

# Sustainability Management

In both the global society and the digital society, the business conditions in which Fujitsu operates are evolving dramatically. Gaining an acute understanding of these changes that will enhance our sustainability as a company will more and more require us to listen, and to reflect, the voices of our stakeholders to our own efforts to transform our business. This section introduces an overview of our initiatives in this area.

## MESSAGE FROM THE HEAD OF CORPORATE ENVIRONMENTAL AND CSR STRATEGY

Starting from the perspective of our customers and social development, we will create a cycle for enhancing capital strength both inside and outside the Company as we pursue sustainable growth.

### Nobuhiko Sasaki

SEVP  
 CSO & Head of Global Strategy, Global Marketing, Corporate Communication, Corporate Environmental and CSR Strategy



To develop our business as a global company, it is necessary for us to constantly have a perspective that includes our customers and, in a greater sense, society and the world at large. In recent years, there has been a heightened interest in global agendas such as the Paris Agreement on climate change and the Sustainable Development Goals (SDGs). In light of this trend, corporations are being expected to more actively pursue more solutions to global issues through their products and services. To accommodate this, it has become essential for companies to incorporate sustainable corporate management throughout the entire value chain, including environmental initiatives, cyber security, and supply chain management.

As the diagram on pages 22 and 23 demonstrates, at the core of Fujitsu's business model is visualizing and analyzing customer data using the latest technologies and digital innovations, and transforming this data into new value. In addition, with our customers and social development as our starting point, we aim to create a cycle in which various resources are reinvested both inside and outside the Company, enabling us to

proactively realize sustainable growth. To this end, we will continuously pursue efforts to strengthen human capital, which is vital for realizing business transformation centered on services; social and relationship capital, which is indispensable in establishing business ecosystems; and intellectual capital, which represents the source of our strengths in technology. Moreover, through the optimal combination of these capitals on a global scale, we will work to maximize their respective capabilities.

We are committed to enriching the lives of people around the world through ICT. That commitment is first and foremost predicated on making sure that our corporate activities do not negatively impact society in any way. Accordingly, it is indispensable to our organization that we constantly review our activities through engagement with our stakeholders on a global scale and work to enhance transparency as a corporation. Going forward, we will consider the best methods for continuing to be an organization with high levels of awareness as we work to fulfill our obligations and responsibilities as a member of society.

## HUMAN RESOURCE MANAGEMENT

### Our People

People are Fujitsu's most valuable asset. Our stance is to place importance on our employees, with each and every one being able to fulfill their potential. We seek to create a corporate environment where diverse opinions and values are respected and accepted, and people are motivated and engaged.

### Workforce Composition

As of March 31, 2017, the Fujitsu Group had approximately 155,000 employees worldwide. On a non-consolidated basis, there were 33,095 Fujitsu employees with an average age of

43.1 years, while 16.1% of employees were female. During fiscal 2017, we intend to hire approximately 750 new employees.

### Diversity and Inclusion

Knowing that new innovation is the key for Fujitsu's business growth, we place emphasis on an environment where people can openly express opinions based on their personal values.

We provide leadership training and career development seminars to support active participation by female employees, and to achieve our goal of having women account for 20% of newly appointed management. In addition, to contribute to a society in which women can play a more active role, we affirmed our commitment to the Women's Empowerment Principles, which have been laid out by the United Nations Entity for Gender Equality and the Empowerment of Women. We also participate in the New York Academy of Sciences' 1000 Girls, 1000 Futures program. Through this program, women in leadership roles at Fujitsu's worldwide locations volunteer to mentor female students aspiring to a career in science, making efforts to encourage their growth.

For employees whose circumstances involve childcare or caring commitments, we are supporting their work-life balance and career development by providing necessary information and holding events while improving our policies and practices.

In addition, Fujitsu was awarded the gold award of the Pride Index by the private organization "work with Pride," for achieving all indicators in Japan's first LGBT index. Based on our fundamental approach of diversity and inclusion, "We are all different, and we are all unique," we continue to foster a corporate culture where all Fujitsu employees embrace their differences and grow together.



### Health Management

The Fujitsu Group believes that employee well-being enables people to achieve personal growth and maximize performance. We regard the health of employees and their families as an important management issue.

Our initiatives toward health management have received high praise, with Fujitsu, PFU Limited, and Fujitsu Marketing Limited being recognized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi under the 2017 Certified Health and Productivity Management Organization Recognition Program's large enterprise category (White 500).



The White 500 highlights companies that give consideration to employee health from a management perspective and make strategic efforts toward maintaining health.

Following this, we have published the Fujitsu Group Health Statement to support employees' efforts to manage their own health and to promote Health Management in conjunction with our workstyle transformation and diversity management initiatives.

We have also appointed a Chief Health Officer (CHO) who will provide support for maintaining and improving the health of employees and their families on an organizational level. To truly embody our corporate philosophy of enriching society through ICT, we will contribute to the improved health and productivity of employees, customers, and society as a whole by providing ICT services to support our customers' Health Management.

### Developing Leaders to Drive Innovation

The Fujitsu Group believes that leaders are critical for strategically driving the growth of its global businesses and create an organizational culture that encourages employees to tackle challenges head on. To develop these kinds of leaders, we make efforts to identify high-performing and high-potential individuals at the earliest opportunity and accelerate their professional growth by providing them with a wide range of experience.

As part of these efforts, we implement global talent management initiatives. In these initiatives, the Head of divisions / regions leads the creation of succession plans of critical roles and development plans for their talent. These are presented and

discussed with the president, focusing on the best development plan for talent who can manage and lead Fujitsu in the future.

We are also taking steps to identify and develop leaders of the next generation, drawing on opinions from inside and outside the Company to identify individuals with high potential and a high level of leadership competencies, and implementing the best plans for developing these individuals. Furthermore, we provide leadership development programs to selected candidates to enhance their skills and competency so that they can lead innovation.

### Developing Millennials

The Fujitsu Group believes it is important to develop young employees of the millennial generation who will become leaders of the future. To this end, we are committed to engaging young talent and continuously supporting them in developing their careers with a sense of personal growth.

To provide support for self-career development of our young employees, we encourage individual growth through various methods, including coaching and mentoring. Going forward, we will strengthen our efforts toward in-house career development in such ways as enhancing our internal shuffle and rotation systems,

which provide employees who wish to take on new challenges with opportunities to work in different positions.

Also, to have employees achieve the necessary mindset and capabilities for carrying out business on a global level, we implement training programs that target approximately 300 young employees each year. Additionally, we offer further support to young employees to help them develop their career and play a more active role on a global basis through such means as dispatching employees overseas to participate in OJT programs.

### Developing Our Digital Marketing Talent

Fujitsu is focusing its efforts on transforming the marketing activities of its B-to-B client companies that utilize digital technologies. To this end, we are assembling specialized talent internally as well as externally who have Human Centric mindsets and are capable of planning and implementing digital solutions that are better tailored to our customers. This specialized talent is recognized and trained to tackle roles that go beyond IT, including Business Producers, who provide support for planning and implementing marketing strategies

that cover everything from operational processes to organizational creation; Data Engineers, who represent the group of systems engineers that are able to respond to the agile software development method; Curators, who are professional data scientists; and Service Producers, who fully understand the operational issues of customers and engage in solution planning and development. These professionals are leading and accelerating the digital shift of our marketing initiatives.

### Workstyle Transformation

With the aim of enhancing productivity through the professional growth of employees, the Group has been accelerating workstyle transformation since the start of fiscal 2017. In April 2017, we expanded a telework system to all employees and have been working to establish and expand satellite offices. In these ways, we are putting in place a system as well as infrastructure that supports a wide variety of employee workstyles. Transforming workstyle will help us reform our organizational culture.

Rather than focusing solely on reducing working hours, we are holding discussions at an organizational level regarding the ideal approach to workstyle transformation and the issues we must tackle to make that approach successful. Through these discussions and other activities, we hope to reform our line-management style and raise the awareness of our employees.

Going forward, we will develop Fujitsu's unique workstyle using digital tools, and apply the acquired knowledge to offer competitive solutions to our customers around the globe.

## RISK MANAGEMENT

### Our Approach to Risk Management

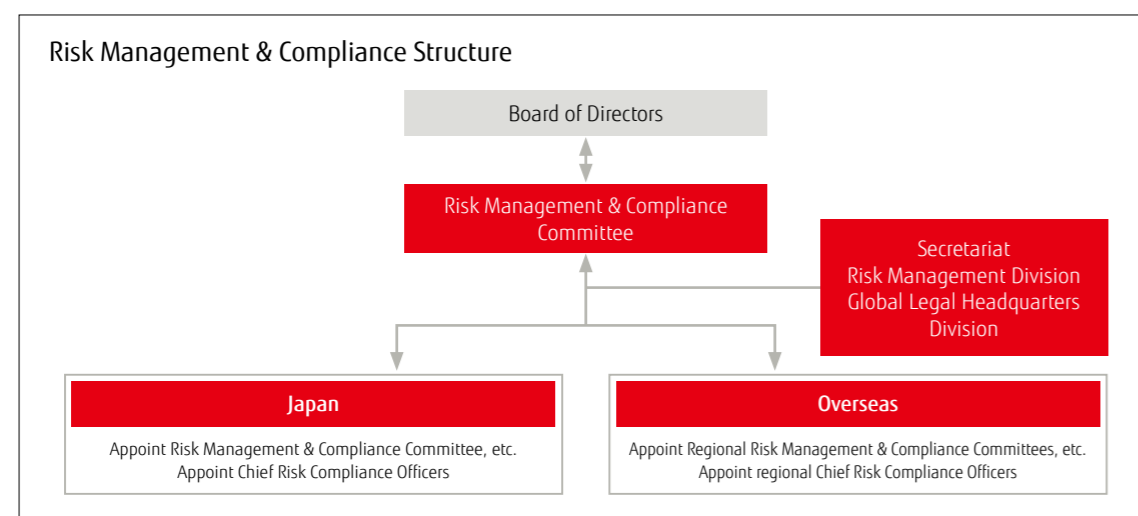
Through its global activities in the ICT industry, the Fujitsu Group continuously seeks to increase its corporate value and to benefit its customers, local communities, and all other stakeholders. We give high priority to assessing and responding appropriately to risks that threaten the achievement of our objectives, preventing materialization of these risks, and establishing measures to minimize the effect of materialized risks and prevent their recurrence. Moreover, we have built a Groupwide risk management and compliance system and are committed to its continuous implementation and improvement.

### Development of Our Risk Management and Compliance Structure

To prevent the risk of loss materializing during business execution, to respond appropriately to risks that materialize, and to prevent their recurrence, the Fujitsu Group has established a Risk Management & Compliance Committee under the Board of Directors. This committee acts as the highest-level decision-making body on matters involving risk management and compliance.

The Risk Management and Compliance Committee assigns

Chief Risk Compliance Officers to each of the Fujitsu Group's divisions and Group companies in Japan and overseas. Also, we established Regional Risk Management and Compliance Committees in April 2016. These organizations work collaboratively with each other, building a risk management and compliance structure for the entire Fujitsu Group that encourages it to both guard against potential risks and mitigate risks that have already materialized.



### Risk Management Process

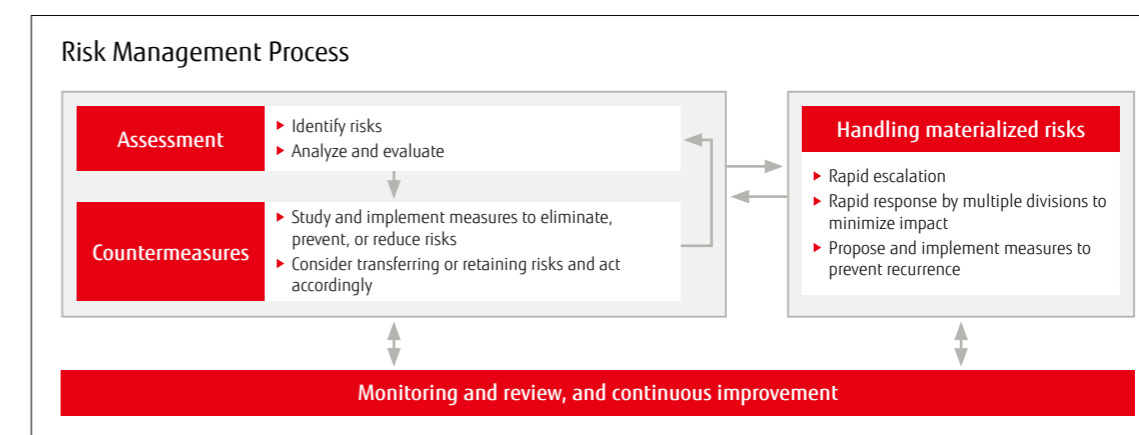
The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities, and sets out and reviews the responsive measures upon confirming the detailed measures intended to deal with major risks by averting, minimizing, transferring or retaining them. The committee also regularly reports risks identified, analyzed, and evaluated as important to the Board of Directors.

The Risk Management & Compliance Committee also prepares responses to the materialized risks despite the implementation of various preventive measures. If a critical risk

such as a natural disaster, product breakdown or defect, a problem with a system or service, a compliance violation, an information security breach, or an environmental problem materializes, the division or Group company reports immediately to the Risk Management & Compliance Committee. The Risk Management & Compliance Committee coordinates with the related divisions and workplaces for rapid resolution of the problem by appropriate measures such as establishing a task force. At the same time, the Risk Management & Compliance Committee strives to identify the causes of the problem and propose and implement solutions. Additionally, for critical

risks, the committee also reports as appropriate to the Board of Directors.

The Risk Management & Compliance Committee continuously confirms the implementation status of these processes and works to make improvements.



### Business Risks and Other Risks of the Fujitsu Group

The Fujitsu Group identifies, analyzes, and assesses risks inherent in business activities and takes steps to avoid or

mitigate the effects of these risks. In addition, we have established processes for responding to materialized risks.

Principal Risks	
1. Economic and financial market trends	<ul style="list-style-type: none"> <li>Risk associated with changes in the economic trends of mainstay markets</li> <li>Risk associated with the inability to predict market changes accurately and risk associated with greater-than-expected market volatility</li> <li>Risk associated with the effect of exchange rate fluctuations on import and export transactions and risk associated with a decrease in assets or an increase in liabilities as a result of exchange rate fluctuations</li> <li>Risk associated with an increase in funding costs due to interest rate changes</li> <li>Risk associated with the impairment of assets under management due to a slump in the stock market</li> </ul>
2. Customers	<ul style="list-style-type: none"> <li>Risk associated with changes in ICT investment trends among customers</li> <li>Risk associated with the inability to continue trust-based, transactional, or contractual relationships with customers</li> </ul>
3. Competition and industry	<ul style="list-style-type: none"> <li>Risk associated with loss of competitiveness due to changes in market or competitive conditions</li> <li>Risk associated with a decrease in competitive advantages with respect to R&amp;D</li> </ul>
4. Suppliers and partnerships	<ul style="list-style-type: none"> <li>Risk associated with impediments resulting from the procurement of inferior quality products</li> <li>Risk associated with tight component supply due to natural disasters or other unpredicted events</li> <li>Risk associated with the inability to continue cooperative relationships with respect to partnerships, alliances, or licensing and risk associated with the inability to gain from such cooperation</li> </ul>
5. Statutory regulations, government policies, and tax	<ul style="list-style-type: none"> <li>Risk associated with increased adaptive costs and business opportunity losses arising from the strengthening of, or changes in, statutory regulations or government policies in countries where the Group has businesses</li> </ul>
6. Other business execution	<ul style="list-style-type: none"> <li>Risk associated with defective products and services and risk associated with delivery delays or unprofitable projects</li> <li>Risk associated with the inability to gain adequate return on R&amp;D investment, capital investment, or investment in business acquisition or business reorganization</li> <li>Risk associated with license fees, settlements, or litigation resulting from the infringement of a third party's intellectual property rights</li> <li>Risk associated with the inability to employ or develop required personnel, such as managers and engineers, and risk associated with the inability to prevent a loss of personnel</li> <li>Risk associated with soil or groundwater pollution at plants and risk associated with inappropriate handling of hazardous chemicals</li> <li>Risk associated with earthquakes, water damage, fire, demonstrations, or operational errors at the facilities of operating bases, plants, or datacenters in Japan and overseas</li> <li>Risk associated with a lowering of the credit rating of the Fujitsu Group as a result of its failure to reach earnings targets or deterioration in its financial position</li> <li>Risk associated with the infringement of related laws and regulations in Japan and overseas and risk associated with being the subject of litigation in relation to business execution</li> </ul>
7. Natural disasters and sudden events	<ul style="list-style-type: none"> <li>Risk associated with the inability to continue businesses due to natural disasters or accidents, including earthquakes, typhoons, and water damage, or the spread of infectious diseases (including the increased frequency or effect of the above-mentioned due to climate change)</li> <li>Risk associated with the effect on businesses of conflicts, terrorism, demonstrations, strikes, or political instability in the countries or regions where the Group has businesses</li> </ul>

# COMPLIANCE

## Compliance Promotion

The Risk Management & Compliance Committee supervises compliance matters globally for the entire Fujitsu Group. The committee appoints a Chief Risk Compliance Officer who is tasked with executing policies and decisions concerning compliance, together with maintaining the Global Compliance Program (GCP) and coordinating with the Regional Risk Management & Compliance Committees. This works to raise awareness of our Fujitsu Way Code of Conduct, and to its adherence, throughout the Group.

## The Fujitsu Way Code of Conduct

The Fujitsu Way\* includes a Code of Conduct, with which all Fujitsu Group employees must comply.

Fujitsu has also rolled out Global Business Standards (GBS), which provide further guidance on how to apply the Fujitsu Way Code of Conduct and to ensure compliance with laws and regulations. These standards, available in 20 languages, are applied uniformly across the Fujitsu Group.

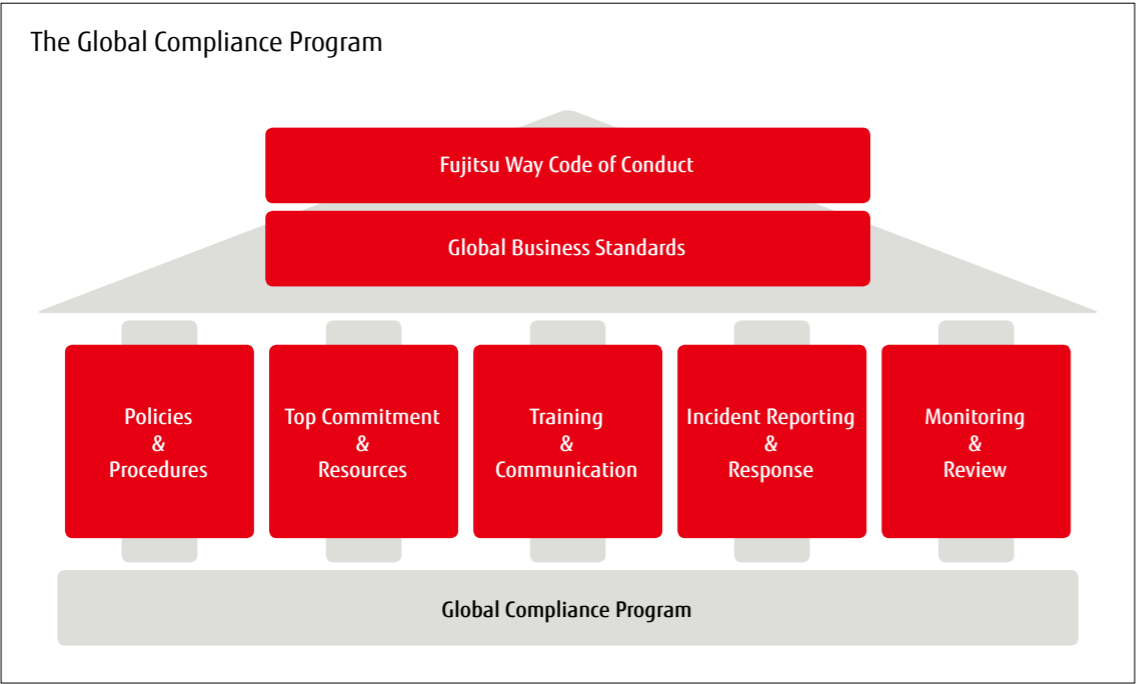
\* See pages 2-3 for details of the Fujitsu Way.



## The Global Compliance Program

In order to promote and implement the Fujitsu Way Code of Conduct and the GBS, Fujitsu has established the Global Compliance Program (GCP) and is working to maintain, review, and improve its global structure for legal compliance across the Fujitsu Group.

The GCP systematically organizes our activities concerning compliance into five pillars, clarifies items that Fujitsu should continuously work on, and seeks to promote understanding of our compliance structure and activities. Various measures and approaches are taken in each region based on the GCP as well as local laws and government guidelines.



## Compliance Activities

1. Policies & Procedures	<ul style="list-style-type: none"><li>Fujitsu and Group companies in Japan have established the Compliance Policy to enforce compliance and enact sustainable improvement in our corporate value. We established more specific and detailed regulations and guidelines based on the Policy for issues with significant impact on business: antitrust, anti-corruption, and antisocial forces.</li><li>In overseas entities, we issued the General Compliance Guidelines, corresponding to the Compliance Policy in Japan, as above, along with global guidelines on competition law, and other guidelines concerning the prevention of bribery. In addition, we have developed an online third-party due diligence process that is being used by major overseas Group companies.</li></ul>
2. Top Commitment & Resources	<ul style="list-style-type: none"><li>Fujitsu promotes top management's commitment to compliance through messages to employees and other communications. We have also assigned compliance officers to each region and have formed a global network with local risk and compliance officers, in order to secure a structure to execute our GCP.</li><li>The compliance officers from overseas Group companies meet annually at the Global Compliance Forum to share and discuss headquarters' policies concerning the execution of GCP, as well as share their experiences in risk management and compliance. Also, the risk and compliance officers at Fujitsu and domestic Group companies meet annually at the Risk and Compliance Seminar to share updates and know-how related to risk management and compliance.</li></ul>
3. Training & Communication	<ul style="list-style-type: none"><li>The Fujitsu Group continually conducts various training and awareness-raising activities including an annual e-learning program for executives and employees.</li><li>In fiscal 2016, Fujitsu and domestic Group companies provided an e-learning course with a documentary drama introducing Fujitsu's antitrust case referenced below in order to increase the effectiveness of the training. We also conducted a series of face-to-face training for over 3,700 employees of the public sector business and other sales divisions.</li><li>For overseas Group companies, we provide e-learning courses on antitrust/anti-competition and on the GBS in 20 languages to 51 overseas Group companies, while taking into consideration the laws, customs, and business conditions within each country. We also conducted anti-bribery training in South Korea following the enactment of a significant anti-bribery law in September 2016. We conduct face-to-face training for high-risk entities and divisions as required.</li></ul>
4. Incident Reporting & Response	<ul style="list-style-type: none"><li>The Fujitsu Group operates the Compliance Line/Fujitsu Alert for both internal and external reports. The Compliance Line/Fujitsu Alert handles reports and provides consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Both domestic Group companies and overseas Group companies operate internal reporting systems. Reports to Fujitsu Alert are accepted in 20 languages, at any time, on any day. Moreover, we opened a Compliance Line for Suppliers in Japan to handle reports and inquiries from the employees of companies that directly supply Fujitsu and domestic Group companies with their products, services, or software, etc.</li><li>Our whistleblowing system forbids any and all retaliation against any individual or supplier who reports an incident or violation, and meticulous care is taken in handling the information so as to preserve their anonymity. If the issue raised is substantiated, the relevant practice or issue is corrected and measures are taken to prevent recurrence.</li><li>The status of key compliance issues is reported regularly to the Risk Management &amp; Compliance Committee and the Board of Directors.</li></ul>
5. Monitoring & Review	<ul style="list-style-type: none"><li>Through risk assessments and audits, we periodically check the efficacy of the GCP and work to continually improve it.</li><li>Fujitsu has started reviewing audit plans to confirm observance of the Antimonopoly Act, and we will implement a more effective audit program by incorporating opinions from external experts.</li><li>Outside Japan, Fujitsu headquarters' compliance team conducts risk assessments by visiting Group companies in countries and regions with a high risk of corruption. Through interviews with executives and employees, as well as checks on internal policies and processes, the compliance team analyzes the potential compliance risks in local business and provides proposals and supports to mitigate these risks.</li></ul>

## Responses to Compliance Matters

In July 2016, Fujitsu Limited was found to have violated the Antimonopoly Act with regard to order coordination for communication equipment for electric power systems from Tokyo Electric Power Co., Ltd. (TEPCO), and received a cease-and-desist order and a surcharge payment order. Following the detection of the TEPCO case, Fujitsu swiftly conducted an internal investigation and found that similar coordination had been conducted for orders from Chubu Electric Power Co., Inc. Subsequently, having received approval by the Board of Directors, Fujitsu swiftly applied for immunity or a reduction in the surcharge. As a result, Fujitsu was fully exempted from payment of the surcharge and was not subject to a cease-and-desist order. In February 2017, it was, however, found to have violated the Antimonopoly Act regarding transactions with Chubu Electric Power.

Fujitsu deeply apologizes for all the concern that it has caused by letting this regretful incident occur.

Fujitsu took disciplinary action against the employees who

took part in the violations, and reduced the salaries (10%–30% of monthly salaries for 3 months) of 7 executives including the chairman and the president, based on a resolution of the Board of Directors.

Immediately following the detection of the TEPCO case, the president swiftly declared that all bid rigging and cartel behavior would not be tolerated, and has sent repeated messages to all executives and employees. Fujitsu also conducted compliance training, as mentioned above.

Furthermore, in Japan, Fujitsu has established a domestic compliance program based on the Japan Fair Trade Commission's "Compliance Program for Companies to Comply with the Antimonopoly Act" in order to secure effectiveness of the GCP, and is working on creating an environment that fosters zero tolerance for bid rigging.

Going forward, Fujitsu will continue to strengthen the compliance activities based on this program and strive to prevent recurrence in order to quickly win back trust.

## INFORMATION SECURITY MANAGEMENT

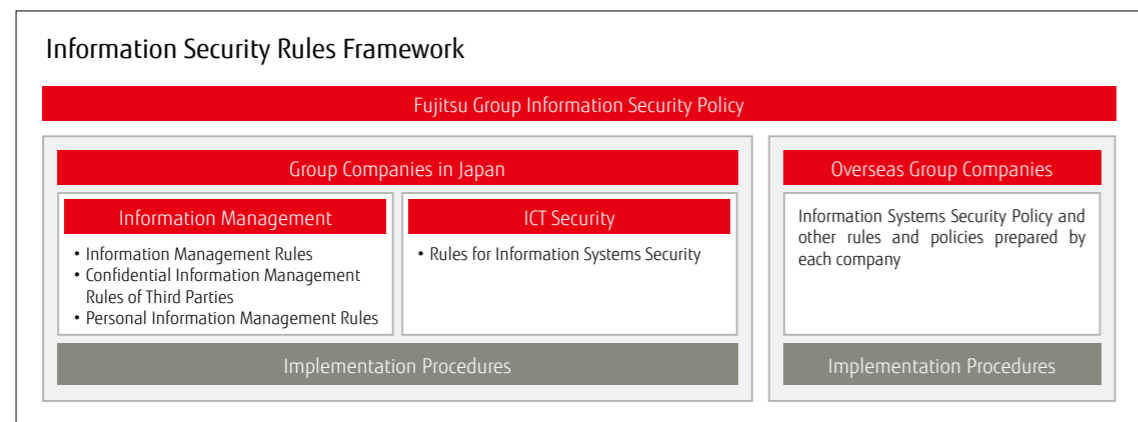
### Ensuring Information Security

Bearing in mind that ICT constitutes a fundamental part of the Fujitsu Group's business, the Fujitsu Group maintains information security throughout the Group and also proactively strives to maintain and improve its customers' information security through Fujitsu's products and services, thereby contributing to the Fujitsu Way, our corporate philosophy that articulates a desire for "a network society that is rewarding and secure."

### Information Security Policy and Related Rules

Based on the Fujitsu Group Information Security Policy, each Fujitsu Group company around the world prepares internal policies for information management and ICT security and implements information security measures. Under the shared global Fujitsu Group Information Security Policy, we have

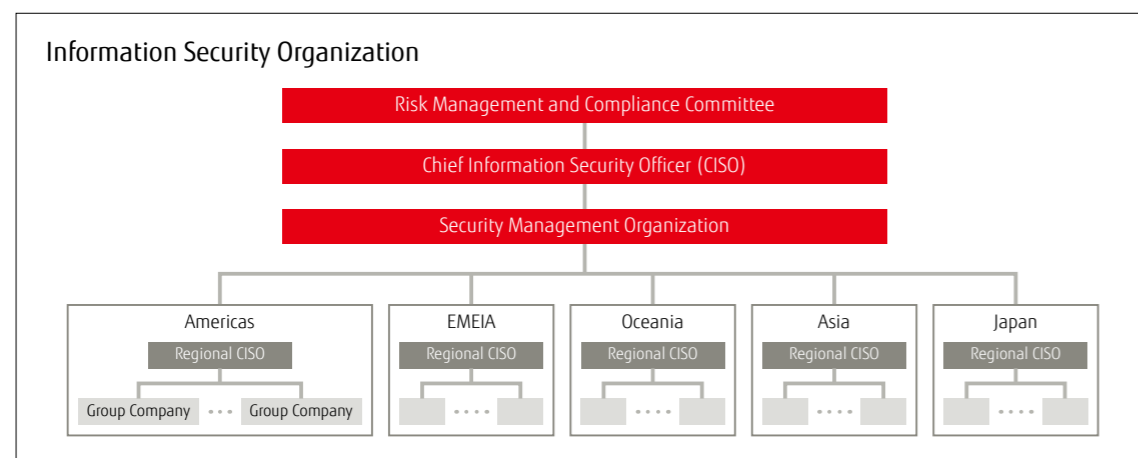
prepared policies relating to information management and information security for the Group companies in Japan. Overseas Group companies individually create and prepare rules and policies in accordance with the regulations of the respective country.



### Information Security Organization

In order to further strengthen its security measures in response to the recent trend of increasing cyber attacks, Fujitsu appointed a chief information security officer (CISO) under the authority of the Risk Management and Compliance Committee.

Moreover, in aiming to strengthen the Group's global information security management governance that supports our global ICT business, we have appointed regional CISOs around the world.



### Three Priority Measures for Information Security Based on the Concept of "Defense in Depth"

Cyber attacks in recent years, exemplified by "advanced persistent threats (APTs)," have become more sophisticated, diverse, and complex, while conventional single-layer security measures are no longer able to completely defend against them. The Fujitsu Group has adopted the concept of "defense in depth" as its basic concept for information security, which utilizes a multilayer defense mechanism with several different defense measures instead of one.

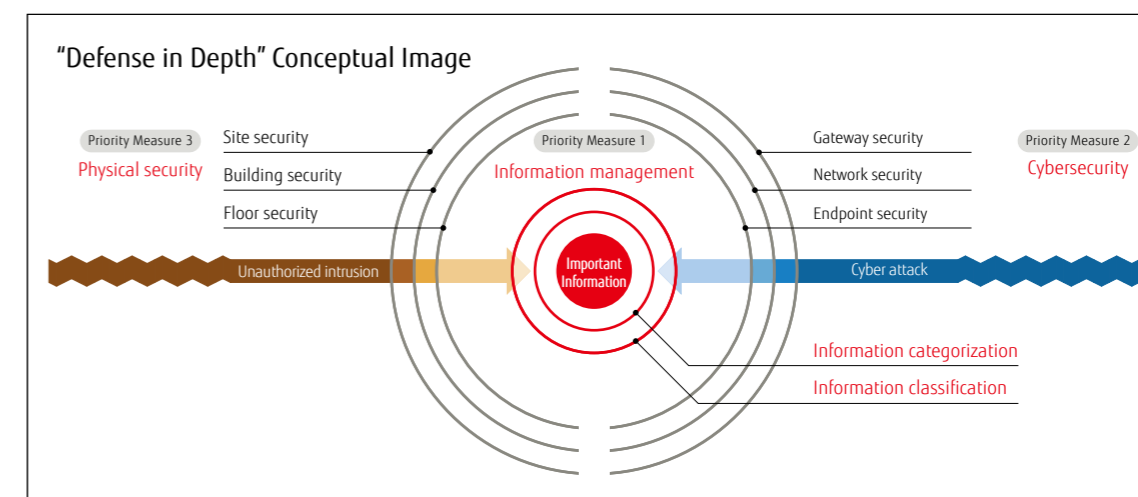
The Fujitsu Group has adopted three priority security measures to protect internal information: "information management," which aims to protect information; "cybersecurity," which is centered on measures that protect systems against cyber attacks; and "physical security," which prevents unauthorized access to offices, factories, and other facilities.

As for "information management," the Fujitsu Group has established a set of rules for handling information circulated

internally, by which information is categorized, appropriately managed, and utilized. Furthermore, Fujitsu ranks the seriousness with which information should be handled in terms of legal requirements, value, and importance, defining rules for how information should be protected.

Regarding "cybersecurity," the Fujitsu Group carries out separate measures at different layers, such as gateway security measures, which include firewalls and measures against APTs; network security measures, which include unauthorized access detection; and endpoint security measures, which include malware countermeasures and security patch management.

For "physical security," Fujitsu takes measures to provide security at worksites including factories and individual office floors, not just at the entrances of offices, using security cards and surveillance cameras.



### Personal Information Protection

Fujitsu acquired the "PrivacyMark" in August 2007, and has continuously worked to strengthen its personal information protection framework, which includes handling personal information involving annual training and audit information. Fujitsu Group companies in Japan also acquire the PrivacyMark when necessary, and work to ensure personal information management. On the websites of overseas Group companies, privacy policies are posted that are designed to meet the laws and social requirements of each country. As data continues to

circulate in higher volumes on a global basis, the Fujitsu Group will make efforts to strengthen the personal information protection frameworks of each Group company to ensure that personal information is protected in a more secure and smooth manner.



For further details on information security management, please refer to *Fujitsu Group Information Security Report 2017*.  
<http://www.fujitsu.com/global/about/resources/reports/securityreport/2017-securityreports/>

## CSR IN THE FUJITSU GROUP

CSR at Fujitsu is practiced by implementing the Fujitsu Way. In all its business activities, in applying the Fujitsu Way in light of the expectations and needs of multiple stakeholders, the Fujitsu Group contributes to the sustainable development of society and the planet. Our CSR initiatives focus on the five challenges below. In addressing these challenges, we demonstrate a commitment to responsible business operations as a global ICT company.

For further details on the Fujitsu Group's initiatives in social and environmental areas, please visit the following website:  
<http://www.fujitsu.com/global/about/csr/>

### Fujitsu Group CSR Policy



### Systems for Promoting CSR Initiatives

#### Strengthening Our Global CSR Governance Structure

To promote and disseminate the Fujitsu Group's global CSR activities, the heads of Fujitsu's four global regions exchange opinions and discuss regional issues at the CSR Board Meeting. Representatives from each region and leaders from each office implement the resulting policies and initiatives. In addition, the Group advances regional measures laterally by encouraging related departments to coordinate in the implementation of measures under specific themes and by sharing good practices within the Group.

#### Revising CSR Policy Priorities

In light of changes in international society and business conditions, we have revised the Five Priority Issues of our CSR Policy, which we established in 2012. In fiscal 2016, we identified key issues from internal and external perspectives. Specifically, we identified Groupwide issues by conducting an in-house survey based on a list of issues prepared to reflect the latest international trends. At the same time, the Group held discussions with outside experts to clarify society's expectations of the Group in relation to CSR.

Going forward, we will finalize and integrate key Groupwide issues and select effective KPIs that boost corporate value.

### Supply Chain Initiatives

#### CSR Procurement Policy

The Fujitsu Group conducts global procurement in accordance with its procurement policy. The tenets of this policy are Coexistence with Suppliers, Fair and Proper Evaluation and Selection of Suppliers, and Promotion of CSR-Conscious Procurement Activities.

Specifically, we have prepared the Fujitsu CSR Procurement Guidelines, with which we require all suppliers to comply. Our guidelines are based on respect for international norms and summarize requirements in relation to human rights, labor, health and safety, and fair trade. To promote understanding of these guidelines among suppliers, we have drawn up the Fujitsu Group Supply Chain CSR Guidebook, which provides further details of the guidelines.

#### Joining the EICC

In March 2017, the Fujitsu Group became a member of the Electronic Industry Citizenship Coalition (EICC),\* a global CSR alliance centered on the electronics industry. The Group is working with suppliers to strengthen CSR measures in its supply chain.

\* The EICC is a non-profit organization established in 2004 with the aim of supporting the rights and well-being of workers and communities worldwide affected by the global electronics industry supply chain.

### Environmental Initiatives

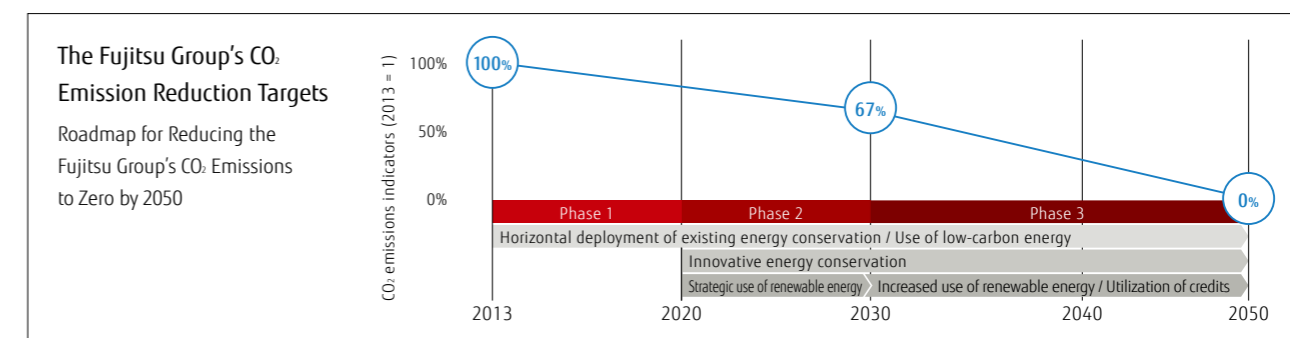
#### The Fujitsu Group's Medium- to Long-Term Environmental Vision

The Fujitsu Group announced its medium- to long-term environmental vision, the FUJITSU Climate and Energy Vision, in May 2017. The vision has three pillars: (1) Our Business: Achieve Zero CO<sub>2</sub> Emissions by 2050, (2) Mitigation: Contribute to a De-carbonized Society by helping customers and society reduce CO<sub>2</sub> emissions, and (3) Adaptation: Contribute to Measures in Society to Address Climate Change by minimizing its adverse effects.

With a view to reducing our CO<sub>2</sub> emissions to zero, we have set out a roadmap for environmental initiatives. By 2030, we aim to reduce CO<sub>2</sub> emissions by 33% versus those of fiscal 2013, and we aim to eliminate them by 2050. We will steadily implement an environmental action plan, which calls for increased use of

renewable energy and innovative energy-saving methods incorporating such leading-edge technology as artificial intelligence (AI) and the Internet of Things (IoT).

Our contributions to customers and society will create and enable innovation in an array of fields through the formation of digital ecosystems, facilitating collaboration among industries, governments, and academic institutions. These initiatives will contribute to the optimal usage of energy and de-carbonization throughout society. We will additionally take steps to minimize damage resulting from climate change. For example, with HPC-enabled disaster simulations and utilizing AI for advanced measuring technology, we will make a resilient societal infrastructure and a stable supply of agricultural products a reality.



### Our Approach to Human Rights

#### Our Approach to Human Rights

We believe respect for human rights is indispensable to a global company's fulfillment of CSR. To advance human rights measures, the Group has established the below statement and principles. Working in partnership with many different stakeholders, we will meet responsibilities in relation to human rights.

- Fujitsu Group Human Rights Statement
- Fujitsu Guiding Principles of Respect for Human Rights in Employment

For the complete text, please visit the following website:

<http://www.fujitsu.com/global/about/csr/vision/humanrights/>

#### Building a Human Rights Due Diligence Scheme

In accordance with the aforementioned Statement, we are engaged in the formulation of a Human Rights Due Diligence Scheme that identifies the human rights impact of our business activities throughout the entire global value chain, as well as prevents or mitigates any negative impacts.

In fiscal 2016, the Fujitsu Group facilitated discussions about its human rights issues at workshops targeting relevant staff in Japan and overseas and implemented activities focused on human rights issues that business activities affect significantly.

Areas	Human rights issues	Main activities in fiscal 2016
Supply chain	Work environment / conflict minerals	<ul style="list-style-type: none"> <li>• Written survey of approximately 500 major Japanese and international suppliers to check on the status of their implementation of CSR activities, including measures to address conflict minerals and respect for human rights</li> <li>• CSR audit of 12 overseas suppliers of our suppliers</li> <li>• CSR procurement workshop held by Fujitsu Group procurement staff to promote greater understanding and cooperation</li> <li>• The Fujitsu Group joined the EICC, a global CSR alliance</li> </ul>
Employees	Discrimination and harassment / working hours	<ul style="list-style-type: none"> <li>• Written survey of 100 domestic and overseas Group companies based on the ISO 26000 standard to monitor the status of initiatives promoting respect for human rights</li> <li>• Posters distributed in domestic and overseas Group companies to promote broader familiarity with our Human Rights Statement</li> <li>• Business and human rights e-learning program initiated for all employees, with more than 100,000 people worldwide completing the course</li> </ul>
Customers and end-users	Privacy and data security	<ul style="list-style-type: none"> <li>• Relevant internal departments and working groups coordinated to begin investigations</li> </ul>

## INITIATIVES FOR SDGs

The Sustainable Development Goals (SDGs) can be viewed as a “master plan” for the world until 2030. Given its special qualities, ICT has the potential to make a positive impact on all 17 SDGs. The Fujitsu Group is leveraging the strengths of its unique ICT toward the advancement of initiatives that lead to the achievement of the SDGs, particularly those that relate closely to its businesses.

### Aiming to Achieve the SDGs

#### Understanding and Utilizing the SDGs

The SDGs adopted by the United Nations in 2015 are a set of common goals to be achieved worldwide, including by developed countries, by 2030. Achieving these goals places considerable demand on private-sector enterprises to play an active and useful role through their technology and capacity for innovation.

As a global ICT enterprise, the Fujitsu Group is constantly making efforts toward technological innovation with the aim of bringing happiness to people's lives. However, in a broader sense, when considering how our technologies can be applied throughout the world, we recognize that the SDGs, which represent a kind of global common language, represent a significant guiding principle.

Accordingly, the Fujitsu Group undertakes SDG-related activities as an opportunity for wide-ranging collaboration with other organizations, including international agencies, governments, private enterprises, and NGOs/NPOs. Fujitsu recognizes SDGs as one of the elements in an ecosystem for achieving its growth strategy of “Connected Services,” seeing new business opportunities through ventures that work to resolve social issues. By adopting a multifaceted approach through cooperation with a large number of partners, we can create and grow social value on an even larger scale.

By simultaneously reflecting on the common goals of international society along with the role that Fujitsu ought to play in their fulfillment, we become able to flexibly transform our management and business in ways that are not bound by existing approaches and methodologies. Through this process, we will reexamine ourselves in light of society's expectations and demands, while actively using the SDGs as a tool in our management strategy for achieving sustainable growth.

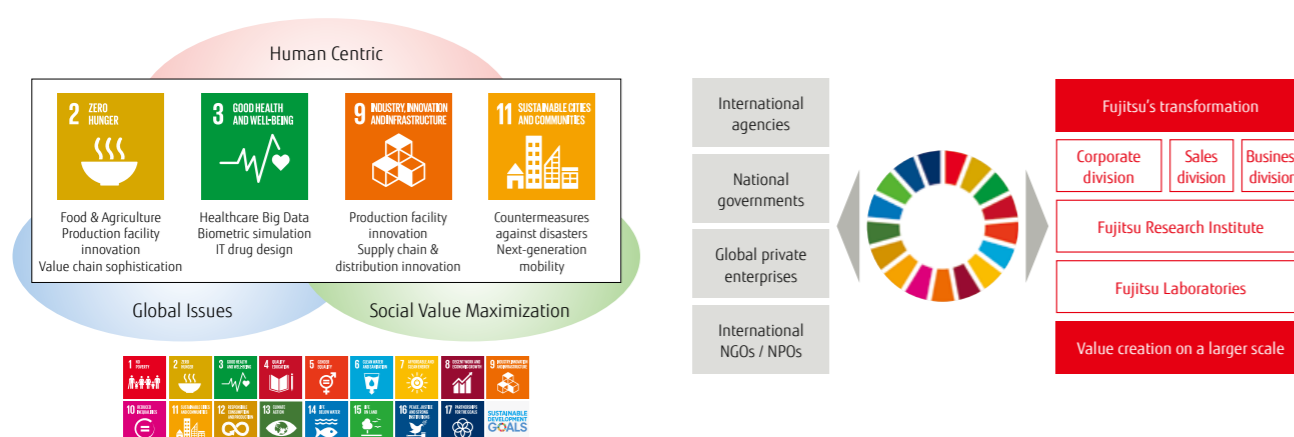
Fujitsu's business model is embodied in the following words: “Starting with our ICT platforms, we spur innovation for our customers through the provision of a broad range of technologies, and

thereby contribute to the development of society. In addition, with a focus on the growth of our customers and society at large, we create virtuous cycles that allow for the reinvestment of various resources as we work to realize sustainable growth.” The key to making genuine contributions to the realization of the SDGs is determining whether or not the elements of the SDGs can be incorporated into this business model.

As a first step toward achieving this, we have identified some of the SDGs that we need to address strategically, given the nature of our business and the external environment. Leveraging the digital technology that is at the core of our business, the Fujitsu Group is focused on SDGs 2, 3, 9, and 11 as the areas where it can deliver the greatest value and, accordingly, is advancing business initiatives in these areas.

#### Promotion Structure

To have the SDG-related initiatives of the Fujitsu Group create value on an even greater scale and to definitively connect the SDGs with the transformation of the Group's business, cross-organizational projects are being promoted. These projects are led primarily by personnel from Fujitsu's corporate, sales, and business divisions, and will also encompass Group companies including Fujitsu Laboratories and Fujitsu Research Institute. Through these projects, we are conducting collaborative business verification and promotion focused on the resolution of social issues, with personnel from the corporate divisions providing oversight from the perspectives of sustainability and social responsibility, while personnel from sales and business divisions provide oversight from the perspectives of business creation and solution provision, respectively. By further promoting these projects going forward, we will create both social and economic value.



### Activities for Raising Awareness of the SDGs

#### Initiatives with External Organizations

##### Conference on the SDGs at the Fujitsu Forum

The Fujitsu Forum showcases the latest initiatives and technologies that support our customers and society as a whole and represents the largest event that the Fujitsu Group holds. At Fujitsu Forum 2017, we held a conference on the SDGs, which included discussions with experts on what Japanese companies need to do in order to contribute to achieving the SDGs and realize sustainable growth for themselves as members of global society.

These discussions confirmed that, for each company to leverage its technologies to achieve the SDGs, it needs to respond to groundbreaking innovation in a way that goes beyond existing frameworks such as legal regulations. The discussions also highlighted the need for major partnerships to be pursued between organizations that transcend previous conceptions in order to make a bigger impact in terms of resolving social issues.

Highlights from Fujitsu Forum 2017, including remarks from each expert in attendance, can be viewed at the following URL:  
<http://journal.jp.fujitsu.com/en/2017/08/25/01/>



The conference on the SDGs held at Fujitsu Forum 2017

#### Opinion Exchange with the World Business Council for Sustainable Development

We invited two senior members of the World Business Council for Sustainable Development (WBCSD)—Filippo Veglio, Managing Director of Global & Social Impact,\* and James Gomme, Manager of Social Impact\*—to attend a discussion that focused on the key issues Fujitsu should address in order to contribute to the SDGs. Mr. Veglio and Mr. Gomme offered a great deal of useful advice, commenting on how Fujitsu can use the SDGs as tools for spurring innovation on its own initiative as well as for creating partnerships with companies from different industries with the aim of achieving the same goals. They also suggested that Fujitsu give consideration to areas that it should focus on and draw out specific activities that it can pursue.

\*Position at the time of event



Exchanging opinions at the discussion

#### Efforts to Raise In-House Awareness

##### In-House Seminar on the SDGs

Fujitsu held an in-house seminar aimed at having its employees better understand the SDGs and put their concepts into practice. At the seminar, Hiroko Kuniya, a journalist and former news anchor for the Japan Broadcasting Corporation (NHK), gave a presentation entitled “The importance of the SDGs,” and Mariko Kawaguchi, Senior Analyst at the Daiwa Institute of Research Ltd., gave a presentation entitled “Corporate trends related to the SDGs.”

Ms. Kuniya's presentation provided details on the SDGs and explained the background of their formulation. The presentation also focused on the importance of implementing measures that reconsider issues based on the SDGs. In addition, Ms. Kuniya commented on the effects of food waste regulations in Europe and on how reducing food waste can also lower greenhouse gas emissions. In these ways, she conveyed the interdependence between SDGs.

Ms. Kawaguchi's presentation stressed the importance of two concepts when it comes to achieving the SDGs: “backcasting,” which involves first deciding on a future vision and then considering what should be done to achieve that vision, and an “outside-in” approach, which involves giving examinations to what can be done from the perspective of outside stakeholders rather than focusing on internal circumstances. Ms. Kawaguchi also stated that enacting an appropriate response to the SDGs will become the key for enhancing corporate competitiveness. Based on these lectures, Fujitsu will examine ways for incorporating the SDGs into its business strategies.

A video introducing Fujitsu's approach to the SDGs, entitled “Achieving SDGs through ICT,” can be viewed at the following URL:  
<https://www.youtube.com/watch?v=5nH8x3b8V5k>



Hiroko Kuniya

Mariko Kawaguchi

#### Lecture on the SDGs at Training Sessions to Cultivate Global Leaders

Since fiscal 2016, as part of its training to cultivate global leaders, the Fujitsu Group has been inviting internal and external experts to provide lectures that explain the SDGs and address the importance of SDG-related efforts. In addition, these lectures encourage employees to consider contributions to realizing the SDGs as they examine possibilities for new businesses, which is a task they are given as part of their training. As of August 2017, approximately 230 Group employees have attended these lectures.



A lecture held at a training session

STAKEHOLDER DIALOGUE

Enhancing Business Management through Dialogue with Outside Experts

Sustainable Development Goals–The Starting Point for Transforming Our Global Management

Aiming to reflect the opinions of diverse stakeholders in its business management, the Fujitsu Group regularly invites outside experts to participate in dialogues with its senior management team. Recently, we hosted a lively discussion that started with Fujitsu’s contributions to the realization of the Sustainable Development Goals (SDGs) and also focused on the opportunities and risks that ICT companies should be aware of, the accomplishments that need to be made in terms of the Company’s global management, and how best to tie these into the Company’s business strategies for sustainable growth.



Experts			Fujitsu			
Mr. Scott Callon	Mr. Takuya Hirano	Mr. Akira Yokochi	Tatsuya Tanaka	Norihiko Taniguchi	Hidehiro Tsukano	Nobuhiko Sasaki

After the Dialogue

Experts



**Mr. Takuya Hirano**  
Area Vice President, Japan  
Microsoft Japan Co., Ltd.

Make an Even Greater Impact on Society as a Global ICT Company

It is essential for a company to have a clear mission and passionate management. If a company can realize consistency between its mission and its management, then the culture of that company can be changed. Technology brings with it both positive and negative aspects, and even with the cloud, I believe it is important for ICT companies to consider reliability, accountability, and inclusiveness.

As a company that thrives on global, large-scale ICT, Fujitsu is active in a wide range of fields, so I would like to see the Company carry out activities with an enormous impact in order to bring shared joy to all of its employees around the world. I also hope that Fujitsu solicits the involvement of numerous companies and industries in these activities. In addition, by pursuing such activities, I hope that the Company can raise the level of trust in ICT while maintaining the provision of safety and peace of mind as its foundation.



**Mr. Scott Callon**  
Chief Executive Officer  
Ichigo Asset Management, Ltd.

Companies Exist to Serve Society–Looking Forward to Fujitsu’s Global Contribution

As a Fujitsu shareholder, I fully support Fujitsu contributing to the realization of the SDGs. Along with working towards positive SDG achievement in its core business activities, Fujitsu should carry out a comprehensive assessment to verify that it is not generating negative outcomes with respect to the 17 specific SDG targets.

Global contributions start locally and practically. In generating SDG alignment and ethical profits, Fujitsu should focus on areas where it can make significant SDG contributions and support Fujitsu Group employees globally in bringing the SDGs into their own work.



**Mr. Akira Yokochi**  
Director  
Global Issues Cooperation Division  
International Cooperation Bureau  
Ministry of Foreign Affairs

Promote Actions That Change Society

The SDGs represent goals for the entire world, including developed countries, and the commitment underpinning these goals is conveyed through the concept of “leaving no one behind.” There are numerous SDGs that address issues applicable to the current conditions in Japan, such as children living in poverty, which means that the SDGs are deeply related to our daily lives. Also, a unique characteristic of the SDGs is that they are closely linked with each other, and therefore making efforts toward achieving one goal will have an impact on numerous other goals.

I would like to see Fujitsu make contributions toward achieving the SDGs through its global business activities. At the same time, I hope Fujitsu can make changes to its day-to-day actions that allow it to place more emphasis on the SDGs. Fujitsu is working to reduce activities that have an adverse impact on society and increase activities that have a positive one. I hope that the public and private sector will gain inspiration from Fujitsu’s efforts and work together to create a movement in which more companies, both inside and outside the ICT industry, adopt a similar stance.

Fujitsu



**Tatsuya Tanaka**  
Representative Director and  
President

Leverage Our Global Operations and Align the Direction of All Employees to Contribute to Realizing the SDGs

Much like air or water, ICT has become an essential aspect of people’s daily lives and the activities of corporations. As such, our business is relevant to every one of the SDGs. This is precisely why I endorse the SDGs and believe that we as a company should contribute to the happiness and well-being of people through ICT. By thoroughly understanding the principles behind the SDGs and pursuing global collaboration, I hope that we can establish areas within the SDGs in which we can make unique contributions. Going forward, we will determine specific fields where we can make significant contributions and establish a clear vision for our efforts so that all of our employees can work to realize the SDGs under a uniform direction.

Also, by holding dialogues with our stakeholders, I have come to understand the necessity of receiving opinions from external sources and reflecting those opinions in the kind of transformation we are pursuing as a company. With a foundation of safety and peace of mind, we will actively establish and promote business activities that have an even greater impact on society while seeking the involvement of other companies and society as a whole. Moreover, by listening to opinions regarding the results of these efforts, we will continuously transform ourselves as a company to meet the needs of society and work proactively to contribute to the realization of the SDGs through our core businesses.



**Norihiko Taniguchi**  
Representative Director and  
Corporate Executive Officer  
SEVP, Head of Business Lines

Flexibly Examine New Innovations Based on the SDGs

By combining the system development know-how we possess in a variety of fields, we are working to integrate our knowledge to create new products that have the power to bring about change in society. With the establishment of the 17 SDGs, I believe it is now easier to link our business activities to social contributions.

We are already pursuing a wide variety of initiatives that relate to Goal 9, “Industry, Innovation and Infrastructure,” and we will draw on the discussion we had today as we give flexible consideration to our approach to the other 16 SDGs in the immediate future. In this way, I believe that today’s dialogue has offered us a hint for bringing about innovation that will encourage the involvement of other entities and industries in SDG-related efforts. By all means, I want us as a company to examine our approach to spurring such innovation going forward.



**Hidehiro Tsukano**  
Representative Director and  
Corporate Executive Officer  
SEVP & CFO, Head of Global  
Corporate Functions

Fulfill Our Responsibility for Achieving the SDGs as a Global Citizen

Social contribution is embedded in the DNA of Fujitsu and also embodies the true nature of our corporate philosophy as well as our core businesses. And I believe that our ideology as a company is certainly applicable to the basic concepts of the 17 SDGs. Accordingly, I would like for us to adopt an approach in which we focus on fully understanding the 17 SDGs and naturally contribute to realizing them through the efforts we make in our core businesses, rather than forming measures solely for the sake of achieving the SDGs.

Not only do the SDGs help us accomplish our ideology of contributing to society, they also provide us with a path for fulfilling our responsibility as global citizens to engage in social contribution activities. It is important for us to remember that the SDGs are not merely a negative screening mechanism to ensure compliance, and also, we should not pursue SDG-related efforts simply because this is the current trend. Rather, in accordance with the true purpose of the SDGs, and based on the opinions we received here today, we will promote such efforts as ensuring sustainability and strengthening our initiatives toward diversity.



**Nobuhiko Sasaki**  
Corporate Executive Officer  
SEVP, Head of Global Strategy,  
Corporate Environmental and  
CSR Strategy

Incorporate the SDGs in the Core of Our Business Model

The main issue Fujitsu must address in order to make genuine efforts toward realizing the SDGs is to determine whether or not it can incorporate the goals of the SDGs in the core of its business model. By making the SDGs a common language within the Group so as to leverage the comprehensive strengths of our 155,000 employees, we will be able to have all employees work toward achieving the SDGs under the same direction.

Genuine efforts geared toward the SDGs will most likely start with establishing clear links between the SDGs and each business. While this is a necessary first step, this task merely provides justification for the businesses in which we engage. By determining small- to medium-sized targets that act as stepping stones toward achieving the major target of realizing the SDGs, we will be able to ascertain the necessary actions we need to pursue and discover the areas in which we can make the biggest contributions. In addition, we will place emphasis on short-term initiatives that lead us to accomplishing our greater goal.

Through this dialogue, we once again recognized the importance of having a large number of people examine our corporate responsibility regarding the SDGs and the actions we need to pursue to accomplish them. With the SDGs providing us with a vision for the future in 2030, we will use the opinions we received today to determine the aspects to which we need to pay close attention. In particular, these opinions will help us establish internal systems that allow us to understand the negative

aspects of our business activities as well as examine how we can make an even greater impact on society. To realize contributions on an even larger scale going forward, we will further pursue the challenge of not only technological innovation but also business transformation.

For details on the dialogue, please visit the Fujitsu website  
(About Fujitsu ▶ Corporate Responsibility ▶ With Our Stakeholders ▶ Stakeholder Dialogue):  
<http://www.fujitsu.com/global/about/csr/society/dialog/>