

Fujitsu UK Ethnicity Pay Gap Report 2021

Our Commitment: Ensuring our people of all ethnicities can succeed



What is the Ethnicity Pay Gap?



What does this mean for Equal Pay?



Why do we have a Pay Gap?



The Pay Headlines



Breakdown of Pay Gaps by Ethnic Minority Group



Our Ethnic Diversity Action Plan



Next Steps



The Cultural Diversity Network (CDN) welcomes Fujitsu's stance to voluntarily publish details of the ethnicity pay gap. To us as an employee network group, it shows that Fujitsu are serious about addressing the disparities that exist, and by naming the problem, we can begin the journey to solve the problem.

CDN will continue to work closely with the Fujitsu Senior Leadership and Human Resources to build on the work we have achieved together and ensure there is proactive accountability and action, that visibly demonstrates progress.

This will ensure that Fujitsu continues to be a great place to work for all our colleagues.



Reena Chawla and Amit Chouhan
Cultural Diversity Network Co-Chairs

Our Commitment: Ensuring our people of all ethnicities can succeed

At Fujitsu, our commitment to ethnic diversity and equality is unwavering.

Our purpose, known as the Fujitsu Way, is to make the world more sustainable by building trust in society through innovation. Our inclusive and diverse culture sits right at the heart of this. We can only achieve our purpose if our people reflect the diversity of our society and we successfully attract, retain and progress the careers of our diverse talent.

Aspiration, trust and empathy are our core values - we embrace diversity, we act ethically and we listen.

In 2020, our Cultural Diversity Network held a series of roundtables to listen to our people from ethnic minority backgrounds to understand their experiences and perspectives. The insight from our colleagues was invaluable and formed the basis of our **Ethnic Diversity Action Plan**.

The goal of this plan is simple... ensure our people of all ethnicities can succeed. We will do this by focusing on four key areas:

1. **Education** - supporting our people to gain an understanding of the lived experiences of people of all ethnicities and how we each have a responsibility to create an inclusive workplace.
2. **Leadership** - more ethnic diversity in leadership and educating all leaders.
3. **Culture** - creating a culture that both nurtures and thrives on ethnic diversity.
4. **Measurement** - measuring our progress and publishing data to hold ourselves accountable.

Today we
have an
Ethnicity
Pay Gap
and it is

12.5%
Median

11.1%
Mean

A key part of our Ethnic Diversity Action Plan is Fujitsu's commitment to publishing our **UK Ethnicity Pay Gap**.

Today we have an ethnicity pay gap and our commitment is to eradicate it. We will use this measure to hold ourselves accountable for making progress and eradicating the gap.

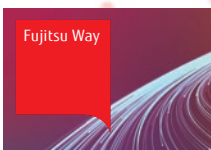
There is not currently a legal requirement in the UK for organisations to publish their ethnicity pay gap. However, we're choosing to do this voluntarily as we are committed to transparency in sharing our areas for improvement. We feel it is important to get all of our people involved and contribute to our **Ethnic Diversity Action Plan** that will eradicate this gap. As signatories of **Business in the Community's Race at Work Charter**, we actively support **Business in the Community's** campaign for mandatory ethnicity pay gap reporting.

This report will explain what the Ethnicity Pay Gap is and how this is different to equal pay. It explains that our Ethnicity Pay Gap demonstrates that today in Fujitsu UK we have a seniority gap. This means that we have a greater proportion of colleagues from an ethnic minority background occupying more junior roles, compared to a greater proportion of colleagues from a white background occupying senior roles. We feel it is important to get all of our people involved and contribute to our Ethnic Diversity Action Plan.



Paul Patterson

Head of Northern & Western Europe



We respect Human Rights



We act with ethics, transparency and integrity



We embrace diversity and create original ideas

What is the Ethnicity Pay Gap?

Very simply, the ethnicity pay gap shows **the difference between the average pay for all Fujitsu UK employees who have told us they are of an ethnic minority background and all employees who have told us they are of a white background**. The ethnic minority population includes all employees who have shared that they are within the following ethnic groups: Black, Asian, Mixed Ethnicity and other. The white population includes all employees who have shared that they are from a white ethnic group.

For the purposes of this calculation, we can only include pay details for those people who have updated their ethnicity information on our HR System. At the time of calculation, this is 81.2% of our UK workforce.

We then take the pay figures for this UK population at a snapshot in time, mirroring the approach set by Government for calculating the gender pay gap (a legal requirement for all UK organisations with more than 250 employees).

Pay figures were taken on the **5th April 2021** and used to calculate both the **median (middle value) Pay Gap**, **mean (average) Pay Gap** and a set of calculations related to **bonus payments and pay quartiles**.

In addition to the overall pay gap, we also include more detail of pay gaps for people who have told us they are of an Asian; Black; Mixed; or Other ethnicity. All of these calculations are detailed within this report.

What does this mean for Equal Pay?

The ethnicity pay gap may be confused with equal pay, but these two measures are looking at different things.

Equal pay is an issue relating to unequal pay between men and women doing like work. It is unlawful to offer different terms and conditions relating to pay between men and women where they are doing the same work and such equal pay protections as between men and women are embedded in the Equality Act 2010. General anti-discrimination laws under the Equality Act 2010 also prohibit unequal pay between different ethnic groups where they are carrying out the same work.

In the same way that a gender pay gap is not the same as unequal pay between men and women, the ethnicity pay gap is not the same as unequal pay between different ethnicities for doing the same work. The ethnicity pay gap measures the difference between the average earnings of different ethnic groups and all people who have told us they are of a white background, irrespective of their role or seniority. It is not unlawful to have an ethnicity pay gap whereas it would be unlawful to pay different rates / salaries to employees of different ethnicities who perform the same work. **Nonetheless, our commitment is to eradicate our ethnicity pay gap.**

When we look at the ethnicity pay gap, we tend to focus on the median pay gap because it gives us the most robust figure and is less affected by pay outliers.

The gap is simply the difference between the midpoints in the pay range of all ethnic minority employees and all white employees, expressed as a percentage.

Ensuring Equal Pay for all

We take deliberate steps to ensure equal pay for all of our people.

During 2020, we completed a UK-wide equal pay audit covering both ethnicity and gender, from which we concluded that there was no evidence of pay disparity for like work based on either ethnicity or gender. We have an ongoing commitment to do this every two years.

In addition, our HR team has developed an Ethnicity Pay dashboard which is used to track ethnicity pay on a monthly basis.

Why do we have a Pay Gap?

Our pay gap figures are based on the 81.2% of our UK workforce who have told us their ethnicity. Our aim is to continue to increase this disclosure rate to ensure even better understanding of the gaps and focus areas.

The pay gap demonstrates that today in Fujitsu UK we have a **seniority gap**: meaning that based on the people who have told us their ethnicity, we have a greater proportion of colleagues from an ethnic minority background occupying more junior roles compared to a greater proportion of colleagues from a white background occupying more senior roles. This follows a similar pattern to our gender pay gap, which also represents a seniority gap with a greater proportion of male colleagues occupying more senior roles, when compared to women.

When we analyse the differences between different ethnic groups, the highest pay gaps are for people identifying as Black and Other ethnicities. This represents a more pronounced seniority gap for these groups compared to the ethnic minority population overall. Likewise, in ethnic groups with the lower pay gaps - people identifying as Asian and Mixed ethnicities - this represents a narrower seniority gap.

As a consequence of these seniority gaps, ethnic minority employees are under-represented in the highest pay quartiles (see page 7) and over represented at the lower pay quartiles compared to white employees. We are mindful that employees where ethnicity is unknown are over represented in the lower pay quartiles. Since ethnic minority employees are also over represented in the lower pay quartiles, this highlights the risk that the mean and median ethnicity pay gap figures could be higher. Similarly, the gap could be lower if the majority of those in pay quartile 1 with unknown ethnicity are white.

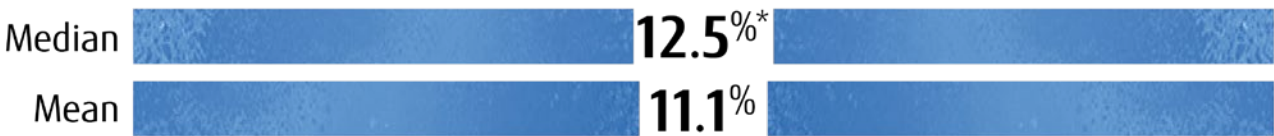
The ethnicity pay gap is lower for part-time employees than for full-time employees and we can see that gender is more of a driver in pay gaps between part and full-time employees, than ethnicity.

The bonus gap by ethnicity is driven by a disproportionate number of white people on management incentive plans: this is also a consequence of the seniority gap. The most notable driver of the high bonus gap is that there is a considerably higher proportion of white employees in roles attracting the highest bonuses, such as senior general management and quota-bearing sales' roles. **92.8%** of ethnic minority employees received a bonus compared to **95.7%** of white employees.



The Pay Headlines

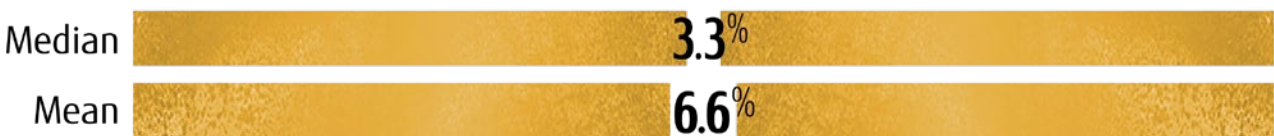
Fujitsu's Ethnicity Pay Gap (based on average hourly rate of pay)



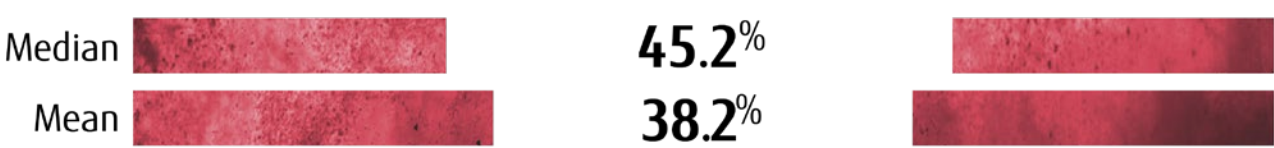
Full-Time Pay Gap



Part-Time Pay Gap



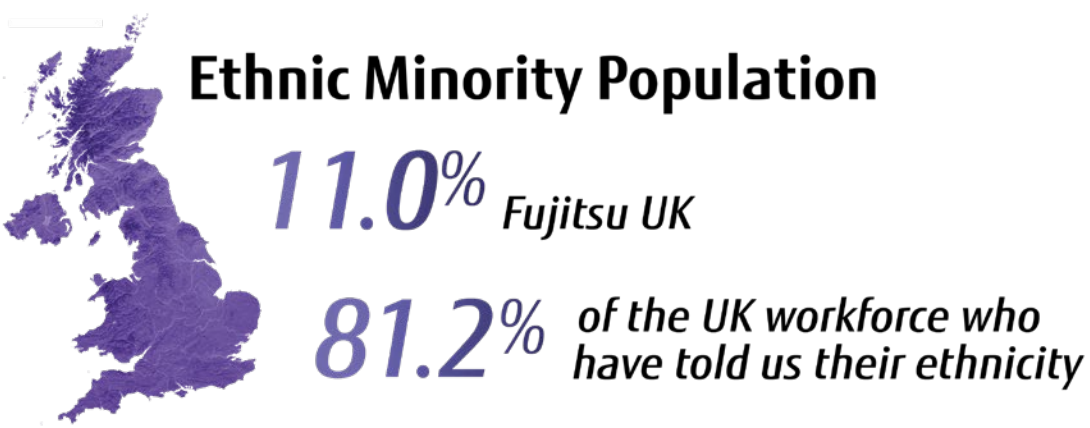
Bonus Pay Gap



Percentage of employees receiving a bonus

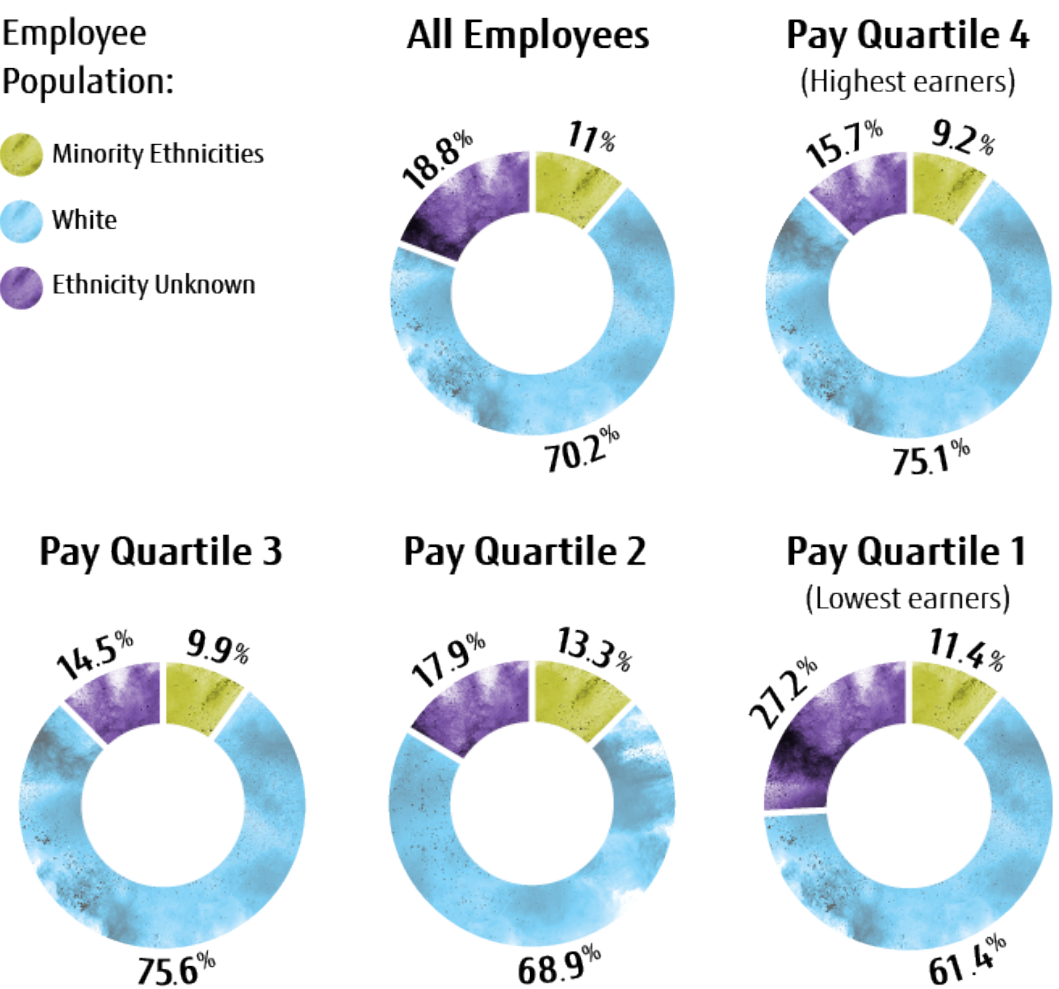
95.7% *White* **92.8%** *Ethnic Minority*

*The median pay gap of 12.5% represents a seniority gap – colleagues of an ethnic minority background tend to work in more junior roles with more senior roles occupied by people of a white background.



'Ethnic Minority Population' calculations are based on the 81.2% of our UK workforce who has told us their ethnicity. Fujitsu UK employee data as at April 2021. UK Society data based on Office for National Statistics population estimate 2018.

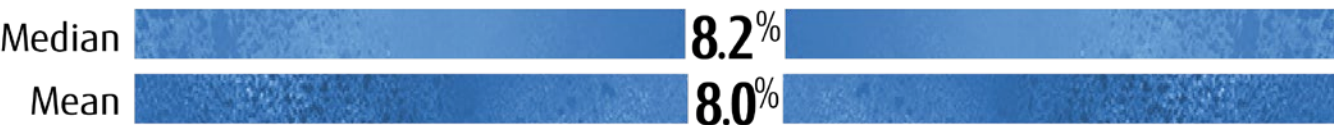
Pay Quartiles



Breakdown of Pay Gaps by Ethnic Minority Group

Fujitsu's UK Ethnicity Pay Gaps*

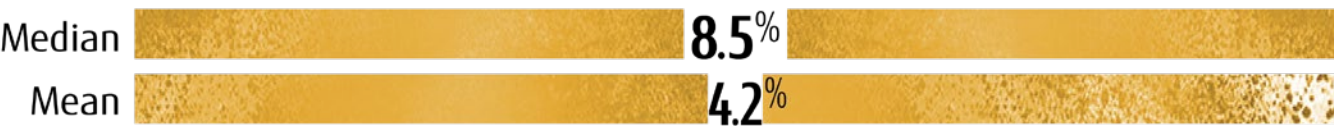
Asian Ethnicities



Black Ethnicities



Mixed Ethnicities



Other Ethnicities

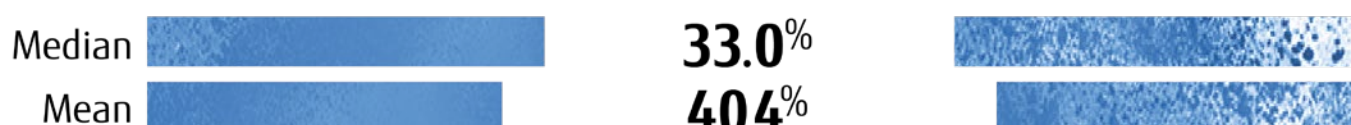


*Ethnic minority employees are anyone who has recorded their ethnicity as the following. The subcategories used below are how the ethnicity breakdown has been determined and used as part of the analysis of the ethnicity gap:

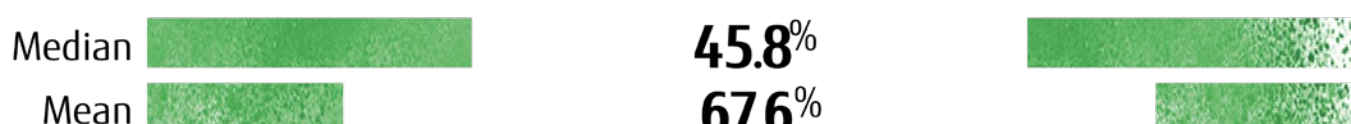
- | | | | |
|---|--|---|--|
| Black <ul style="list-style-type: none">• Black - African• Black - Caribbean• Black - Any other Black / African / Caribbean background | Asian <ul style="list-style-type: none">• Asian - Pakistani• Asian - Bangladeshi• Asian - Chinese• Asian - Indian• Asian - Any other Asian background | Mixed Ethnicity <ul style="list-style-type: none">• Mixed - White and Black African• Mixed - White and Asian• Mixed - White and Black Caribbean• Mixed - Any other Mixed / multiple ethnic background | Other Ethnicity <ul style="list-style-type: none">• Arab• Other - Arab |
|---|--|---|--|

Fujitsu's UK Ethnicity Bonus Pay Gaps

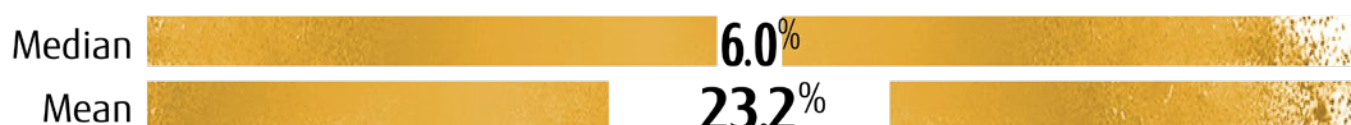
Asian Ethnicities



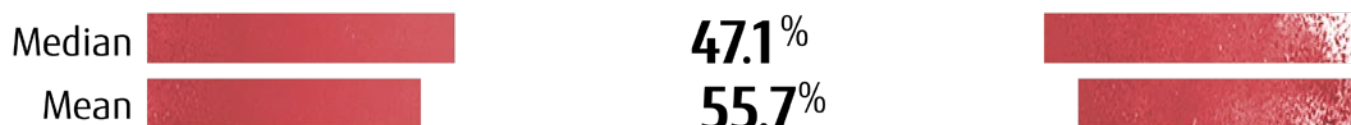
Black Ethnicities



Mixed Ethnicities



Other Ethnicities



Our Ethnic Diversity Action Plan

Ensuring people of all ethnicities can succeed.

Our action plan focuses on four key areas:

1

Educate

Supporting our people to gain an understanding of the lived experiences of people of all ethnicities, and how we each have a responsibility to create an inclusive workplace

2

Lead

More ethnic diversity in leadership and educating all leaders

3

Culture

Creating a culture that both nurtures and thrives on ethnic diversity

4

Measure

Measuring our progress and publishing data to hold ourselves accountable

Progress so far...

1 Educate

Since hosting a series of roundtables in 2020, which brought together leaders and employees across Fujitsu to hear the lived experiences of colleagues, our Cultural Diversity Network has been instrumental in helping to define our Ethnic Diversity Action Plan. A big focus during 2020 has been to share widely the messages from these roundtables, educating all leaders and employees about why we need to focus on ethnicity in the workplace. Despite the challenges of 2020, we are proud of the progress in the following areas:

- Educating our senior leaders across the business about experiences of diverse ethnicities in society, Fujitsu and our continued commitment to diversity.
- Gaining leadership commitment to create their own business-line focused action plans with clear and proactive objectives for ethnic diversity.
- Delivering events for hundreds of employees focused on race in society, how to talk about race and the contribution each individual can make to an inclusive culture for all.
- Delivering Anti-Racism training for our HR function and Racial Equality training for UK People Managers. This focuses on the steps they can take to be an active Ally for equality in their teams and through the work they do.
- Increasing attendance by our people at events run by the Cultural Diversity Network and trebling Cultural Diversity Network membership.
- Taking deliberate steps to celebrate all cultures in Fujitsu... from Black History Month, a shared celebration for Eid, to events focused on learning more about different religions.
- Complementing our Diversity & Inclusion and Unconscious Bias training for Managers, promotion of a Racial Equality learning pathway to help everyone gain deeper insight into the concepts of privilege, anti-racism, how to talk about race and how to create a situation of belonging for all.

We are also incredibly proud of our Co-Chairs, Amit Chouhan and Reena Chawla, for their recognition in the EMPower Ethnic Minority Role Models list, 2021: noting their significant leadership to remove barriers for ethnic minority employees.



2 Lead

This element of the plan focuses on three things: 1) Leading this action plan to deliver sustained and measurable improvements in ethnic diversity 2) Increasing the ethnic diversity of our existing leadership population and 3) Helping all leaders to understand the experiences of people of different ethnicities to themselves. Here's our progress from the past 12 months.

- Our Ethnicity Steering Group has been established to bring together Leadership Sponsors, our Cultural Diversity Network Chairs, D&I team and a group of passionate colleagues from right across the business to share ethnically diverse perspectives that inform, review and support our action plans.
- All of our most senior UK leadership team (a population of over 40 people) has worked with a Reverse Mentor of a different ethnicity to themselves since November 2020. This reverse mentoring has been a valuable source of insight and opportunity for reflection, with positive practical actions taken as a result. Actions include: leaders holding local roundtables to hear employee feedback in their business areas; ensuring all our marketing collateral represents the diversity of our people and society; partnering with ethnically diverse schools in our Responsible Business programme; being an active Career Sponsor for people of an ethnic minority background and requiring all of their extended management team to undertake 'Belonging' training.
- In support of increasing the ethnic diversity of our leadership population, we have introduced 'Career ignition' a series of three development events promoted to support the career development of ethnic minority colleagues – through networking, self-promotion and access to mentoring. Career Ignition was a sell-out in its first 24 hours, with over 200 people going through the first cohort and we are already on the second cohort plus building in improvements to take a more structured approach to facilitated mentoring as an outcome of these events.

Our leadership led approach is cited in Business in the Community's 2020 Race at Work Report: [How leaders and managers are taking action to achieve racial justice and equality](#) »

3 Culture

Within this part of the plan, we focus on creating an environment where people feel comfortable to talk about ethnicity, share their experiences and where we celebrate diversity.

- Our Global Head of Diversity & Inclusion, Head of Fujitsu Northern & Western Europe and Head of HR have each set out Fujitsu's clear commitment to zero tolerance of any bullying or harassment at Fujitsu. This is included in our Diversity & Inclusion policy, in employee Townhall meetings, our HR Handbook and Management training.
- Feedback from employee roundtables taught us we need to do more to provide independent routes for people to seek support if they are experiencing any concerns in relation to ethnicity at work. In addition to formal HR policies, we have established an internal pool of diverse Coaches who are there to provide coaching to all employees – including being a safe space for any colleague to use, to work out the right way to address a concern or situation they are facing.
- We also learnt through Reverse Mentoring that we were not previously doing enough to recognise the diversity of religions in our UK workforce. As a result we have introduced a series of religious celebrations to our company calendar and encourage employees to share company-provided e-cards with colleagues, customers and partners, to both join different cultures in celebrating religious events and educate everyone about the important celebrations for key UK religions.
- We work closely with our external recruitment partners to measure the diversity of candidate pools they put forward for roles at Fujitsu. Diversity metrics form part of our recruitment supplier quarterly reviews and enable us to hold them to account for bringing us diverse shortlists, together with helping us learn if there is a reason we are failing to attract people of all ethnicities.
- Our commitment to creating a culture where people of all ethnicities can thrive is not confined to Fujitsu. This equally applies to our work in society. Read below about how our Cultural Diversity Network is supporting mentoring circles.

Fujitsu's Cultural Diversity Network Mentoring Circles

The Cultural Diversity Network adopts four themes: **Sparkling Curiosity; Bringing Sustainable Change; Supporting our Striving Business; and Helping the Community.**

For **Helping the Community**, we work closely with DWP and Business in the Community (BITC) to deliver Mentoring Circles. This is an initiative to support ethnic minority talent, aged 18-25 years, who are struggling to find employment. We host a series of day sessions where we mentor young people with CV preparation, interview techniques, digital awareness and personal coaching.

Since 2018, we have supported over 100 mentees through these events and during the summer of 2021, we ran five regional Mentoring Circles (all virtually!!) to help people from challenged areas gain key skills to help them back into employment.

We work with our clients and partners, including the Department for Education, Home Office, RAF and Mitie to give breadth of experience to everyone participating.

[Read more »](#)

4 Measure

Being able to measure the ethnic diversity of our population and the reasons we have an ethnicity pay gap is key to helping us understand where to focus our efforts to eradicate the gap.

- In 2020, we introduced Ethnic Diversity Dashboards into our business reviews, meaning that each business leader within the UK has access to data showing the ethnic diversity of their workforce, metrics such as attrition, ethnic diversity at all levels of our career framework and diversity of new hires.
- Business leaders are required to share their local Ethnic Diversity Action Plans in response to this data, as part of their quarterly business reviews.
- Diversity information is included in our UK bi-annual Employee Engagement Survey, enabling us to understand engagement feedback from diverse groups across the UK. Coupled with feedback via our Cultural Diversity Network and our diversity data, this insight helps us to understand where we need to work harder to ensure everyone has a positive experience of Fujitsu.
- Publishing our ethnicity pay gap is a key element to ensure we have a clear measure of success for this plan. Together with our Ethnicity Steering Group, we also regularly review the ethnic diversity of our overall workforce, leadership population, new recruits and attrition data for the UK overall to spot any areas needing further focus.

Next Steps

By continuing to work closely with our people and Cultural Diversity Network, we will ensure that the focus areas in the Ethnic Diversity Action Plan make real progress and ultimately close the Ethnicity Pay Gap.

This means that we will be focused on:

- 1 Increasing the ethnic diversity of our leaders and attracting diverse talent into Fujitsu at all levels.**
- 2 Ensuring recruitment shortlists include 50% diverse candidates from under-represented groups.**
- 3 Encouraging our people to share their ethnicity information with us to reach our disclosure target of 90% by 2022.**
- 4 Our UK leadership team will continue to work with Reverse Mentors to further develop their insight.**
- 5 Supporting our senior leaders to become Career Sponsors for our people in under-represented groups.**
- 6 Listening, learning and acting on the feedback from our people to ensure we're an inclusive culture for everyone.**



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