value.

Fujitsu chose to be an early adopter of the Gender Pay Gap reporting standards, publishing our report and action plan on 12th September 2017. We were in the first 1% of companies to publish their gender pay gap.

In September 2018, we reported a decrease in our median gender pay gap from 17.9% to 16.4%. We also conducted an independent Equal Pay Audit, which found that Fujitsu pays people fairly for carrying out work of equal value, regardless of gender or ethnicity.

This year we have taken a more detailed look at the key factors that influence our gender pay gap and set out actions to move us forward at an even faster rate.

Gender Diversity Action Plan

We have set in motion a Gender Diversity Action Plan to close the gender pay gap and achieve gender parity, which forms a key plank of our wider Diversity & Inclusion Strategy.

AMBITION

Fujitsu UK&I is the place where women can succeed



VISION

Retain the Times Top 50 Employer for Women recognition
To achieve 30% female employment rate



STRATEGIC GOALS

25% women in senior management	50% junior talent (Grads & Apprentices)
30% women in sales	40% female recruitment hires
20% women in technical roles	100% treated with respect



TRANSFORMATION THEMES

Changing the face of Fujitsu	Inspiring girls into tech
Winning the right way	Creating a balanced workforce
Be fit4digital	Inclusive culture – be completely you



Influenced and supported by the Women's Business Network



Progress towards Gender Goals

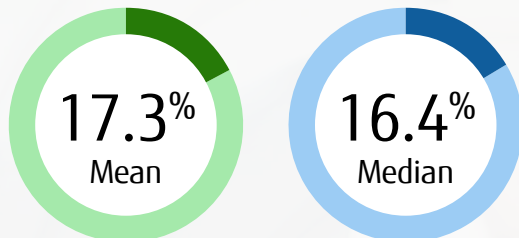
We have set the following strategic goals to close our gender pay gap and monitor progress towards them on a quarterly basis.

Ambition	2017 Benchmark	2018 Progress
To become a Times Top 50 Employer for women by 2020	Not entered	Achieved in 2018. Winner of the Gender Champion award
30% female employment rate by 2020	24%	24%
50% females junior talent (grads and apprentices)	49%	51%
25% women in senior management	16%	13%
30% women in sales	20%	17%
20% women in technical roles	16%	15%
Reduction in MEDIAN gender pay gap	17.9%	16.4%

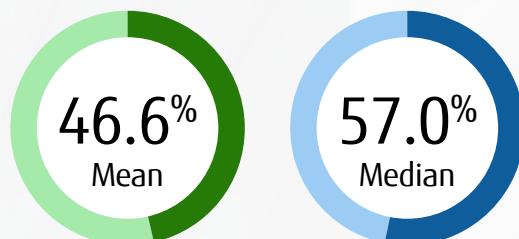
2018 Statutory Disclosures

as at 5th April 2018

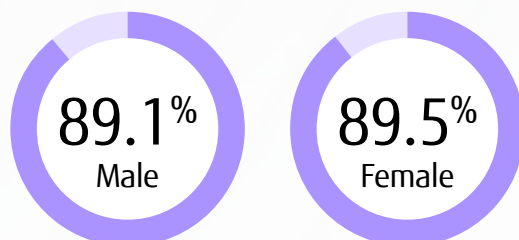
Gender pay gap



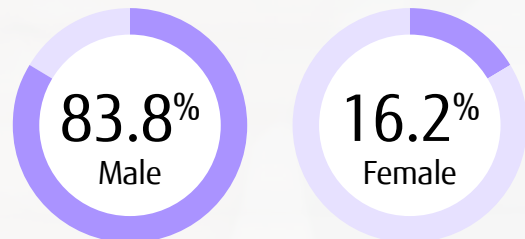
Difference in bonus pay



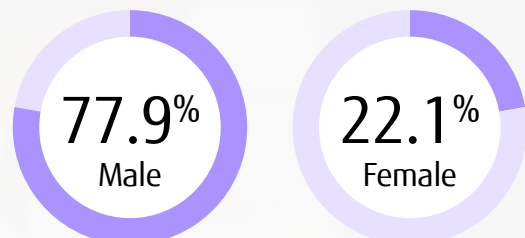
Percentage of employees who received bonus pay



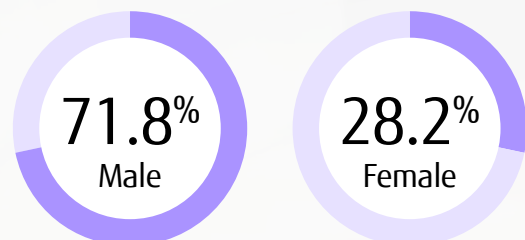
Number of employees by pay quartile



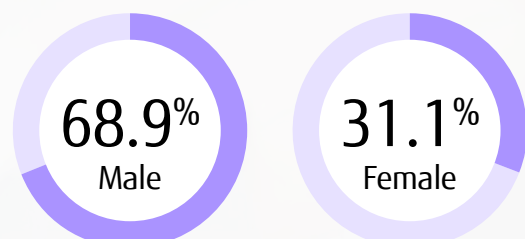
Quartile 1 (Highest paid)



Quartile 2 (Higher middle)



Quartile 3 (Lower middle)



Quartile 4 (Lowest paid)

This data is accurate as of the snapshot date on 5th April 2018 in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Duncan Tait

SEVP and Head of EMEIA Region

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In addition to providing our statutory declaration on the gender pay gap, we wanted to gain more active insights into the pay data.

A detailed analysis of fair pay for everyone gives us a more meaningful understanding of why pay differentials really exist and of the key influencers.

This knowledge enables us to develop key actions that will drive real change.

As the Executive Sponsor for Women in Business, I am determined that we have a culture of fairness where women can succeed.

Wendy Warham, Executive Sponsor for Women's Business Network,
Head of Hybrid Infrastructure & Network & Telecoms EMEA

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Explaining the gap at a glance

Key influencers on our gender pay gap

- More men than women work at Fujitsu UK&I
- There are more men in senior roles which attract higher salaries
- The timing of bonus payments has an influence
- More men work in sales, which attracts higher bonus payments
- More older men in senior roles are taking advantage of phased retirement schemes with enhanced pay
- More younger women in junior roles are taking advantage of flexible and part-time working to support work-life balance
- Fujitsu has made several acquisitions in the past meaning employees are TUPED into the business, resulting in a legacy of historic pay scales
- More men than women have been TUPED into the business, meaning often we cannot change their previous contractual agreements including salary and bonus
- The tech industry has in the past attracted more men than women, giving us a legacy of more senior males with longer service.

Key actions driving change

- Maintaining a gender balanced talent pipeline of graduates
- Managing the pay process to design out bias
- Demanding gender-balanced short lists for all new recruitment hires
- Supporting a new Recruitment for Success program
- Rolling out unconscious bias training for all managers
- Reverse mentoring to drive more inclusive leadership behaviours
- Encouraging women into tech programs
- Enabling a Women's Business Network
- Identifying and profiling role models within the business
- Introducing a targeted leadership development initiative to help progress female talent
- Anonymized exit interviews to establish why women may leave.

Equal pay audit

Equal pay gap

1.1%
Mean

2.1%
Median

Equal pay means that men and women performing work of equal value within an organization must receive the same levels of pay, as set out in the Equality Act 2010. This applies not only to salary, but to all contractual terms and conditions of employment, such as holiday entitlement, bonuses, pay and reward schemes, pension payments and other benefits.

Equal pay is distinct from the gender pay gap. However, where equal pay issues persist, they can contribute to an organization's gender pay gap, so as part of our gender pay gap action plan in 2017 we committed to analyzing equal pay. To achieve this we commissioned an independent external company to carry out a detailed equal pay audit.

The equal pay audit found that men and women are paid equally in the UK business, and that there was no evidence of pay disparity for like work. To put this in context, an equal pay gap outside -5% and 5% requires further investigation.

We also analyzed employee performance rating scores to see if there were any indicators of unconscious bias on the basis of gender. Those receiving a higher performance rating are more likely to receive a higher bonus and to be eligible for salary increases, promotions and other opportunities.

Results show there is very little difference between men and women in the overall performance scores, and thus no evidence of unconscious bias.

% receiving rating	Unsatisfactory	Partially meets	Successfully meets	Exceeds	Outstanding
Men	0%	4%	69%	25%	2%
Women	0%	3%	68%	28%	2%

How does this relate to the gender pay gap?

The equal pay audit and analysis of performance rating scores is a strong indicator that there is no evidence of pay disparity for like work between men and women. From this, we can confidently conclude that our gender pay gap is not because of an equal pay issue but due, predominantly, to the lack of women in senior roles in our organization.

Overall make up of our workforce

Fujitsu employs more men than women. In 2018 at the snapshot date of 5th April we employed a total workforce of 7,341 of which 5,549 were men and 1,792 were female.

This compares to 2017 when we employed a total workforce of 8,421 people of whom 6,354 were men and 2,067 were women.

2017	2018
75% male and 25% female	76% male and 24% female

These numbers include all employees who are eligible to count towards our gender pay gap calculations up to, and including, our Chief Executive Officer.

Explaining the change

During the past year the business has undergone an organizational change, which has seen a reduction in our total UK workforce. The overall percentage of women employed in full time roles has effectively reduced by 13.3% (275 women left the business). The overall percentage of men has reduced by 12.6% (805 men left the business).

Key influencer

Low female representation across our organization widens the pay gap. We know that in our business there is a direct correlation between representation of women in more senior roles and pay gaps.

Key actions

Our aim is to achieve 30% women in our workforce by 2020. 2018 figures show we have not made progress towards this target as a number of colleagues left the business. To achieve our goal, we need to drive more transformational change. We are trialling a new requirement to have 50:50 gender balanced recruitment shortlists and we are supporting more women into sales roles. Our Women's Business Network is designed to foster networking and personal development. We are committed to supporting activities that encourage more women to consider a career in tech, such as our Girls Day events, when employees bring their daughters and granddaughters to the office for a day of fun tech activities led by female role models.

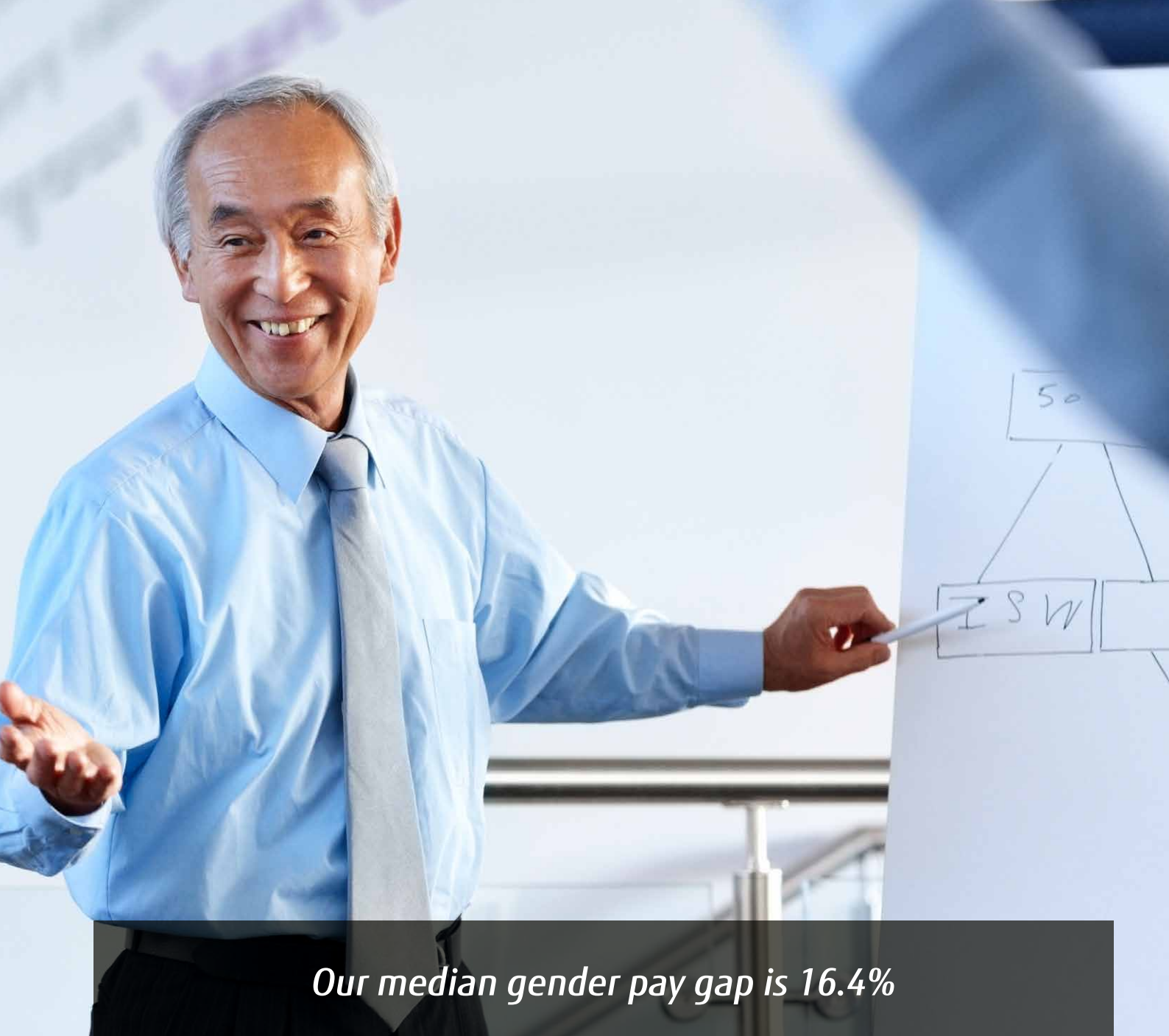


Median gender pay gap

The median figure is the difference between the midpoints in the ranges of men's and women's pay.

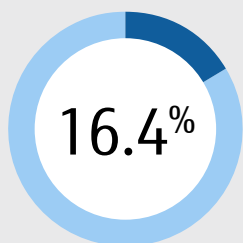
Median gender pay gap in hourly pay: how to calculate

1. Arrange the hourly pay rates of all male full-pay relevant employees from highest to lowest
2. Find the hourly pay rate that is in the middle of the range – this gives you the median hourly rate of pay for men
3. Arrange the hourly pay rates of all female full-pay relevant employees from highest to lowest
4. Find the hourly pay rate that is in the middle of the range – this gives you the median hourly rate of pay for women
5. Subtract the median hourly pay rate for women from the median hourly pay rate for men
6. Divide the result by the median hourly pay rate for men
7. Multiply the result by 100 – this gives you the median gender pay gap in hourly pay as a percentage of men's pay.

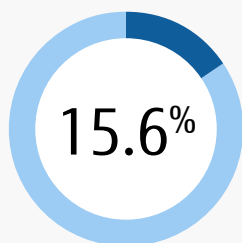


Our median gender pay gap is 16.4%

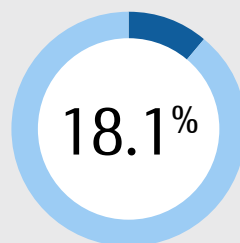
Our overall UK median
gender pay gap



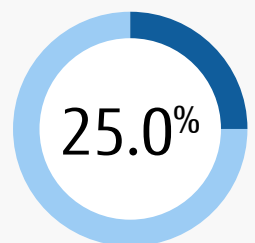
Our full time UK median
gender pay gap



The UK average median
gender pay gap



The tech sector median
gender pay gap



In 2017, we reported a median gender pay gap of 17.9%.
In 2018, the figures show a decrease of 1.5% to 16.4%.

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Diverse teams that are representative of the world we live in are key to building high performing teams.

This is absolutely not about setting gender quotas, it is about ensuring Fujitsu reflects today's talent and markets. The reality is that successful gender balancing requires more than a simple statistical push. It means real organizational change. We must adapt our leadership cultures, management mindsets, and policies to the consequences of a more gender balanced talent pool.

Our future business success depends on being a superb employer, attracting, growing and retaining people, creating high performing diverse teams that set us apart from our competitors. We must reflect what our customers want and we must do right by our colleagues. We must achieve a better gender balance by creating better understanding and by championing those drivers for change.

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**Gavin Bounds, Chief Operating Officer Fujitsu EMEA
and Chair of Fujitsu EMEA Diversity & Inclusion Council**





Explaining the change

A deeper analysis of the median pay gap starts to reveal greater insights that help us to understand why the pay gap exists and what targeted actions we can take to ensure we achieve our ambition to eliminate the median pay gap.

The 2017 full time median gender pay gap figure was 17.9%. In 2018 we are reporting a 2.3% decrease to 15.6%. This is a good indicator that the actions we have put in place are having the right impact.

However, when we analyze the part-time median gender pay gap we can see that in 2017 we reported a gap of 23.2% and in 2018 we are reporting an increase to 26.9%. This seems to be moving in the wrong direction and the gap appears to have widened.

Key influencer

The part time median pay gap is the result of two factors. Fujitsu offers an excellent phased retirement policy. Employees can enjoy one of two options in the 2 years prior to their chosen retirement date, which best meet their personal needs.

1. Employees can reduce their working period to 60% of their contractual hours and receive 80% of salary
OR
2. Employees can reduce their working period for the first half of the requested period to 80% of their contractual hours and receive 90% of salary, which will then reduce to 60% of contractual hours and 80% of pay for the second half of the requested period.

More men than women in the business are approaching retirement and are taking advantage of this policy. This is to be expected as, in the past we have employed more men than women in senior roles and more men than women have long service. These men are likely to earn a higher rate, as they tend to be in more senior roles and have longer service; this impacts on the part-time median gender pay gap.

We also offer an excellent range of flexible working options to enable all employees to maintain a good work-life balance. The majority of employees who have chosen to work on a part-time or flexible basis are younger women, often at an earlier stage of their career, because our approach enables them to balance childcare commitments with their careers. The women taking this option tend to earn a lower rate, as they tend to be in more junior roles and have a shorter length of service; this also contributes to the part-time median gender pay gap.

Key actions

We have rolled out unconscious bias training for all line managers and provided data on the pay gaps so that managers can take a positive, informed and appropriate approach to the pay planning process within their teams. This will be further supported by creating a sponsorship program to support more women to progress to the highest levels of the organization.

Part time workers by age profile

	Number of men	Number of women	Total employed	The median pay gap
20-29	4	8	12	4.3%
30-39	26	99	125	8.7%
40-49	63	144	207	11.0%
50-59	99	75	174	22.4%
60-69	77	28	105	42.0%
70-70	4	2	6	55.3%
	273	356	629	

Both of these policies enable colleagues to manage work life balance, which is a priority for the business. Despite impacting our part time gender pay gap, we believe both these policies have a very positive impact on the wellbeing of colleagues. We believe the overall median pay gap is the best indicator of change and this is the figure we have set in our Gender Action Plan as our main KPI to monitor progress.

A smiling woman with curly hair, wearing a pink patterned top, is in an office setting. A man is partially visible on the left, and a computer monitor and plant are in the background.

Mean gender pay gap

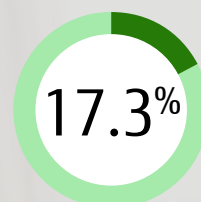
If we total up all women's wages and divide that sum by the number of women and then compare the result to the same calculation for men, we get a mean gender pay gap.

A reminder of how we calculate the mean gender pay gap.

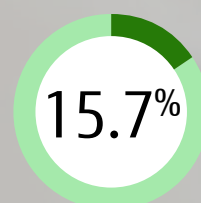
1. Add together the hourly pay rates of all male full-pay relevant employees
2. Divide this figure by the number of male full-pay employees – this gives you the mean hourly pay rate for men
3. Add together the hourly pay rates of all female full-pay relevant employees
4. Divide this figure by the number of female full-pay employees – this gives you the mean hourly pay rate for women
5. Subtract the mean hourly pay rate for women from the mean hourly pay rate for men
6. Divide the result by the mean hourly pay rate for men
7. Multiply the result by 100 – this gives you the mean gender pay gap in hourly pay as a percentage of men's pay.

*Our mean
gender pay gap
is 17.3%*

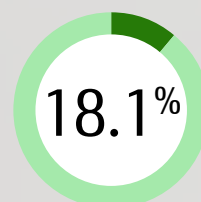
Our overall UK
mean gender pay gap



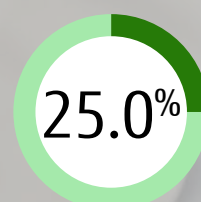
Our full time UK
mean gender pay gap



The UK average
gender pay gap



The tech sector
gender pay gap



In 2017, we reported an overall mean gender pay gap of 16.7%. In 2018 the figures show a 0.6% increase in the overall mean gender pay gap to 17.3%.



Explaining the change

The organizational changes and overall reduction in people employed has meant we have fewer women across all areas of the business, including our senior, more highly paid roles. This is evidence by a 0.6% reduction of women in Quartile 1 (Higher paid earners) from 16.8% (354) in 2017 to 16.2% (298) in 2018. This has meant our mean gender pay gap has not been reduced this year.

Percentage of women employed in Quartile 1



Key influencer

Women in senior roles

In December 2017, 11 executive roles were advertised across our EMEA region. By mid-January, only 2 out of the 54 applicants were women. The focus on addressing the gender pay gap made it clear that we needed to do more to understand why the number of female applicants was so low. Analysis showed that the communications had not reached most of the 80 women at senior levels in customer facing roles.

We set out to increase the number of female applicants for these roles. A senior female executive sent a personal email to all female colleagues encouraging them to apply. This personal approach generated 6 new applications, and feedback on why women were less likely to put themselves forward for promotion.

Feedback showed the largest reason for women not applying was that they felt they were not ready to move role. Many ruled themselves out of applying and some felt the job adverts were off-putting. We are now ensuring we support women to apply for new roles by ensuring gender neutral job adverts and sponsorship programs.

TUPE rules have also had an impact

In the past Fujitsu has grown by acquisition and bids, which has resulted in employees joining us through TUPE. When TUPE happens, we inherit the terms and conditions of these employees and often aren't legally allowed to change them. These rates of pay can differ from Fujitsu's terms and conditions which can and has exacerbated our pay differentials; especially as a significant majority of our TUPE employees have been male.

Key actions

We know skilled women are highly sought after in the marketplace and growing our own talent pipeline is critical for our business success. Therefore, our focus is on retaining women and actively supporting our female talent to progress their careers within Fujitsu. We are launching new female-focused leadership development programs to enable our women to build on their strengths and succeed. We are also introducing a new sponsorship program to match women at more senior levels with the right sponsor to advance their careers.

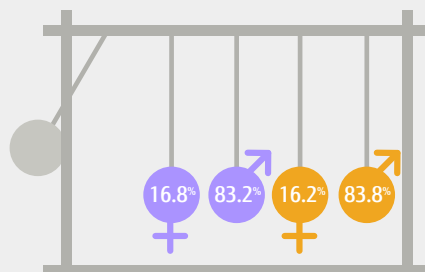
Gender pay gap quartile figures

A reminder of how we calculate the quartile figures.

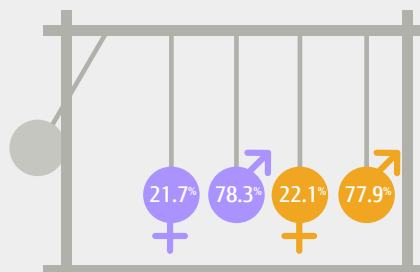
- Rank all male and female full-pay relevant employees from the lowest hourly rate of pay to the highest hourly pay rate
- Divide this list into four equal quartiles
- Apply the following calculations to each quartile to show the proportion of male and female employees:
 - Divide the number of male full-pay relevant employees by the total number of full-pay relevant employees and multiply by 100 – this gives you the percentage of males in the quartile
 - Divide the number of female full-pay relevant employees by the total number of full-pay relevant employees and multiply by 100 – this gives you the percentage of females in the quartile.

From highest paid to lowest paid, these quartiles are described as:

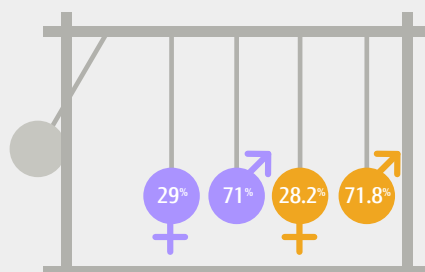
- Quartile 1 (Highest paid)
- Quartile 2 (Upper middle)
- Quartile 3 (Lower middle)
- Quartile 4 (Lowest paid)



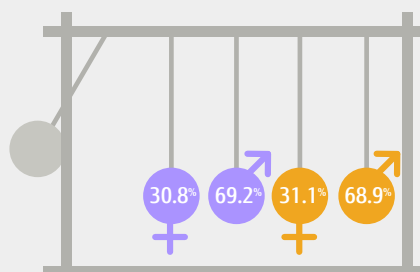
Quartile 1 (Highest paid)



Quartile 2



Quartile 3



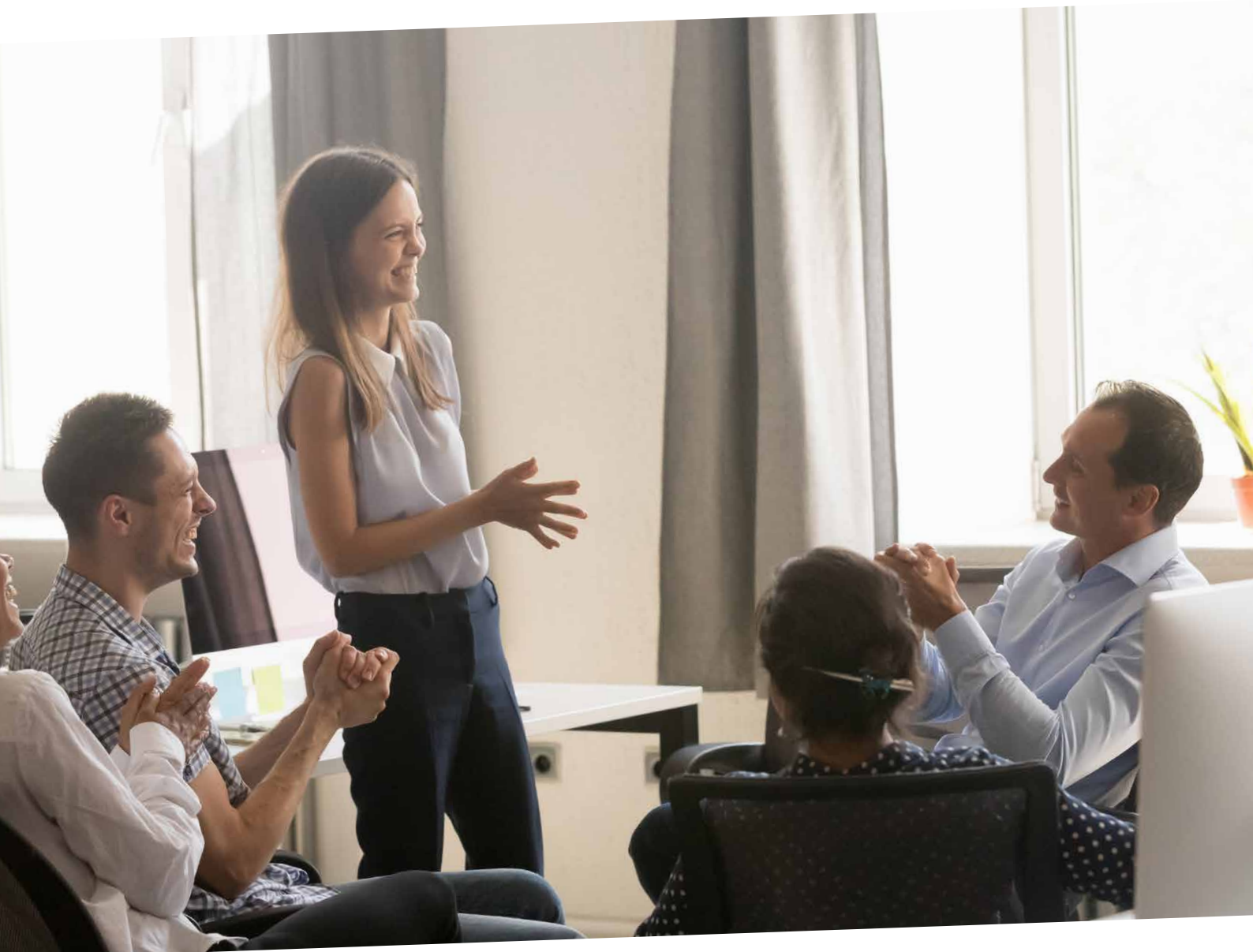
Quartile 4 (Lowest paid)

● 2017 ● 2018

Salary Quartiles	Total Staff	Male	Female	% Male	% Female
Quartile 1 – highest paid	1,835	1,537	298	83.8%	16.2%
Quartile 2 – upper middle	1,835	1,430	405	77.9%	22.1%
Quartile 3 – lower middle	1,836	1,318	518	71.8%	28.2%
Quartile 4 – lowest paid	1,835	1,264	571	68.9%	31.1%
Total employed	7,341	5,549	1,792	76%	24%

It has been proven that having 30% women in teams is the tipping point where women feel more empowered and their views more valued. Our Quartiles 1,2 and 3 do not have 30% female representation.

In 2018 we are reporting a 0.6% decrease of women in our Quartile 1 to 16.2%. We are also reporting a 0.3% increase in the number of women in our Quartile 4 to 31.1%.





Explaining the change

Fujitsu employs more men in roles that are more highly paid. The majority of women are employed in the lower earning salary bands. In the past year, since the organizational change, the composition of Quartile 1 which has our highest earners has changed. There are now 0.6% more men employed in this range.

Key influencer

Age is another key influencer on our gender pay gap. People tend to progress to higher pay levels as they build experience throughout their career. We looked in detail at the age split of the quartiles.

Quartile	Under 29	30-39	40-49	50-59	60+	Total
1 (Highest paid)	0.2%	2.4%	9.5%	10.4%	2.5%	25.0%
2 (Upper middle)	1.0%	3.2%	9.2%	9.4%	2.2%	25.0%
3 (Lower middle)	3.4%	4.7%	8.6%	6.7%	1.4%	25.0%
4 (Lowest Paid)	6.9%	6.1%	5.6%	5.0%	1.4%	25.0%
Total	11.5%	16.4%	32.8%	31.5%	7.8%	100.0%

There is a clear correlation between age and pay quartile. People aged under 29 make up 12% of Fujitsu's workforce, but make up 28% of the lowest paid quartile and only 1% of the highest paid quartile. People aged 50 – 59 make up 32% of Fujitsu's workforce, but make up 20% of the lowest paid quartile and 42% of the highest paid quartile. There is an inflection point at age 40, after which employees are more likely to be in the upper pay quartiles.

The challenge for our business is the historic legacy of employing higher rates of men, who now have longer tenure and are more likely to have progressed to senior roles. We have radically improved our rates of female hires, especially for our junior talent programs; this means that women in our business are likely to be younger, to have shorter tenures, and to be at an earlier stage in their career.

Due to this historic legacy, 35% of our female employees are aged under 40 and are less likely to be in the upper pay quartiles. By contrast, 26% of our male employees are aged under 40. So a higher proportion of male employees are aged over 40 and are more likely to have reached the higher pay quartiles.

The impact of this historic imbalance on our gender pay gap should reduce as time progresses and we continue our focus on female recruitment and career progression.

Key actions

We are targeting actions to support more women to progress into senior roles and in addition our flexible approach to phased retirement should start to open up more opportunities at a senior level for our talent pipeline. This data brings into clear focus where we must target smart actions to encourage women, regardless of age, to apply for senior roles and that we must offer the right support structure.

Bonus gender pay gap

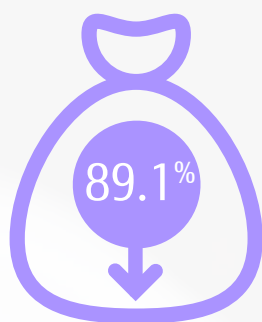
Fujitsu has several different bonus schemes.

The **overall** mean bonus gender pay gap for 2018 is 46.4%. This has increased from 40.8% last year.

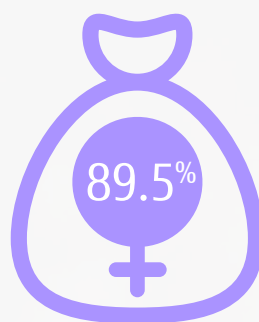
The **overall** median bonus gender pay gap for 2018 is 57.0% compared to 23.6% reported in 2017.

7,341 colleagues in Fujitsu received a bonus in 2018.

- 4,943 men received a bonus payment which equates to 89.1% of men
- 1,603 women received a bonus payment which equates to 89.5% of women



Percentage of men
receiving a bonus



Percentage of women
receiving a bonus

Approximately half of colleagues benefit from our Sharing in Success bonus scheme. The table below shows that the bonus gap for the Sharing in Success scheme is lower than our bonus pay gap and close to our overall median pay gap.

The majority of our sales roles and senior roles, which tend to be more highly paid, are also eligible for other bonus schemes. The table below shows that there is a higher pay gap for other bonus schemes than for Sharing in Success.

Sharing in Success	% Gap
Bonus mean gap	4.1%
Bonus median gap	16.5%

Other Bonus Schemes	% Gap
Bonus mean gap	39.6%
Bonus median gap	38.5%



Key influencer

At Fujitsu we have an elaborate structure of bonus schemes. Our employee reward scheme has been developed to ensure that everyone shares in the success. This scheme has 2,308 men and 867 women enrolled.

Our other bonus schemes have been designed to incentivize colleagues in sales roles and in more senior roles. There are 2,363 men and 736 women enrolled in other bonus schemes.

Through this analysis, we now understand that we have 12.9% more men on all other bonus schemes. Over the past year, there has been a reduction in the number of women in roles eligible for other bonus schemes (e.g. sales roles, senior roles and technical roles) which has affected both the mean and median bonus pay gaps.

The timing of incentive bonus payments can also significantly impact the bonus pay gap calculations. The snapshot bonus pay gap figure for 2018 was calculated in April, meaning any one-off bonus payments made in April were included in the calculations. Unusually for our business, in April 2018, 100% of incentive bonus payments were paid to men, which increased our bonus pay gap and our overall mean pay gap.

Key actions

We will be looking at how and when bonuses are paid so that all colleagues receive their bonus in a timely manner and so that this does not significantly impact (and potentially distort) the gender pay gap calculations year on year.

Social mobility

Key influencer

Our challenge in the IT sector is to attract more women to apply for roles. To achieve this we must take a variety of targeted actions. We know social mobility is a key influencer in how girls are attracted to IT roles.

Key actions

Fujitsu has removed any academic requirements for its 2018 UK Graduate intake – previously 2:1 entry for Graduates in 2015 and earlier years. In 2015 we removed UCAS points as an entry marker for Graduate and Placement schemes. This allowed us to measure the relevancy of academic achievement against in-role performance.

This demonstrates a truly positive approach to hiring based on potential and aptitude, and not institution or academic achievement. It has also helped continually improve the diversity of hires to our graduate scheme:

We have also seen significant growth in our Apprenticeship numbers for 2018, with more places for Degree Apprentices to open up the market to those who may be deterred by the cost of studying for a standard degree. Also, we've started to use the UK Apprentice Levy to reskill our existing workforce in areas such as Management.

54% Female

Compared to 46% in 2016

26% BAME

Compared to 13% in 2016

7% declared as LGBT+

Compared to 4% in 2016

**Only 26% are from
Russell Group universities**

Ensuring diverse academic background and study

44% being the first in their family

To study at university

5% receiving free school meals

During their education

Does ethnicity make a difference?

We wanted to delve deeper to ensure we pay our employees fairly. Therefore, as part of the externally commissioned Equal Pay audit we investigated whether we pay people the same levels for work of the same value, regardless of ethnicity. This is distinct from the ethnicity pay gap, which would look at the distribution of people from different ethnic backgrounds throughout the hierarchy of our organization.

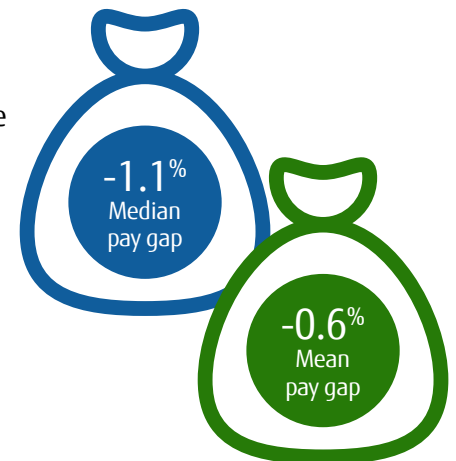
Currently, 87% of our workforce is white and 13% are BAME (from Black, Asian and minority ethnic backgrounds) which is reflective of the UK national average.

The equal pay audit found that BAME and white colleagues are paid equally in the UK business, and that there was no evidence of pay disparity for like work. To put this in context, anything outside -5% and 5% requires further investigation.

We also analyzed employee performance rating scores to see if there were any indicators of unconscious bias on the basis of ethnicity. Those receiving a higher performance rating are more likely to receive a higher bonus and to be eligible for salary increases, promotions and other opportunities.

Results show there is very little difference between white and BAME employees in the overall performance scores, and thus no evidence of unconscious bias.

We are confident that the equal pay audit gave no indication of any equal pay issues based on ethnicity.



% receiving rating	Unsatisfactory	Partially meets	Successfully meets	Exceeds	Outstanding
White	2%	27%	68%	4%	0%
BAME	1%	21%	73%	4%	0%

How does this influence our gender pay gap?

We are committed to ensuring that everyone in Fujitsu – regardless of gender or ethnicity – has equal opportunities to be hired and to progress their career as well as being paid fairly for completing work of equal value. By deepening our understanding of how we pay our employees, we are better informed to champion activities which are going to close any inequalities including the gender pay gap, ensuring that we are an inclusive employer to everyone.

In the short term, this approach may make our gender pay gap more pronounced as we hire and train more young women into the most junior levels of our business. However, we understand that our commitment to diverse junior talent schemes will help us to build a more diverse talented pipeline. In the long-term, this will ensure that the next generation of senior leaders in our business will be more gender-balanced and ultimately improve gender parity.

Fujitsu welcomes the Government's commitment to introducing mandatory ethnicity pay gap reporting to support more employers to achieve these goals, and to reduce the ethnicity pay gap in the tech sector.

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