



# **FUJITSU GROUP Supply Chain CSR Guidebook**

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Corporate Purchasing Unit  
FUJITSU Limited

# Introduction

The Fujitsu Way embodies the philosophy of the Fujitsu Group, our reason for existence, values and the principles that we follow in our daily activities. All Fujitsu Group's business activities are conducted based on the principles of the Fujitsu Way. The Fujitsu Way is the main pillar to promote CSR (Corporate Social Responsibility) activities, providing a common direction of the Fujitsu Group, aiming at enhancing corporate value and contribution to global and local societies by communicating and collaborating with stakeholders.

In recent years, the business environment has diversified and has been drastically changing due to the globalization of business activities and the advancement of the information society. As a result, the social challenges have become more global and more complex than ever before. Under these circumstances, the proactive implementation of CSR activities such as compliance with laws and fulfilment of social responsibilities are becoming more and more important for the company as a member of society.

Fujitsu has announced its support of the United Nations Global Compact and the Fujitsu Group has been promoting CSR activities to contribute to the creation of a sustainable society.

From the viewpoint of supply chain management, companies are required to pay attention to the whole process as well as to promote CSR in their own activities. We believe that such activities lead to a mutual prosperity and help to realize a sustainable society. Therefore, we have been requiring our suppliers to understand and behave in a manner that is consistent with these standards.

We decided to update our guideline and guidebook based on the internationally recognized standards such as the Ten Principles of the United Nation Global Compact, etc., to clearly express the Fujitsu Group's commitment toward respecting human rights.

We would like you to review these contents to help you understand your responsibility in promote CSR activities when doing business with Fujitsu Group, and comply with the principles of this guidebook to create a sustainable society together.

\*This guidebook is modeled on Japan Electronics and Information Technology Industries Association JEITA "Supply Chain CSR Deployment Guidebook", and contains language from the Ten Principles of the United Nations Global Compact.

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## A. Respect for Human Rights and Labor

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. (Fujitsu CSR Procurement Guideline 1)

We do not use child labor or any form of forced or compulsory labor. (Fujitsu CSR Procurement Guideline 1)

We respect the rights to freedom of association of employees according to the applicable laws in the countries in which business is conducted. (Fujitsu CSR Procurement Guideline 1)

### **[A-1] Prohibit forced labor**

**Suppliers must employ all employees on a voluntary basis, and not engage in forced labor.**

Above-mentioned forced labor means all non- voluntary labor.

The following are examples of typical forced labor:

- Labor that is against one's will
- Labor for debt that limits the freedom of job turnover due to unpaid debt, etc.
- Slave labor practiced as a result of human trafficking
- Inhumane prison labor in harsh environments

The following are also regarded as forced labor:

- Obligation to deposit identification cards/passports/work permit cards with employers

### **[A-2] Prohibit inhumane treatment and infringements of human rights**

**Suppliers must respect human rights of employees and prohibit harsh and inhumane treatment such as maltreatment and/or various forms of harassment.**

Typical inhumane treatments include physical punishment and sexual harassment.

### **[A-3] Prohibit child labor**

**Suppliers must not employ children who are under the lowest permitted labor age and must not assign jobs that impair children's development.**

Generally, child labor means employment of persons who are younger than the lowest permitted labor age and failure to protect young laborers as specified in any applicable local laws, treaties and/or recommendations of the International Labor Organization (ILO).

In Japan, for example, employment of persons who are under fifteen years old is prohibited under the laws for the protection of young laborers. Limitation of night-shift work and dangerous work are practical examples of protecting young laborers from work that may impair their health, security and morality.

In countries where there are no relevant laws, acts violating the lowest permitted worker age set forth in any applicable treaty and/or recommendations of ILO are regarded as child labor (The rule of the lowest permitted employment age is fifteen years old: ILO treaty

#### **[A-4] Prohibit illegal discrimination**

**Suppliers must prohibit illegal discrimination during the process of job recruiting and hiring, and endeavor to offer equal opportunity and fairness of treatment.**

Discrimination means providing different opportunities and/or treatment such as recruitment, promotion, reward and participation in trainings due to permitted reasons such as one's ability, competence, and achievement.

Typical bases of discrimination are race, ethnicity, nationality, birthplace, color, age, gender, sexual orientation, disability, religion, political affiliation, union membership, marital status, and so on.

Additionally, improper health examinations and pregnancy tests may impair the equality of opportunity or treatment, and such acts maybe considered as discrimination.

#### **[A-5] Pay appropriate wages**

**Suppliers must pay the legal minimum wage or more, and not practice unfair wage deduction as a means of a disciplinary action.**

The minimum wage means the lowest wage specified in each country's wage-related laws. Payment of other allowances including overtime compensation are included.

Improper wage reduction means wage reductions violating labor-related laws, etc.

#### **[A-6] Regulate working hours**

**Suppliers must regulate employee's working hours/holidays/vacations in accordance with local laws**

In this item, the following are the examples of proper regulation:

- Scheduled working days per year do not exceed the legal ceiling
- Working hours per week including overtime (except for emergency cases) do not exceed the legal ceiling
- Providing employees with at least one holiday per week
- Providing the rights of a vacation leave on an annual basis as specified in the law

#### **[A-7] Respect the rights of freedom of association**

**Suppliers must respect the rights of freedom of association of employees including where applicable employer-employee consultation, in order to resolve working conditions and/or wage issues, etc.**

"Respecting the rights of employees to organize" includes by way of example freedom to participate in labor unions according to laws, freedom to stage a protest, and freedom to participate in workers' council without retaliation. .

## B. Occupational Health and Safety

We establish comfortable work environments for the security and health of our employees.  
(Fujitsu CSR Procurement Guideline 1)

### **[B-1] Apply safety measures for equipment and instruments**

**Suppliers must apply appropriate safety regulations regarding equipment and instruments used in their company.**

Appropriate safety regulation means management systems for preventing accidents and health problems while on the job.

The following are examples of appropriate controls:

- Adoption of safety mechanisms such as fail-safe, foolproof, and inter-lock mechanisms
- Installation of safety devices and protective barriers
- Periodical inspection and maintenance of machinery

### **[B-2] Promote safe activities in the workplace**

**Suppliers are expected to evaluate their own safety risks and must ensure safety in the workplace with appropriate designs, techniques, and control methods.**

The risk to safety in the workplace means potential risks of accidents and health problems on the job such as electric shock or other energy-caused accidents, fire, vehicles, slippery floors, or falling objects.

The following are examples of appropriate design, technology and control methods:

- Monitoring dangerous places with sensors
- Blocking sources of power to machinery by locking it (lock out)
- Setting the tag that specifies the prohibition of manipulating energy blocking device while the source of power is blocked (tag out)
- Providing protective equipment such as glasses/hard hat/glove etc.

### **[B-3] Promote health in the workplace**

**Suppliers are expected to be aware of conditions in the workplace concerning biological and chemical substances, noise, and odors that may be harmful to health and to provide appropriate counter measures.**

Chemical substances that are harmful to the human body include smoke, mist, dust, poison, nuclear radiation, and substances that cause chronic diseases (lead, asbestos etc.). Also extreme noise and odors are elements that may be deemed as being harmful to health.

The following are examples of the appropriate counter measures:

- Identification of potential contact with harmful elements
- Establishment and operation of management criteria
- Appropriate education of workers on workplace health
- Provision of protective devices to workers etc.

#### **[B-4] Apply appropriate measures for occupational injuries and illnesses**

**Suppliers are expected to be aware of the situation concerning occupational injuries and illnesses in the workplace, and to provide appropriate controls.**

The following are examples of appropriate controls:

- Rules and programs that enable promotion of reporting by employees
- Classification and recording of injury/illness
- Provision of required medical treatment
- Investigation of injury/illness
- Execution of measures to correct and eradicate the causes of injuries
- Promoting the return of affected-employees to the workplace etc. (workers' accident insurance is also included)

Of course the performance of the legally required procedures is included.

#### **[B-5] Properly manage disasters and accidents**

**Suppliers must prepare emergency response measures in case of possible disasters and accidents in order to protect human lives, and inform all people affected in the workplace.**

Typical examples of emergency response measures are as follows:

- Prompt reporting during an emergency
- Notification to employees
- Clarification of evacuation procedures and the means to evacuate
- Installation of fire detection system and fire containment devices
- Development of recovery plan etc.

The following are ways to keep employees in the workplace informed:

- Implementing emergency response education (including evacuation drills)
- Storing or posting emergency response procedures etc. accessible to employees in the workplace

#### **[B-6] Limit physically demanding work**

**Suppliers are expected to define physically demanding work tasks, and to limit appropriately to prevent injury and illness.**

Operations that require physically demanding work include not only hard labor such as carrying heavy objects but also long-term repetitive work such as assembly work and data entry work.

Appropriate control means periodic breaks, provision of assistive devices, and use of multiple workers etc.

#### **[B-7] Promote safety and health in all company facilities**

**Suppliers must provide safe and healthful conditions in all company facilities provided for employee's living (e.g. dormitory, canteen, and restroom.)**

The facilities provided for employees in the workplace (E.g., restrooms, drinking fountains,



locker rooms, canteens etc.), and facilities provided for employees outside of the workplace (dormitories, etc.) are to be maintained appropriately.

Along with keeping cleanliness/sanitation, typical examples are measures for safe drinking water, fire, air ventilation, temperature control, and emergency escape routes (exit)...

### **[B-8] Promote health benefits programs for employees**

**Suppliers are expected to provide appropriate health benefit programs for all employees.**

Appropriate health benefits address employees' illnesses at least according to the standard of the law.

## **C. Global Environment**

- We promote the establishment and implementation of environmental management systems("EMS").
- We control chemical substances contained in products and/or used in manufacturing processes .
- We provide products and services that involve a minimum environmental load.

(Fujitsu CSR Procurement Guideline 2)

### **[C-1] Control hazardous chemicals in products**

**Suppliers must control chemical substances (contained in products) as defined by local laws and regulations.**

The products must not include chemical substances that have been banned. Additionally, legally required labeling and testing must be performed.

### **[C-2] Control hazardous chemicals in manufacturing**

**Suppliers must control chemical substances (used in manufacturing processes) as required by local laws and regulations.**

The manufacturing process must be controlled and managed in order to prevent use of chemical substances that are outlawed. Furthermore, where required by law, it is necessary to measure and report to the government the amount of emissions to the environment as well as to try to minimize these emissions.

### **[C-3] Establish and apply an environmental management system**

**Suppliers are expected to establish and implement an environmental management system.**

An environmental management system means a management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources to promote environmental activities.

Environmental activities as mentioned above are to develop, implement, achieve, review, and to maintain environmental policies in order to promote the continuous improvement program using the so-called PDCA (Plan Do Check Action) closed-loop.

One typical environmental management system is ISO14001 through which an entity can receive a third-party certificate.

#### **[C-4] Minimize environmental pollution (water, soil, air)**

**Suppliers must be in compliance with local laws and regulations of drainage, sludge and air emissions, to decrease such environmental pollution by voluntary criteria as needed.**

Voluntary criteria should include goals to reduce environmental impact beyond the standards required by local laws.

Besides preventing the occurrence of common nuisances, the following activities are good practices for further improvement: monitoring, controlling, processing of drainage/sludge/exhaust etc. and reduction of their amount.

#### **[C-5] Obtain environmental permits**

**Suppliers must obtain necessary environmental permits required by local laws and regulations, and where required submit necessary reports to the government.**

In Japan, the following are examples of legal obligations to install officers who have legally-defined qualifications:

- Waste Disposal and Public Cleaning Law: Responsible officer of specially controlled industrial waste
- Law Concerning the Rational Use of Energy Qualified person for energy management in factories that use more than a certain level of energy
- Air Pollution Control Law etc.: Officer in charge of pollution control in the factories that emit chemical substances, dust, exhaust, and so on.

Officers in charge of poisons, specified chemical substances, and hazardous materials also must be installed depending on the chemical substances used in the business.

Government permits/licenses concerning environmental influence evaluation and facilities dealing with hazardous material may be needed depending on the contents of the business and location of the factory.

#### **[C-6] Promote resource and energy saving by reusing, reducing, and recycling (3R)**

**Suppliers are expected to define a voluntary goal of natural resources and energy saving, and to implement continuous activities for efficient usage.**

Resource saving is defined as striving to effectively utilize resources. Typical programs are as follows:

- Reduction of waste and material usage to make the product
- Utilization of recycled resources and parts, etc.

Energy saving is defined as striving to save the use of heat and electric energy wherever possible. By saving energy, fuel resources such as oil, natural gas, coal, coke etc. can be used effectively.

3R stands for Reduce, Reuse, and Recycle.

### **[C-7] Promote green-house gas reduction**

**Suppliers are expected to define a voluntary goal of green-house gas reduction, and to implement continuous activities for further reduction.**

Although there are various types of greenhouse gases, the following six types of substance groups are specified particularly in the Kyoto Protocol: carbon dioxide, methane, nitrogen dioxide, HFC, PFC, and SF6.

Setting voluntary goals for the reduction of these six types of greenhouse gases, and implementing the necessary measures to achieve those goals are good methods of continuous reduction activities.

### **[C-8] Promote waste reduction**

**Suppliers are expected to define a voluntary goal of the final waste reduction, and to implement continuous activities for further reduction.**

Final wastes are defined as wastes for which landfill or incineration is required.

Setting voluntary goals of reduction and implementing the necessary measures to achieve those goals for the final wastes are good methods of continuous reduction activities.

### **[C-9] Disclose environmental preservation activities**

**Suppliers are expected to disclose outcomes of environmental activities appropriately.**

Typical outcomes of environmental activities are as follows:

- Measures implemented for environmental preservation
- Emissions to air/drainage/lands
- Amount of used resources, wastes, and so on

Furthermore, environmentally harmful outcomes that business establishments have caused are included.

In order to summarize outcomes regularly, it is good management practice to assign responsible officers in the organization to conduct environmental preservation activities, who continuously take records concerning management indicators of environmental preservation activities, achievement of the activity objectives, and important matters relating to other environmental factors.

Disclosures of environmental reports and/or necessary reports to stakeholders are examples of disclosure methods.

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

1.Fair Trade	We promote fair and free competition and do not engage in any illicit trade. (Fujitsu CSR Procurement Guideline 3-1)
2.Protection of Confidential Information	We maintain and promote proper handling of confidential information, including third parties' confidential and personal information. (Fujitsu CSR Procurement Guideline 3-2)
3.Protection of Intellectual Property	We strive to respect the intellectual property of others,

	understanding the role that intellectual property plays as an important resource to underpin organizations' business activities (Fujitsu CSR Procurement Guideline 3-3)
4.Prohibition of Bribes	We do not tolerate corruption in any form, including bribery and extortion, nor do we allow anyone acting on our behalf to engage in such conduct. (Fujitsu CSR Procurement Guideline 3-4)
5. Conflict Minerals	We strive to ensure supply chain transparency and to conduct responsible procurement of minerals. (Fujitsu CSR Procurement Guideline 3-5)

#### **[D-1] Prohibit abuse of a market dominant position**

##### **Suppliers must deal fairly with others in the supply chain.**

Procurement deals shall be fairly and faithfully conducted based on contracts. In countries with legislation relating to abuse of a market dominant position, the relevant laws shall be observed. (E.g. National Contract Act in Japan)

#### **[D-2] Prohibit the offering and receiving of inappropriate profit and advantage**

##### **Suppliers must not offer and/or receive inappropriate benefits to/from stakeholders.**

Typical examples of "Inappropriate benefits" include:

- Offering or receiving personal benefits (including gifts, awards, money, entertainment, etc.) beyond what is reasonable, lawful and customary in the applicable country Offering anything of value to an antisocial force (criminal organization, terror organization, etc.) that adversely affects public order or sound activities.
- Insider trading, that is trading stocks or other securities using undisclosed "insider information" of a company

#### **[D-3] Prohibit impediment to free competition**

##### **Suppliers must not impede fair and free competition.**

Anti-competitive conduct includes the following:

- agreeing among competitors about prices or any factors related to prices (such as terms and conditions of sale, list prices, discounts, price and discount ranges, customer allocation, production volumes or restrictions on output)
- exchanging non-public commercial information, including future prices or pricing strategies, customer negotiation status and strategy, inventory levels, production capacity, future sales or quantities or orders
- Illegally obtaining and using trade secrets of other companies

Falsely indicating the origin of goods or services that confuses customers about other companies' products or services is an example of an act of unfair competition.

#### **[D-4] Protect personal information**

**Suppliers must appropriately control and protect personal information of customers and third parties.**

Personal information means information about individuals that according to local law requires protection. Appropriate control means having an overall management scheme for protecting personal information, including creation of regulations and guidelines to be observed by employees and implementing programs based on the management scheme.

Appropriate protection means not illegally obtaining, utilizing, or disclosing personal information.

#### **[D-5] Protect customer and third-party confidential information**

**Suppliers must control and protect confidential information from customers and third parties.**

Confidential information usually means information. (Including hard copy documents as well as electromagnetic- or optically-recorded data information) that is deemed as confidential under local law or under contracts.

Proper control means the overall management scheme for protecting confidential information including creation of regulations and guidelines to be observed by employees and implementing programs, based on the management scheme.

Appropriate protection means not obtaining, utilizing or disclosing, confidential information in violation of law or breach of contract.

#### **[D-6] Respect intellectual property**

**Suppliers must respect intellectual property rights.**

"Intellectual property rights" (IPR) includes patent rights, utility model rights, design rights, trademark rights, copyrights, trade secrets, and so on.

. The usage of a third party's intellectual property without permission may constitute an infringement of IPR, unless otherwise permitted by law. ,

Furthermore, illegal reproduction of computer software or any other copyrighted work constitutes an infringement of IPR.

Likewise, illegal procurement and utilization of a trade secret of a third party also constitutes an infringement of IPR.

#### **[D-7] Prohibit corruption and bribery**

**Suppliers must not engage in any acts of bribery**

"Bribery" means offering, providing or promising to provide gifts and/or hospitalities to government officials, if the purpose is, in whole or in part to secure an improper advantage, unjustly influence any governmental act or decision, or induce the government official to act in violation of his/her lawful duty. The definition also applies to customers and vendors in private non-governmental transactions

Bribes can be anything of value, including but not limited to money (or equivalent cash value), goods, services, travel, meals, accommodations, entertainment, and political or charitable donations.

Bribery includes political donations requesting some business advantage in return, such as an approval or license, acquisition/maintenance of trading, or access to trade secret information.

#### **[D-8] Disclosure of Information**

**Information regarding labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.**

**Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.**

#### **[D-9] Conflict Minerals**

**Suppliers are expected to consider Conflict Minerals as critical corporate issues and strive to align tightly with their suppliers in order to disclose sourcing information of minerals in a reasonable way upon request from customers.**

\* “Conflict minerals” refer to tantalum, tin, tungsten, and gold from mines and smelters that have directly or indirectly contributed to the financing of armed groups in the Democratic Republic of Congo or adjoining countries, and/or contribute to inhumane treatment in the region.

Sourcing information requested to be disclosed include suppliers’ policy toward Conflict Minerals issues, management processes and status of use of such minerals.

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

We comply with applicable laws, regulations and accepted social practices governing our local and global businesses. **(Fujitsu CSR Procurement Guideline 4)**

#### **[E-1] Prevent, Detect and Respond to Illegal or Unethical Conduct**

**Suppliers must perform activities to prevent, to have systems in place to detect, and to respond to improper acts.**

Prevention includes educating employees on compliance and providing them the means to report violations of law or policies.

Typical examples of systems to detect and responding to improper acts include:

- Providing an in-house or external resource to which employees can report violations of law or policy.
- Having policies in place to protect a whistleblower from retaliation...
- Investigating reports of violations in an appropriate and timely manner

## F. Safety and Quality of Products and Services

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

(Fujitsu CSR Procurement Guideline 6)

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

(Fujitsu CSR Procurement Guideline 5)

### **[F-1] Ensure product safety**

**Suppliers must satisfy safety standards defined by laws and regulations of each country, for products when they develop/design on their own responsibility.**

In the product design phase, product safety shall be sufficiently ensured with consideration of the product liability and responsibility as a manufacturer. On product safety, normally requested safety certifications as well as compliance with laws are considered.

The following are examples of laws on product safety in Japan:

- Electrical Appliance and Material Safety Law
- Consumer Products Safety Law
- Household Goods Labeling Law

Safety standards are defined in detailed regulations of laws, JIS, etc. International safety standards include UL, BSI, and CSA.

Securing of product safety includes management of traceability (history of materials, parts, processes, etc.) and prompt response for problem solving.

### **[F-2] Establish a quality management system**

**Suppliers are expected to establish a quality management system.**

The quality management system includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources to promote quality assurance activities.

In this context, quality assurance activities are defined as: to develop, implement, achieve, review, and to maintain quality in order to promote the continuous improvement program using the so-called PDCA (Plan Do Check Action) closed-loop.

Some of the typical quality management systems are ISO9000 family, ISO/TS16949, and ISO13485.

## G. Information Security

### **[G-1] Protect computer networks against threats**

**Suppliers must take protective measures to guard against threats to computer networks, and to prevent damage to their company and third party information and systems.**

The term of "Threats to computer networks" refers to, e.g., computer viruses, computer worms, and spy wares.

If a computer connected to the Internet should get infected by such computer threats, customer information and confidential information may be damaged or disclosed and/or these computer threats may attack computers of other companies, resulting in serious damages such as suspension of business or loss of credibility.

Therefore, it is important to take effective measures against such threats to computer networks.

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