

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

FUJITSU GROUP



The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	8/8
2. Internal Controls	6	7/12
3. Support to Employees	7	9/14
4. Conflict of Interest	4	2/8
5. Customer Engagement	7	1/14
6. Supply Chain Management	5	2/10
7. Agents, Intermediaries and Joint Ventures	10	3/20
8. Offsets	4	0/8
9. High Risk Markets	4	5/8
10. State-Owned Enterprises	0	N/A
TOTAL		37/102
BAND		D

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
2
Comments
The company publishes a clear statement on its anti-bribery and corruption commitment, which details the company's stance against any form of bribery or corruption within the organisation. There is evidence that this commitment was authorised and endorsed by the company's leadership.
Evidence
<p>[11] Message from the President (Webpage) Accessed 20/03/2020 https://www.fujitsu.com/global/about/csr/topmessage/</p>  <p>Representative Director and President Takahito Tokita</p>  <p>Since the Industrial Revolution, technological advances and the trend toward globalization have led to astounding progress in society. This sudden growth, however, has also triggered global warming and rapid urbanization and created numerous social distortions, such as widening inequality. Turning to the digital society, new technologies like Artificial Intelligence (AI), the Internet of Things (IoT) and 5G are bringing unprecedented convenience to our daily lives and to businesses. On the other hand, new challenges such as privacy, security and reduced employment are emerging.</p> <p>I am convinced that we must make a contribution to the sustainability of the planet if Fujitsu is to continue growing on a worldwide basis. To ensure a prosperous future for Fujitsu and global society, the fundamental approach to sustainability-oriented management must be to radically change the way enterprises consider their impact on the economy, society at large and the business world.</p> <p>To date, Fujitsu has employed information and communications technologies (ICT) and worked hand-in-hand with customers to deliver value in myriad ways. Fujitsu itself is now transitioning from an ICT company into a Digital</p>

Transformation (DX) enterprise. We will then be ideally positioned to support the long-term growth of our customers and society by applying digital technologies to create innovations that will help resolve a host of issues.

The essential philosophy is to contribute to the United Nations' Sustainable Development Goals (SDGs). Looking toward 2030, the SDGs represent an important initiative for the sustainable development of human society, and Fujitsu is also positioning the goals at the center of its management approach. This global framework – built on our business activities, which are underpinned by the FUJITSU Way corporate philosophy – is nothing less than a reflection of the trust and creativity we have cultivated over many years with our customers and the fulfillment of our ongoing responsibilities as a global enterprise.

One step on this path is the integration of our Global Responsible Business (GRB) management structure to unify the sustainability activities and policies of the various Fujitsu Group regions around the world. Fujitsu will now work with a single focus to tackle a range of challenges, including non-financial issues such as reducing environmental impacts, promoting respect for human rights and the cause of diversity & inclusion, and boosting the deployment of responsible delivery systems. We will specify key performance indicators (KPIs) for each GRB category and will share with stakeholders our plans for achieving these KPIs.

A decade ago, Fujitsu announced its support of the United Nations Global Compact, which consists of 10 principles in four areas: human rights, labor standards, the environment, and anti-corruption. I am committed to further reinforcing our corporate culture of zero tolerance, which does not tolerate any wrongdoing, as we make every effort to minimize negative impacts on people and on society as a whole.

[2] Promoting Global Compliance Program (Document)

Accessed 12/07/2019

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf

[p.1]

2. Top-Level Commitment and Securing of Resources

Fujitsu actively works to express management's commitment to compliance through messages to employees and other measures. By doing so, the company aims to disseminate and implement the Code of Conduct and the GBS across the entire Group.

In addition, Fujitsu deploys regional officers responsible for compliance activities in Japan, EMEIA, Asia, Americas and Oceania, and has formed a global network with Risk Management & Compliance officers spanning every company in the Fujitsu Group to secure a structure for implementing the GCP. Furthermore, Fujitsu holds a Global Compliance Forum, where a group primarily comprised of the compliance officers at Fujitsu and each overseas Group company is invited to come together and share and discuss headquarters' policies concerning GCP implementation.

Question
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
2
Comments
<p>The company publishes an anti-bribery and corruption policy, which specifically prohibits bribery, payments to public officials, commercial bribery, and facilitation payments. This policy clearly applies to all employees and board members as described in (a) and (b) in the question.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.43]</p> <p>1. Establishment of Rules and Procedures</p> <p>The Fujitsu Group has established and implemented various internal rules to align globally with the GBS.</p> <p>In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces.</p> <p>For overseas Group companies, Fujitsu Group's minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the</p> <p>[p.44]</p> <p>General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEIA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.</p> <p>[2] Promoting Global Compliance Program (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf [p.1]</p>

1. Establishing Regulations and Procedures

Fujitsu has established and implemented various internal rules, which include rules across the entire Fujitsu Group.

We have instituted the Compliance Policy with the approval of the Risk Management & Compliance Committee, and expanded them into Japanese Group companies with the aim of thoroughly ensuring compliance and improving corporate value. In particular, under the above regulations, we have established more specific and detailed guidelines in the areas with significant impact on business : antitrust law, bribery, and antisocial forces.

For overseas Group companies, as well, Fujitsu Group's minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each overseas Group company after taking each country's laws, culture, customs and other characteristics into account. While issuing General Compliance Guidelines which correspond to the above compliance rules, we are also issuing global guidelines which relate to competition laws and various guidelines which pertain to bribery prevention.

With regard to bribery, we indicate the types of actions that are high risk, such as providing gifts and hospitality to government officials, giving donations and charitable contributions to political organizations, and facilitation payments. We have installed online systems in order to secure compliance of gifts and hospitality for government officials, and to thoroughly conduct due diligence on transactions made in regions at high risk for corruption. We operate these systems in major overseas Group companies in EMEA, Asia, Americas and Oceania.

Suppliers and partners are required to abide by laws and regulations, as well as the GBS, in contracts and other means.

[3] Fujitsu Global Business Standards (Document)

Accessed 13/07/2019

<https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf>

[p.3] The Global Business Standards apply to all employees in Fujitsu, including directors and officers (who are together referred to as "employees" in the Global Business Standards), and also extends to anyone engaged in the business of Fujitsu. The standards are to be applied to all our business operations throughout the world.

[p.5] One of the fundamental principles of the Fujitsu Way is that of "Global Citizenship" – we act as global citizens, attuned to the needs of society and the environment. We therefore act as responsible members of a global society based on sound ethics and integrity. The Global Business Standards are designed to help us achieve that objective. The Global Business Standards govern the Fujitsu's relationships with others including:

- Shareholders
- Employees
- Customers
- Suppliers
- Governments
- Other businesses (including our competitors)
- The environment
- The community

[p.11] 3.2 Bribery

Fujitsu competes on the basis of the quality and price of its products, services and solutions. Nobody within the Fujitsu, or acting on behalf of the Fujitsu, may give or accept, directly or indirectly, a bribe in any form. "Bribe" means any advantage, whether in monetary or other form.

The making of an improper payment to gain an advantage is never acceptable in Fujitsu, and exposes the individual and the Company to criminal prosecution.

The following can all be construed as a bribe or improper payment:

- Giving or promising money, goods or services to a government official or customer employee
- Paying a gratuity to officials or employees to expedite an administrative action

- Payment of a commission that is disproportionate to the services provided.

We have to take great care in dealing with government officials; in many countries gifts or payments to government officials are specifically prohibited by law. Some countries also extend such laws to foreign government officials overseas. Everyone doing business through consultants, intermediaries or other third parties must endeavor to ensure that they also comply with the above rules.

[p.16] Global Policy on Anti-Bribery and Anti-Corruption

1. Prohibited Payments

Fujitsu competes on the basis of the quality and price of its products, services and solutions. Nobody within the Fujitsu, or acting on behalf of the Fujitsu, may give or accept, directly or indirectly, a bribe in any form. "Bribe" means any advantage, whether in monetary or other form.

The making of an improper payment to gain advantage is never acceptable in Fujitsu, and exposes the individuals and Fujitsu to criminal prosecution. Many countries have adopted laws banning bribery by companies, in conformity with internationally agreed anti-corruption standards. Some of these laws, such as the UK Bribery Act and the US Foreign Corrupt Practices Act, have global application and are vigorously enforced.

The following can all be construed as a bribe or improper payment, but this is not a complete list, each potential Bribe has to be considered in its own circumstances to determine if it is prohibited by this policy:

- Giving or promising money, goods or services to a government official or customer employee
- Paying a gratuity to officials or employees to expedite an administrative action
- Payment of a commission or fee that is disproportionate to the services provided.
- Lavish or excessive entertainment, hospitality or gifts
- Contributions to a political party, candidate or campaign
- Charitable donations to organizations associated with, or at the request of, government officials or customers

Certain circumstances may be warning signs that a payment is improper, and require us to use extra caution to ensure that no bribe or improper payment is made. The following are some examples of such circumstances:

- We are doing business in a country that has a reputation for corruption.
- A consultant, agent or other third party asks for an unusually large fee or an increase in a previously-agreed fee to close a deal.
- The reputation of the consultant, agent or other third party is questionable.
- We are asked to make a payment to an individual, in another country, to a numbered bank account or to pay in cash.
- We are asked to make a political or charitable contribution or to use a particular subcontractor.
- The payment, gift, or entertainment would appear to influence the recipient's objectivity.
- The payment, gift, or entertainment does not appear to have a business purpose or may appear to have a private purpose.
- We would be embarrassed if the payment, gift or entertainment were made public.

2. Government Officials

We have to take great care in dealing with government officials; in many countries gifts or payments to government officials are specifically prohibited by law. Some countries also extend such laws to foreign government officials overseas.

The following are some examples of government officials under the anti-corruption laws of countries in which Fujitsu does business:

- Employees of state-owned enterprises
- Employees of publicly-listed companies where there is government control or significant ownership
- A professor at a state university
- A doctor or nurse at a government-run health care facility
- Family members of public officials
- Political party officials or candidates for political office
- Employees of international organizations, such as the United Nations, World Bank or International Monetary Fund

All gifts to government officials are prohibited unless they are lawful and customary in the applicable country, of nominal value, and approved in advance by regional management in accordance with the applicable authority limits set by the Company. Gifts cannot be made under local business practices that ignore or condone bribery.

Payments for bona fide business expenses incurred by government officials (such as travel, lodging and meals) that are related to the promotion, demonstration or explanation of products or services, or to the execution or performance of a contract, may be permissible, but only if they are reasonable, necessary, and approved in

advance by regional management. Expenditures for first class airfare, spouses and family members, side trips, leisure activities, stipends and spending money are not considered to be reasonable and necessary.

Question

1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?

Score

2

Comments

Based on publicly available information, there is evidence that a designated board committee, the Risk Management and Compliance Committee, is ultimately responsible for oversight of the company's anti-bribery and corruption programme. This includes reviewing reports from management on the programme's performance. There is evidence that the committee has the authority to require that changes are made.

Evidence

[1] Sustainability Report 2018 (Document)
 Accessed 12/07/2019
<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>
 [p.48]

Risk Management & Compliance Structure

In order to prevent potential risks of loss in business execution from materialization, to respond aptly to materialized risks, and to prevent their recurrence, the Fujitsu Group has established a Risk Management and 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 and 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 them to both guard against potential risks and mitigate risks that have already materialized.



[1] Sustainability Report 2018 (Document)
 Accessed 12/07/2019
<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>
 [p.39]

Compliance System

Primarily through the Risk & Management Compliance Committee, the Company shall promote the preparation of the internal rules, education, and oversight systems required for compliance with the Code of Conduct set forth by the FUJITSU Way, and also with laws and regulations concerning the business activities of the Fujitsu Group. The Company shall also prepare management systems to ensure the appropriateness of financial reporting, as well as systems for information disclosure and internal auditing.

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2. Risk Management System and Compliance System

The Company positions the risk management system and the compliance system at the heart of the "Policy on the Internal Control System" and has established the Risk Management & Compliance Committee (the "Committee"), which supervises these systems globally and reports to the Board of Directors.

The Committee is chaired by the Representative Director and President and consists mainly of Executive Directors. The Committee meets periodically and determines policies for preventing risks in business operations from arising and for countermeasures for losses caused by risks that have arisen.

The chairman of the Committee has appointed a Chief Risk Compliance Officer (CRCO) who executes the Committee's decisions.

Regarding compliance violations and risks in business operations, including information security, the Committee has established and operates a system that covers not only the Company but the Fujitsu Group and ensures reporting to the Committee in a timely manner. It also operates the internal reporting system.

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Compliance

Activities Promoting Compliance

The Risk Management & Compliance Committee, directly reporting to the Board of Directors and headed by the President, oversees compliance globally for the Fujitsu Group, in accordance with our Basic Policy on Establishment of Internal Control System. The Risk Management & Compliance Committee raises awareness and secures compliance with Fujitsu Way Code of Conduct throughout the Group by appointing a Chief Risk Management & Compliance Officer (CRCO) who executes the committee's decisions concerning compliance, establishing the Global Compliance Program, and coordinating with the Region Risk Management & Compliance Committee set up in each region as a subcommittee.

The Risk Management & Compliance Committee and the Region Risk Management & Compliance Committees monitor the implementation status of the Global Compliance Program on a periodical basis and report to the Board of Directors. Under the top management's initiative and supervision, internal rules, training, and oversight systems required for compliance with laws and regulations concerning the business activities of the Fujitsu Group are implemented and operated.

The Fujitsu Way Code of Conduct

The Fujitsu Way includes the following Code of Conduct, with which all Fujitsu Group employees must comply:



Fujitsu has also rolled out our 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. The GBS are available in 20 languages to be applied uniformly across the Fujitsu Group.

[p.43]

1. Establishment of Rules and Procedures

The Fujitsu Group has established and implemented various internal rules to align globally with the GBS.

In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces.

For overseas Group companies, Fujitsu Group’s minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the

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General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.

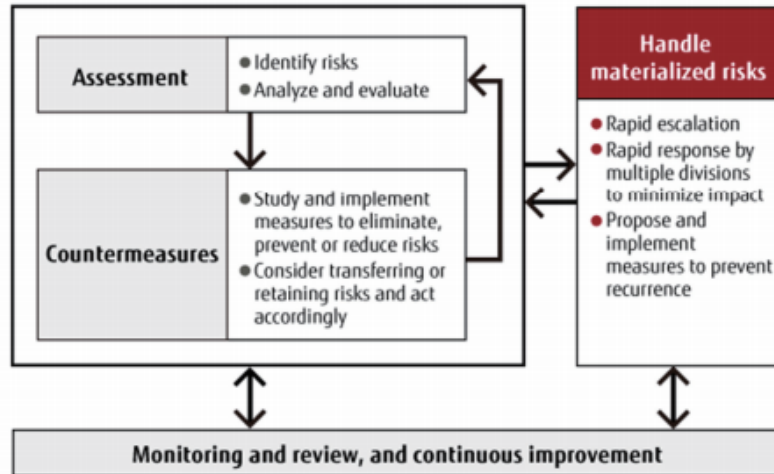
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Risk Management Processes

The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities in all Fujitsu business divisions and Group companies in Japan and overseas, 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. It also reports identified, analyzed, and evaluated important risks regularly to the Board of Directors.

The Risk Management Committee also prepares responses against 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 department 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 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.



[4] Compliance (Webpage)

Accessed 13/07/2019

<https://www.fujitsu.com/global/about/csr/compliance/>

Policies and Structure for Implementation

At the Fujitsu Group, the Risk Management & Compliance Committee, which is operated under the direct control of the Board of Directors and headed by the President, is responsible for overseeing Group-wide compliance at the global level based on our Basic Policy for Establishing Internal Control. Together with appointing a Chief Risk Management & Compliance Officer (CRCO) who is tasked with carrying out the Committee's compliance-related policies and decisions, the Committee established the Global Compliance Program. In cooperation with Region Risk Management & Compliance Committees, which have been established as subcommittees in each region, the Committee strives to raise Group-wide awareness of the Fujitsu Way Code of Conduct and achieve compliance with that Code.

The Risk Management & Compliance Committee and the Region Risk Management and Compliance Committees regularly verify the current operational status of the Global Compliance Program and file reports with the Board of Directors. Under the initiative and supervision of top management, these Committees implement and operate the internal company rules, training activities, and monitoring systems necessary for compliance with the laws and regulations that concerns the business activities of the Fujitsu Group.

Question

1.4. Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?

Score

2

Comments

Based on publicly available information, there is evidence that a designated senior executive, the Chief Risk Management & Compliance Officer, has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. It is clear that this person has a direct reporting line to the Risk Management and Compliance Committee which provides oversight of the anti-bribery and corruption programme. There is evidence of reporting and feedback activities between this person and the committee as part of the company’s reporting structure.

Evidence

[1] Sustainability Report 2018 (Document)
 Accessed 12/07/2019
<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>
 [p.48]

Risk Management & Compliance Structure

In order to prevent potential risks of loss in business execution from materialization, to respond aptly to materialized risks, and to prevent their recurrence, the Fujitsu Group has established a Risk Management and 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 and 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 them to both guard against potential risks and mitigate risks that have already materialized.



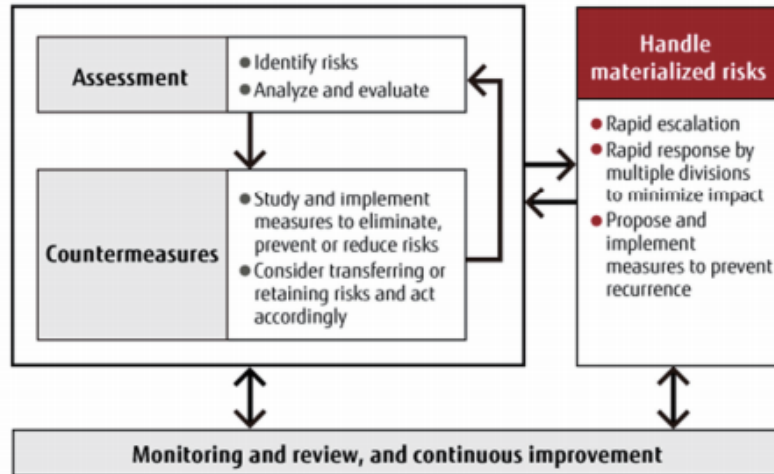
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Risk Management Processes

The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities in all Fujitsu business divisions and Group companies in Japan and overseas, 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. It also reports identified, analyzed, and evaluated important risks regularly to the Board of Directors.

The Risk Management Committee also prepares responses against 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 department 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 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.



[4] Compliance (Webpage)

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Policies and Structure for Implementation

At the Fujitsu Group, the Risk Management & Compliance Committee, which is operated under the direct control of the Board of Directors and headed by the President, is responsible for overseeing Group-wide compliance at the global level based on our Basic Policy for Establishing Internal Control. Together with appointing a Chief Risk Management & Compliance Officer (CRCO) who is tasked with carrying out the Committee's compliance-related policies and decisions, the Committee established the Global Compliance Program. In cooperation with Region Risk Management & Compliance Committees, which have been established as subcommittees in each region, the Committee strives to raise Group-wide awareness of the Fujitsu Way Code of Conduct and achieve compliance with that Code.

The Risk Management & Compliance Committee and the Region Risk Management and Compliance Committees regularly verify the current operational status of the Global Compliance Program and file reports with the Board of Directors. Under the initiative and supervision of top management, these Committees implement and operate the internal company rules, training activities, and monitoring systems necessary for compliance with the laws and regulations that concerns the business activities of the Fujitsu Group.

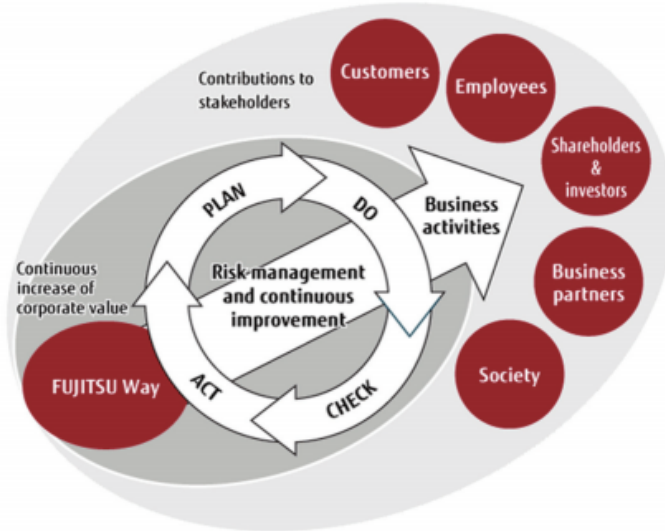
2. Internal Controls

Question
<p>2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?</p>
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a formal risk assessment procedure that informs the design of its anti-bribery and corruption programme. There is evidence the assessments are reviewed by the Risk Management and Compliance Committee, a designated board committee, and that the results are used to update the company's anti-bribery and corruption programme.</p> <p>However, while the company states that risk assessment are conducted regularly, it is unclear whether they are conducted and reviewed on at least an annual basis.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.45] 5. Monitoring and Assessment Through activities such as risk assessments and audits, or review by external experts such as law firms, efficacy of the GCP is periodically checked and work is being done to continually improve it.</p> <p style="padding-left: 2em;">In FY2017, Fujitsu started audits in order to confirm observance of the Antimonopoly Act, and we will improve and continue the audit program as a communication tool with relevant departments.</p> <p style="padding-left: 2em;">For overseas, Fujitsu headquarters' compliance team conducts risk assessments by visiting Group companies in countries and regions with a high risk of corruption, and through the 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.</p> <p style="padding-left: 2em;">The outcome of all risk assessments and the status of the GCP implementation are reported regularly to the Risk Management & Compliance Committee, the Region Risk Management & Compliance Committees and the Board of Directors.</p> <p>[p.47]</p>

Risk Management

Risk Management Guidelines

Through its global activities in the ICT industry, the Fujitsu Group continuously seeks to increase its corporate value, and to contribute to its customers, local communities and indeed all stakeholders. Properly assessing and dealing with the risks that threaten the achievement of our objectives, taking steps to prevent the occurrence of these risk events, and establishing measures to minimize the impact of such events if they do occur and to prevent their reoccurrence are assigned a high priority by management. Moreover, we have built a risk management and compliance system for the entire Group and are committed to its continuous implementation and improvement.



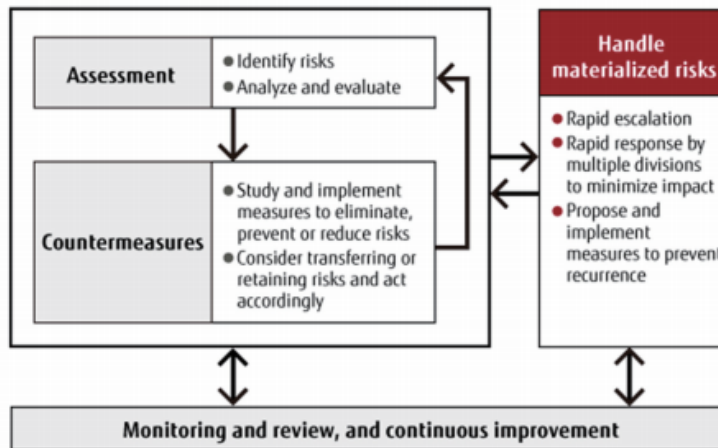
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Risk Management Processes

The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities in all Fujitsu business divisions and Group companies in Japan and overseas, 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. It also reports identified, analyzed, and evaluated important risks regularly to the Board of Directors.

The Risk Management Committee also prepares responses against 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 department 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 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.



[4] Compliance (Webpage)

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Policies and Structure for Implementation

At the Fujitsu Group, the Risk Management & Compliance Committee, which is operated under the direct control of the Board of Directors and headed by the President, is responsible for overseeing Group-wide compliance at the global level based on our Basic Policy for Establishing Internal Control. Together with appointing a Chief Risk Management & Compliance Officer (CRCO) who is tasked with carrying out the Committee's compliance-related policies and decisions, the Committee established the Global Compliance Program. In cooperation with Region Risk Management & Compliance Committees, which have been established as subcommittees in each region, the Committee strives to raise Group-wide awareness of the Fujitsu Way Code of Conduct and achieve compliance with that Code.

The Risk Management & Compliance Committee and the Region Risk Management and Compliance Committees regularly verify the current operational status of the Global Compliance Program and file reports with the Board of Directors. Under the initiative and supervision of top management, these Committees implement and operate the internal company rules, training activities, and monitoring systems necessary for compliance with the laws and regulations that concerns the business activities of the Fujitsu Group.

[12] Fujitsu Integrated Report 2019 (Document)

Accessed 17/06/2020

<https://www.fujitsu.com/global/documents/about/ir/library/integratedrep/IntegratedReport2019-all.pdf>

[p.42] Risk Management System and Compliance System The Company positions the risk management system and the compliance system at the heart of the Policy on the Internal Control System and has established the Risk Management & Compliance Committee, which supervises these systems globally and is under the direct control of the Board of Directors.

The Risk Management & Compliance Committee is chaired by the representative director and president and consists mainly of executive directors. The Risk Management & Compliance Committee meets about every quarter. Regarding compliance violations and risks in business operations, including information security, the Risk Management & Compliance Committee operates a system that ensures the reporting of compliance violations and risks that have arisen to the Risk Management & Compliance Committee in a timely manner. It also operates the internal reporting system and formulates an action policy of the chief risk compliance officer. The progress and results of the activities of the Risk Management & Compliance Committee are periodically reported to the Board of Directors.

[15] Promoting General Compliance Program – update (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.4]

5. Monitoring and Reassessment

We conduct regular verification of the effectiveness of the Global Compliance Program through reviews of our risk assessment and auditing activities and reviews by external experts such as law firms, and aim to achieve continuous improvement. We also refer to the Risk Management page regarding risk assessment activities.

The compliance division of Fujitsu HQ continually conducts risk assessments by visiting Group companies located in overseas countries and regions with a high risk of corruption. Through interviews with executives and employees and verification of internal rules and business procedures, the compliance division analyzes the compliance risks of local businesses and provides proposals for countermeasures regarding those risks, in addition to support on its implementation.

The status of the risk assessment and the implementation of the Global Compliance Program are regularly reported to the Risk Management & Compliance Committee, Region Risk Management & Compliance Committees, and the Board of Directors. The discussions and decisions made at these meetings are reflected in the Global Compliance Program and all activities.

[16] Risk Management (Webpage)

Accessed 16/06/2020

<https://www.fujitsu.com/global/about/csr/riskmanagement/>

Risk Management Guidelines

Through its global activities in the information technology sector, the Fujitsu Group continually seeks to increase its corporate value and to contribute to all stakeholders. Management places a high priority on properly assessing and dealing with any risks that threaten the achievement of our objectives. These include preventing the occurrence of these risk events, minimizing the impact of any such events that do occur and preventing recurrence. We have also built a risk management & compliance structure for the entire group and we are committed to its ongoing implementation and improvement.

Risk Management & Compliance Structure

To prevent potential risks of business-related loss from transforming into actual risks, and to respond appropriately to and prevent the recurrence of any risks, the Fujitsu Group has established a Risk Management & Compliance Committee. This committee acts as the highest-level decision-making body on matters involving risk management and compliance.

The committee also assigns Risk Management Compliance Officers to each of Fujitsu’s divisions and to group companies in Japan and overseas. In April 2016, we established Regional Risk Management & Compliance Committees. These organizations collaborate to build a risk management & compliance structure for the entire Fujitsu Group, thereby guarding against potential risks and mitigating risks that have already materialized. The Risk Management & Compliance Committee is responsible for monitoring the progress of risk management and compliance in all Fujitsu business divisions and group companies in Japan and other countries. This committee is tasked with establishing the appropriate policies and processes, as well as implementing and continually improving them. In practical terms, it determines the risk management regulations and guidelines, then applies them and reviews them on an ongoing basis.

Risk Management & Compliance Structure



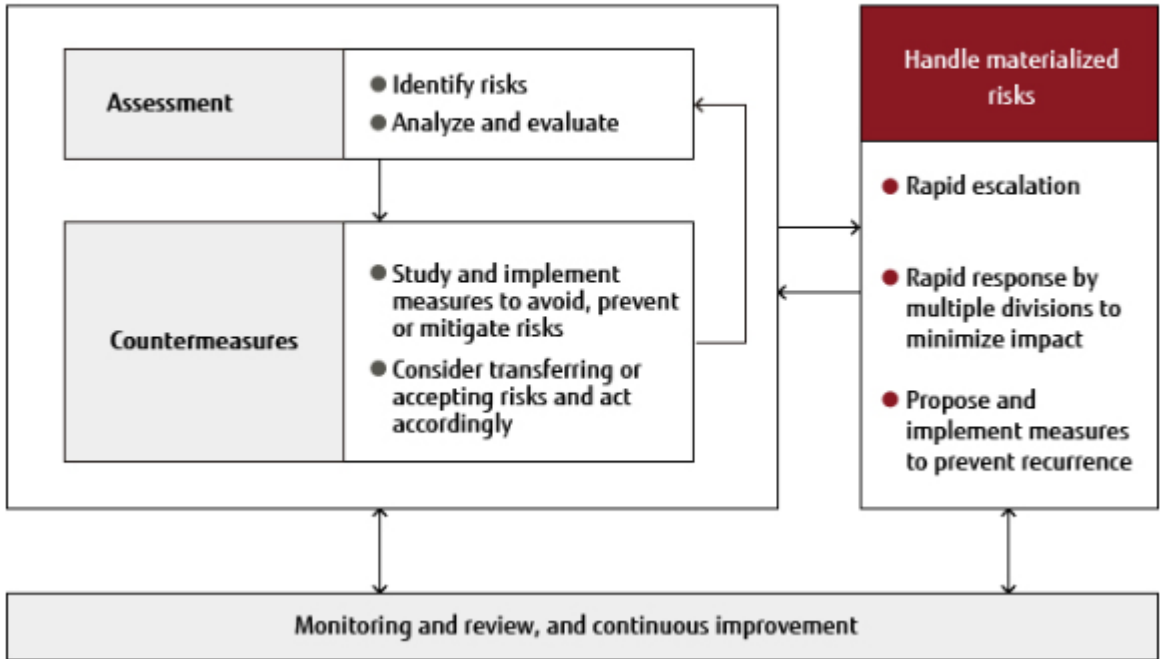
Risk Management Reviews

The Risk Management & Compliance Committee, which maintains regular communications with Risk Management Compliance Officers, identifies, analyzes and assesses the risks associated with business activities. It also checks the progress of measures designed to avoid, mitigate, transfer and accept major risks, and then formulates new measures or reviews existing measures. The committee reports regularly to the Board of Directors regarding major risks that have been identified, analyzed and assessed.

The committee also prepares processes for dealing with risks that have eventuated despite implementation of the various preventive measures. If a critical risk arises, such as a natural disaster, product fault or defect, system or service problem, compliance violation, information security breach or environmental problem, the department or group company concerned reports immediately to the Risk Management & Compliance Committee.

This committee then coordinates with the related departments and work sites to quickly resolve the problem by taking appropriate steps, such as establishing a task force. At the same time, the committee works to identify the causes of the problem and proposes and implements measures to prevent any recurrence. For critical risks, the committee also reports as needed to the Board of Directors. The Risk Management & Compliance Committee checks the progress of implementation of these processes on an ongoing basis and formulates improvements.

Risk Management Process



Question
2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company's anti-bribery and corruption programme is subject to regular review. This includes provisions for continuous improvement, supplemented by internal and external audits, to ensure that the programme is consistent with the business risks facing the company. There is evidence that the results of audits are reported to the Risk and Compliance Committee, a designated-board committee.</p> <p>However, based on publicly available information, the frequency of audits is unclear and there is no clear evidence that audits of the entire anti-bribery and corruption programme are conducted at least every two years.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.39] Compliance System Primarily through the Risk & Management Compliance Committee, the Company shall promote the preparation of the internal rules, education, and oversight systems required for compliance with the Code of Conduct set forth by the FUJITSU Way, and also with laws and regulations concerning the business activities of the Fujitsu Group. The Company shall also prepare management systems to ensure the appropriateness of financial reporting, as well as systems for information disclosure and internal auditing.</p> <p>[p.45] 5. Monitoring and Assessment Through activities such as risk assessments and audits, or review by external experts such as law firms, efficacy of the GCP is periodically checked and work is being done to continually improve it. In FY2017, Fujitsu started audits in order to confirm observance of the Antimonopoly Act, and we will improve and continue the audit program as a communication tool with relevant departments. For overseas, Fujitsu headquarters' compliance team conducts risk assessments by visiting Group companies in countries and regions with a high risk of corruption, and through the 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. The outcome of all risk assessments and the status of the GCP implementation are reported regularly to the Risk Management & Compliance Committee, the Region Risk Management & Compliance Committees and the Board of Directors.</p> <p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.6] Monitoring Compliance and Enforcing the Global Business Standards Fujitsu adopts a number of different mechanisms to monitor compliance with the Global Business Standards. These include:</p> <ul style="list-style-type: none"> • Risk management systems • Compliance audits • Promoting greater awareness of compliance issues so that violations are more easily recognized and reported • Encouraging the use of appropriate mechanisms (including "Fujitsu Alert") for compliance issues and concerns to be reported

Where concerns about compliance issues are raised, appropriate enquiries and investigations will be undertaken to determine the facts and make recommendations for any further action.

All of us who work for or on behalf of Fujitsu understand that a failure to follow the Global Business Standards may result in disciplinary action.

[13] Corporate Governance Report (Document)

Accessed 16/06/2020

<https://www.fujitsu.com/global/documents/about/ir/library/governance/governancereport-en.pdf>

[p.11] The Corporate Internal Audit Division serves as an internal audit group. This division audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Corporate Internal Audit Division reports once a month, as a rule, to full-time members of the Audit & Supervisory Board on auditing plans for and results of internal audits, including matters relating to Group companies, and makes regular reports, once every quarter as a rule, to the Audit & Supervisory Board and accounting auditors.

[15] Promoting General Compliance Program – update (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.4]

5. Monitoring and Reassessment

We conduct regular verification of the effectiveness of the Global Compliance Program through reviews of our risk assessment and auditing activities and reviews by external experts such as law firms, and aim to achieve continuous improvement. We also refer to the Risk Management page regarding risk assessment activities.

The compliance division of Fujitsu HQ continually conducts risk assessments by visiting Group companies located in overseas countries and regions with a high risk of corruption. Through interviews with executives and employees and verification of internal rules and business procedures, the compliance division analyzes the compliance risks of local businesses and provides proposals for countermeasures regarding those risks, in addition to support on its implementation.

The status of the risk assessment and the implementation of the Global Compliance Program are regularly reported to the Risk Management & Compliance Committee, Region Risk Management & Compliance Committees, and the Board of Directors. The discussions and decisions made at these meetings are reflected in the Global Compliance Program and all activities.

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
2
Comments
<p>There is evidence that the company publicly commits to investigating incidents promptly, independently and objectively, and that there is a specific procedure in place to deal with whistleblowing cases. The company's compliance department is responsible for conducting investigations, and has procedures in place that stipulate documentation and actions to be taken at every step, from receipt to final outcome. The company commits to put in place remediation plans and to report investigative findings to senior management and the Risk Management and Compliance Committee, which receives information concerning all investigations on a regular basis. There is also evidence indicating that information on each investigation is documented and that the company informs whistleblowers of the outcome of investigations.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.45]</p> <p>4. Incident Reporting and Response</p> <p>(1) Whistleblowing Hotline</p> <p>Fujitsu Group has been operating the Compliance Line/Fujitsu Alert for both internal and external reports (also covering anonymous reports) handling reports and providing consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Additionally, Group companies have established and are operating their own internal reporting system. These reporting lines are made known to the employees via compliance trainings, websites, posters and wallet-size cards with contact information.</p> <p>Our Compliance Line/ Fujitsu Alert forbids any and all retaliation against any individual who makes the report, and meticulous care is taken in handling the information so as to preserve their anonymity. When the report is received, appropriate investigation is conducted and if the issue is identified as a result of the investigation based on FUJITSU Way Code of Conduct and GBS, such is corrected (including a disciplinary actions) and prevention measures are implemented.</p> <p>We opened a Compliance Line for Suppliers in Japan to handle reports and inquiries from the employees of companies that directly supply products, services or software, etc. to Fujitsu and domestic Group companies. For overseas Group companies, reports are accepted in 20 languages, at any time, on any day.</p> <ul style="list-style-type: none"> • Fujitsu Alert https://secure.ethicspoint.eu/domain/media/en/gui/102834/index.html • Compliance Line for Suppliers in Japan http://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/ <p>(2) Report to the Risk Management & Compliance Committee</p> <p>Employees are required by Risk Management Rule to report compliance violation or signs of violation and immediately to the Risk Management & Compliance Committee and the Board of Directors if necessary, following the reporting structure set by the Heads of Units.</p> <p>The status of reports and consultations, or key compliance issues are reported regularly to the Risk Management & Compliance Committee and the Board of Directors.</p> <p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.6] Monitoring Compliance and Enforcing the Global Business Standards Fujitsu adopts a number of different mechanisms to monitor compliance with the Global Business Standards. These include:</p> <p>[...]</p>

- Promoting greater awareness of compliance issues so that violations are more easily recognized and reported
- Encouraging the use of appropriate mechanisms (including "Fujitsu Alert") for compliance issues and concerns to be reported

Where concerns about compliance issues are raised, appropriate enquiries and investigations will be undertaken to determine the facts and make recommendations for any further action.

[2] Promoting Global Compliance Program (Document)

Accessed 13/07/2019

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf

[p.2]

4. Reporting and Responding to Incidents

Establishing an Internal Whistleblower System

The Fujitsu Group has established a point of contact inside and outside the company, operated as the Compliance Line/FUJITSU Alert, to receive reports from all Group employees (including retirees, temporary transfers, contracted employees, part-time employees and dispatch workers) and offer consultations (including anonymous reports). Group companies also maintain and operate separate internal whistleblower systems. These internal whistleblower systems are publicized to employees via compliance training sessions, websites, posters and wallet-sized cards with contact information.

Regarding the Compliance Line/FUJITSU Alert, we strictly prohibit the adverse treatment of whistleblowers because of their reports, and handles their information with the utmost care in order to preserve their anonymity. In the event of a report, we conduct the appropriate investigations. In the event that our investigation has verified problems according to the provisions of the Code of Conduct and the GBS, we address them (which includes taking disciplinary action) and take measures to prevent the problems from reoccurring.

We have established a Compliance Line for Suppliers in Japan to receive reports from the suppliers of Fujitsu and domestic Group companies, to whom we directly supply products, services, software and other goods. FUJITSU Alert is also available overseas in 20 languages, and accepts reports from customers, suppliers and other third parties 24 hours a day, 365 days a year.

[p.3]

Filing Reports with the Risk Management & Compliance Committee

When executives and employees are aware that compliance violations have really occurred, or there are signs that violations will occur, they are required by Risk Management Rule to immediately file a report with the Risk Management & Compliance Committee and Heads of Units in accordance with the previously established reporting system. Furthermore, the Heads of Units is required to promptly respond and report any updates to Risk Management & Compliance Committee.

In addition, we regularly make reports to the Risk Management & Compliance Committee and the Board of Directors concerning internal whistleblower reports and consultations, as well as our responses to major compliance issues.

[14] Secure Ethicspoint (Webpage)

Accessed 16/06/2020

<https://secure.ethicspoint.eu/domain/media/en/gui/102834/follow.html>

Please enter the report key provided to you and the password you created when you submitted your question or concern.

It is important to follow up the questions or concerns you have submitted to the Fujitsu Alert. This allows you to communicate with Fujitsu's compliance team, to retrieve previously submitted questions, answers, and provide updated or additional information.

Report key:

Password:

Continue

[15] Promoting General Compliance Program – update (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.3]

Investigation of Reports

In the event of a report, we will conduct internal investigation under the supervision of responsible managers having attorney's licence. Fujitsu directly reports the results of its internal investigations to the Board of Directors and the Risk Management and Compliance Committee, independently of the department and/or affiliates which relate to the subject matter under investigation. Depending on the content of the report, an investigation may also be delegated by the Compliance department to other authorized departments if deemed appropriate.

The Compliance department will conduct appropriate internal investigations in order to understand the facts and propose countermeasures in accordance with applicable laws and professional standards. The internal investigation includes, but is not limited to, consideration of applicable laws, consideration of appropriate investigation steps, evaluation of collected evidence, documentation of investigation result, reporting or escalation. Depending on the result of the investigation, if necessary and subject to applicable laws, including – but not limited to – data protection law and business law, Fujitsu provides feedback to the reporter.

In the event that the investigation has verified problems according to the provisions of the Code of Conduct and the Global Business Standards, we address them (which includes taking disciplinary action) and take measures to prevent the problems from reoccurring. Appropriate measures may include communication to alert employees about specific non-compliant activities and decisions on strengthening of controls, to avoid similar misconduct in the future.

The investigation process is also reviewed on a timely basis, especially at the time of establishment of the annual plan under the Global Compliance Program and/or enactment or amendment of relevant laws.

Fujitsu may be either required by law or decide based on business judgement to provide certain government and/or judicial agencies, including, without limitation, government investigative agencies or courts with information about compliance violations. Such decisions are prepared and made by a representative of Compliance, if required in conjunction with executives and other relevant functions.

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company assures itself of the quality of its investigations. The company indicates that managers supervising investigations must be properly qualified and that it reviews its investigation procedure on an annual basis.</p> <p>However, in publicly available information, there is no mention of how complaints about the investigation process are handled.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.45]</p> <p>4. Incident Reporting and Response</p> <p>(1) Whistleblowing Hotline</p> <p>Fujitsu Group has been operating the Compliance Line/Fujitsu Alert for both internal and external reports (also covering anonymous reports) handling reports and providing consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Additionally, Group companies have established and are operating their own internal reporting system. These reporting lines are made known to the employees via compliance trainings, websites, posters and wallet-size cards with contact information.</p> <p>Our Compliance Line/ Fujitsu Alert forbids any and all retaliation against any individual who makes the report, and meticulous care is taken in handling the information so as to preserve their anonymity. When the report is received, appropriate investigation is conducted and if the issue is identified as a result of the investigation based on FUJITSU Way Code of Conduct and GBS, such is corrected (including a disciplinary actions) and prevention measures are implemented.</p> <p>We opened a Compliance Line for Suppliers in Japan to handle reports and inquiries from the employees of companies that directly supply products, services or software, etc. to Fujitsu and domestic Group companies. For overseas Group companies, reports are accepted in 20 languages, at any time, on any day.</p> <ul style="list-style-type: none"> • Fujitsu Alert https://secure.ethicspoint.eu/domain/media/en/gui/102834/index.html • Compliance Line for Suppliers in Japan http://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/ <p>(2) Report to the Risk Management & Compliance Committee</p> <p>Employees are required by Risk Management Rule to report compliance violation or signs of violation and immediately to the Risk Management & Compliance Committee and the Board of Directors if necessary, following the reporting structure set by the Heads of Units.</p> <p>The status of reports and consultations, or key compliance issues are reported regularly to the Risk Management & Compliance Committee and the Board of Directors.</p> <p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.6] Monitoring Compliance and Enforcing the Global Business Standards</p> <p>[...]</p> <p>Where concerns about compliance issues are raised, appropriate enquiries and investigations will be undertaken to determine the facts and make recommendations for any further action.</p> <p>All of us who work for or on behalf of Fujitsu understand that a failure to follow the Global Business Standards may result in disciplinary action.</p>

[2] Promoting Global Compliance Program (Document)

Accessed 12/07/2019

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf

[p.3]

Filing Reports with the Risk Management & Compliance Committee

When executives and employees are aware that compliance violations have really occurred, or there are signs that violations will occur, they are required by Risk Management Rule to immediately file a report with the Risk Management & Compliance Committee and Heads of Units in accordance with the previously established reporting system. Furthermore, the Heads of Units is required to promptly respond and report any updates to Risk Management & Compliance Committee.

In addition, we regularly make reports to the Risk Management & Compliance Committee and the Board of Directors concerning internal whistleblower reports and consultations, as well as our responses to major compliance issues.

[13] Corporate Governance Report (Document)

Accessed 16/06/2020

<https://www.fujitsu.com/global/documents/about/ir/library/governance/governancereport-en.pdf>

[p.28] Risk Management System and Compliance System The Company positions the risk management system and the compliance system at the heart of the “Policy on the Internal Control System” and has established the Risk Management & Compliance Committee (the “Committee”), which supervises these systems globally and reports to the Board of Directors. The Committee is chaired by the Representative Director and President and consists of Executive Directors. The Committee meets periodically and determines policies for preventing risks in business operations from arising and for countermeasures for losses caused by risks that have arisen. The chairperson of the Committee has appointed a Chief Risk Compliance Officer (CRCO) who executes the Committee’s decisions.

[...]

System to Ensure the Properness of Fujitsu Group Operations The risk management system, the compliance system, and the system for ensuring proper financial reporting cover the Fujitsu Group. Especially for risk management and compliance systems, Regional Risk Management & Compliance Committees have been established for individual Regions, which are geographical executive divisions of the Fujitsu Group worldwide. These regional committees are positioned under the Risk Management & Compliance Committee to function so that the entire Fujitsu Group is covered.

[15] Promoting General Compliance Program (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.3]

Investigation of Reports

In the event of a report, we will conduct internal investigation under the supervision of responsible managers having attorney's licence. Fujitsu directly reports the results of its internal investigations to the Board of Directors and the Risk Management and Compliance Committee, independently of the department and/or affiliates which relate to the subject matter under investigation. Depending on the content of the report, an investigation may also be delegated by the Compliance department to other authorized departments if deemed appropriate.

The Compliance department will conduct appropriate internal investigations in order to understand the facts and propose countermeasures in accordance with applicable laws and professional standards. The internal investigation includes, but is not limited to, consideration of applicable laws, consideration of appropriate investigation steps, evaluation of collected evidence, documentation of investigation result, reporting or escalation. Depending on the result of the investigation, if necessary and subject to applicable laws, including – but not limited to – data protection law and business law, Fujitsu provides feedback to the reporter.

In the event that the investigation has verified problems according to the provisions of the Code of Conduct and the Global Business Standards, we address them (which includes taking disciplinary action) and take measures to prevent the problems from reoccurring. Appropriate measures may include communication to alert employees about specific non-compliant activities and decisions on strengthening of controls, to avoid similar misconduct in the future.

The investigation process is also reviewed on a timely basis, especially at the time of establishment of the annual plan under the Global Compliance Program and/or enactment or amendment of relevant laws.

Fujitsu may be either required by law or decide based on business judgement to provide certain government and/or judicial agencies, including, without limitation, government investigative agencies or courts with information about compliance violations. Such decisions are prepared and made by a representative of Compliance, if required in conjunction with executives and other relevant functions.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
2
Comments
Based on publicly available information, there is evidence that the company reports material findings of bribery and compliance to the board. The compliance team is responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if found necessary.
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.45]</p> <p>4. Incident Reporting and Response</p> <p>(1) Whistleblowing Hotline</p> <p>Fujitsu Group has been operating the Compliance Line/Fujitsu Alert for both internal and external reports (also covering anonymous reports) handling reports and providing consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Additionally, Group companies have established and are operating their own internal reporting system. These reporting lines are made known to the employees via compliance trainings, websites, posters and wallet-size cards with contact information.</p> <p>Our Compliance Line/ Fujitsu Alert forbids any and all retaliation against any individual who makes the report, and meticulous care is taken in handling the information so as to preserve their anonymity. When the report is received, appropriate investigation is conducted and if the issue is identified as a result of the investigation based on FUJITSU Way Code of Conduct and GBS, such is corrected (including a disciplinary actions) and prevention measures are implemented.</p> <p>We opened a Compliance Line for Suppliers in Japan to handle reports and inquiries from the employees of companies that directly supply products, services or software, etc. to Fujitsu and domestic Group companies. For overseas Group companies, reports are accepted in 20 languages, at any time, on any day.</p> <ul style="list-style-type: none"> • Fujitsu Alert https://secure.ethicspoint.eu/domain/media/en/gui/102834/index.html • Compliance Line for Suppliers in Japan http://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/ <p>(2) Report to the Risk Management & Compliance Committee</p> <p>Employees are required by Risk Management Rule to report compliance violation or signs of violation and immediately to the Risk Management & Compliance Committee and the Board of Directors if necessary, following the reporting structure set by the Heads of Units.</p> <p>The status of reports and consultations, or key compliance issues are reported regularly to the Risk Management & Compliance Committee and the Board of Directors.</p> <p>[17] Annual Shareholders Meeting (Document) Accessed 16/06/2020 https://www.fujitsu.com/global/Images/notice119b.pdf [p.4]</p>

- b. The Risk Management & Compliance Committee has purview over compliance matters for the Fujitsu Group, which it executes as follows.
- It ensures scrupulous adherence to the Code of Conduct in the FUJITSU Way among all Fujitsu Group employees through ongoing educational efforts.
 - It clarifies the laws and regulations that relate to the Fujitsu Group's business activities and establishes internal rules, education, and oversight systems to ensure compliance with them to promote compliance throughout the Group.
 - When Senior Management or employee recognizes a serious compliance violation or when a situation may appear to present one relating to the performance of the responsibilities of Senior Management or an employee, the Risk Management & Compliance Committee makes such person immediately report such fact to the Committee via the normal chain of command.
 - To ensure that compliance problems can be discovered quickly and handled appropriately through an alternative communications channel apart from the normal chain of command, it establishes and operates an internal reporting system that safeguards the reporter.
 - The Risk Management & Compliance Committee immediately reports serious compliance violations or situations that may appear to present one to the Board of Directors and any other relevant person or organization

[15] Promoting General Compliance Program (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.2]

4. Reporting and Responding to Incidents

Establishing an Internal Whistleblower System

The Fujitsu Group has established an internally and externally accessible portal, operated as the Compliance Line/FUJITSU Alert, to receive reports from external sources and all Group employees (including retirees, temporary transfers, contracted employees, part-time employees and dispatch workers) and offer consultations (including anonymous reports). Group companies also maintain and operate separate internal whistleblower systems.

With one of our Whistleblowing System "FUJITSU Alert", provided through an application and a telephone call system, Fujitsu provides a means to employees and external parties who have a connection to the Fujitsu Group (anonymously, if applicable) to report specific indications of suspected wrongdoing or concern. FUJITSU Alert is available in 20 languages 24 hours a day, 365 days a year. Fujitsu Alert is also used to communicate (including submission of additional materials and receipt of comments from compliance) with the reporter on the investigation.

We have established a Compliance Line for Suppliers in Japan, in addition to FUJITSU Alert, to receive reports from the suppliers of Fujitsu and domestic Group companies, to whom we directly supply products, services, software and other goods. FUJITSU Alert also accepts reports from customers, suppliers and other third parties.

[p.3]

Fujitsu may be either required by law or decide based on business judgement to provide certain government and/or judicial agencies, including, without limitation, government investigative agencies or courts with information about compliance violations. Such decisions are prepared and made by a representative of Compliance, if required in conjunction with executives and other relevant functions.

Question
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?
Score
0
Comments
The company publishes limited information on ethical or bribery and corruption investigations or the disciplinary actions involving its employees. The company provides details concerning one case in its 2019 Sustainability Data Book. However, there is no evidence that it publishes high-level information on all ethical, bribery or corruption incidents and investigations involving employees.
Evidence
<p>[18] Sustainability Data Book 2019 (Document) Accessed 16/06/2020 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2019-report/fujitsudatabook201901-e.pdf [p.4-5-3]</p> <p>In July 2016, Fujitsu was found to have violated the Antimonopoly Act with regard to coordinating an order of electric power security communications equipment for Tokyo Electric Power Company., Inc. (now Tokyo Electric Power Company Holdings, Inc.), and was ordered to cease and desist, in addition to being ordered to pay a surcharge (hereafter, the TEPCO case). Subsequently, in February 2017, Fujitsu was found to have violated the Antimonopoly Act with Chubu Electric Power Co., Inc. regarding transactions for hybrid optical communications equipment and transmission-path equipment (hereafter, the CEPCO case). With regard to the CEPCO case, by immediately filing for immunity from or reduction of surcharges, Fujitsu was fully exempted from having to pay a surcharge, and also avoided being subject to a cease and desist order. Fujitsu will once again deeply reflect on what led to this series of incidents, and sincerely apologizes to all parties affected for the trouble caused.</p> <p>Fujitsu took disciplinary action against the employees involved in these violations and imposed salary reductions (a 10-30% reduction in monthly salary for three months) on seven executives, including the Chairman and the President, based on a resolution by the Board of Directors. Immediately after the TEPCO case came to light, the President declared that bid rigging and cartel forming would be stamped out, and continued to repeat this message to all executives and employees. The executives in charge have also made Fujitsu's commitment to compliance known to their subordinates. As mentioned above, Fujitsu also conducts compliance training for all Fujitsu Group executives and employees inside and outside Japan.</p>

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
2
Comments
Based on publicly available information, there is evidence that the company provides a training module that outlines the basic principles of its anti-bribery and corruption policy, including the whistleblowing options available to employees. There is evidence that training is provided to all employees across all divisions, all countries/regions of operation and in all appropriate languages. There is evidence that the training is held annually.
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.44]</p> <p>3. Training and Communication</p> <p>To embed and implement the Fujitsu Way Code of Conduct and GBS, Fujitsu Group conducts various compliance training and awareness raising activities for executives and employees.</p> <p>During the Fujitsu Compliance Week held in December 2017, various activities were conducted, such as distribution of compliance articles and putting up hotline posters, to facilitate discussion on compliance at each workplace. The Fujitsu Compliance Week will be held continuously. The Fujitsu Group has been printing the Fujitsu Way on wallet-size cards and has been distributing these to Group employees. These cards are designed to serve as a quick reference of the Code of Conduct for employees when they are uncertain about a decision in the course of daily operations in dealing with customers and/or business partners.</p> <p>Fujitsu and domestic Group companies conduct compliance training for newly assigned executives every year, which is provided by outside lawyers as well as Fujitsu's legal and compliance function. For employees in managerial positions, we also regularly hold in-house training where a Fujitsu instructor explains the importance of the Code of Conduct and compliance, while also providing case studies of typical scenarios and difficult situations. In FY2017, Fujitsu and domestic Group companies provided an e-learning course called "FUJITSU Compliance Training 2017 - 2018: Cartels/Bid-Rigging/Bribery" for all the employees (Completion rate as of April 2018: Fujitsu 99%, the domestic Group companies 98%). Documentary drama that introduces Fujitsu's antitrust case referenced above is provided to increase the effectiveness of the training by having real life example and employees are to think about Fujitsu's corporate culture by setting things from the point of view of the people involved. We also conducted a series of face-to-face training for over 2,500 employees of public sector business and other sales divisions.</p> <p>For overseas Group companies, we also conduct compliance training based on the local laws, customs and business in each country and region. In FY2017, we provided an e-learning course on GBS and anti-corruption, as well as antitrust/competition and export control. The course was provided in 20 languages to overseas Group companies in 72 countries (Completion rate as of April 2018: 97%). We also provide globally standardized e-learning courses for new employees. Moreover, according to the cartel and corruption risks, we conduct face-to-face trainings for different departments and entities focusing on the prevention of such risks. Compliance training for partners will be rolled out further. Going forward, we will continue with these activities and further the trainings and awareness raising activities.</p> <p>[p.45]</p>



4. Incident Reporting and Response

(1) Whistleblowing Hotline

Fujitsu Group has been operating the Compliance Line/Fujitsu Alert for both internal and external reports (also covering anonymous reports) handling reports and providing consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Additionally, Group companies have established and are operating their own internal reporting system. These reporting lines are made known to the employees via compliance trainings, websites, posters and wallet-size cards with contact information.

[p.49]

Risk Management Education

To enforce risk management across the entire Fujitsu Group, we conduct education and training at every level.

Specifically, in activities aimed at newly appointed executives and managers as well as Chief Risk Compliance Officers, we are working to communicate our basic concepts on risk management and the rule for prompt escalation to the Risk Management and Compliance Committee; to introduce specific examples of troubles concerning products, services, and information security; and to continually improve awareness and strengthen response capabilities with regard to risk management.

Examples of education programs implemented in FY2017

- New executive training: Training for around 90 newly appointed executives in Fujitsu Limited and the domestic Group companies.
- Risk compliance seminar: The seminar targeted at risk compliance officers and their assistants in Fujitsu Limited and the domestic Group companies, and was attended by around 220 participants.
- Group-wide disaster response drills, mock disaster exercises, BCM training, etc.: As well as enhancements to the central response functionality of the entire Fujitsu Group, disaster response drills and BCM training are conducted throughout the year at a range of different levels, including for entire business units or Fujitsu Group companies (offices or factories throughout the country).
- Training for personnel stationed outside Japan: Group training in areas such as risk management and safety for around 200 personnel working outside Japan.

[3] Fujitsu Global Business Standards (Document)

Accessed 13/07/2019

<https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf>

[p.5] The Global Business Standards apply to all employees in Fujitsu, including directors and officers, and to anyone engaged in the business of Fujitsu.

[p.18] 5.Training and Compliance

Fujitsu will provide periodic training to explain and reinforce the importance of complying with the anti-corruption policies and procedures. We will also distribute to, and obtain from, relevant employees and third parties a certificate of compliance with applicable anti-corruption laws, and we will maintain the certifications in our files for at least five years.

The Legal department is available to address any doubts or concerns about whether a transaction is prohibited under the anti-corruption policies and procedures or applicable anti-corruption laws.

[4] Compliance (Webpage)

Accessed 13/07/2019

<https://www.fujitsu.com/global/about/csr/compliance/>

Compliance Training

Within Japan

- Training for new company executives at Fujitsu and domestic Group companies
- Internal seminars for managers at Fujitsu and domestic Group companies
- E-Learning courses for all employees at Fujitsu and domestic Group companies: 98.3% of employees at Fujitsu taking part, 98.4% of employees at domestic Group companies taking part (as of May 2019)
- E-Learning courses for new employees: 99.6% of new employees at Fujitsu taking part, 98.9% of new employees at domestic Group companies taking part (as of May 2019)

- Group training sessions for sales divisions: Implementation focused on supervising divisions of public businesses

Overseas Regions

- E-Learning courses for employees at overseas Group companies (offered in 20 languages and available in 72 countries): Over 93% of employees taking part (as of April 2019)
- E-Learning courses for new employees
- Separate group training sessions for each region and division
- Training for employees who will leave for overseas: monthly

[15] Promoting General Compliance Program (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.2] 3.Training and Communications

[p.3]

The Fujitsu Group continuously conducts various training and awareness-boosting activities for executives and employees in order to embed and implement the Fujitsu Way Code of Conduct and the Global Business Standards.

“Fujitsu Compliance Week” is held annually and includes various activities, such as sending out top management messages from executives such as the president to employees as mentioned above, and carry out activities in each region such as distribution of compliance related news to promote discussion in the workplace. There are plans to continue holding Fujitsu Compliance Week in the future. The Fujitsu Group has been printing the Fujitsu Way on wallet-sized cards and distributing them to employees. The cards are designed to serve as a quick reference to the Code of Conduct for employees when they are uncertain about a decision in the course of daily operations or dealing with customers and/or business partners.

We provide Global Compliance E-learning for all Fujitsu Group executives and employees every year. The contents of this e-learning includes risk areas such as anti-bribery & anti-corruption law, competition law and security export control law, and is reviewed annually.

Every year, Fujitsu and domestic Group companies hold compliance training sessions targeted at newly appointed executives, conducted by lawyers from outside Fujitsu, and the company's legal and compliance function. For managers, we regularly conduct internal seminars where in-house trainers explain the importance of the Code of Conduct and compliance, in addition to discussing typical scenarios and difficult situations.

For overseas Group company employees, we also conduct training sessions for different sites, divisions or levels which take each country's laws and regulations, customs, and business conditions into account. In addition, in response to the risk of bribery, cartel forming and other such actions, we conduct timely group training sessions which emphasize the prevention of these illegal acts. There are also future plans to further develop compliance training for our partner companies.

Please refer to "FY2019 Performance " for the status of these activities in FY2019. As we continue to tackle these activities, we plan to enhance our program by reflecting the results of annual risk assessment and compliance trends in the world.

Question
<p>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</p> <ul style="list-style-type: none"> a) Employees in high risk positions, b) Middle management, c) Board members.
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company provides tailored anti-bribery and corruption training to employees in different roles, including managers, employees in high-risk positions such as public sector business and sales, and executives. There is evidence to suggest that the training is held on at least an annual basis.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.44]</p> <p>3. Training and Communication</p> <p>To embed and implement the Fujitsu Way Code of Conduct and GBS, Fujitsu Group conducts various compliance training and awareness raising activities for executives and employees.</p> <p>During the Fujitsu Compliance Week held in December 2017, various activities were conducted, such as distribution of compliance articles and putting up hotline posters, to facilitate discussion on compliance at each workplace. The Fujitsu Compliance Week will be held continuously. The Fujitsu Group has been printing the Fujitsu Way on wallet-size cards and has been distributing these to Group employees. These cards are designed to serve as a quick reference of the Code of Conduct for employees when they are uncertain about a decision in the course of daily operations in dealing with customers and/or business partners.</p> <p>Fujitsu and domestic Group companies conduct compliance training for newly assigned executives every year, which is provided by outside lawyers as well as Fujitsu's legal and compliance function. For employees in managerial positions, we also regularly hold in-house training where a Fujitsu instructor explains the importance of the Code of Conduct and compliance, while also providing case studies of typical scenarios and difficult situations. In FY2017, Fujitsu and domestic Group companies provided an e-learning course called "FUJITSU Compliance Training 2017 - 2018: Cartels/Bid-Rigging/Bribery" for all the employees (Completion rate as of April 2018: Fujitsu 99%, the domestic Group companies 98%). Documentary drama that introduces Fujitsu's antitrust case referenced above is provided to increase the effectiveness of the training by having real life example and employees are to think about Fujitsu's corporate culture by setting things from the point of view of the people involved. We also conducted a series of face-to-face training for over 2,500 employees of public sector business and other sales divisions.</p> <p>For overseas Group companies, we also conduct compliance training based on the local laws, customs and business in each country and region. In FY2017, we provided an e-learning course on GBS and anti-corruption, as well as antitrust/competition and export control. The course was provided in 20 languages to overseas Group companies in 72 countries (Completion rate as of April 2018: 97%). We also provide globally standardized e-learning courses for new employees. Moreover, according to the cartel and corruption risks, we conduct face-to-face trainings for different departments and entities focusing on the prevention of such risks. Compliance training for partners will be rolled out further. Going forward, we will continue with these activities and further the trainings and awareness raising activities.</p> <p>[p.49]</p>



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The Legal department is available to address any doubts or concerns about whether a transaction is prohibited under the anti-corruption policies and procedures or applicable anti-corruption laws.

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[15] Promoting General Compliance Program (Document)

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[p.2] 3. Training and Communications

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“Fujitsu Compliance Week” is held annually and includes various activities, such as sending out top management messages from executives such as the president to employees as mentioned above, and carry out activities in each region such as distribution of compliance related news to promote discussion in the workplace. There are plans to continue holding Fujitsu Compliance Week in the future. The Fujitsu Group has been printing the Fujitsu Way on wallet-sized cards and distributing them to employees. The cards are designed to serve as a quick reference to the Code of Conduct for employees when they are uncertain about a decision in the course of daily operations or dealing with customers and/or business partners.

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Every year, Fujitsu and domestic Group companies hold compliance training sessions targeted at newly appointed executives, conducted by lawyers from outside Fujitsu, and the company's legal and compliance function. For managers, we regularly conduct internal seminars where in-house trainers explain the importance of the Code of Conduct and compliance, in addition to discussing typical scenarios and difficult situations.

For overseas Group company employees, we also conduct training sessions for different sites, divisions or levels which take each country's laws and regulations, customs, and business conditions into account. In addition, in response to the risk of bribery, cartel forming and other such actions, we conduct timely group training sessions which emphasize the prevention of these illegal acts. There are also future plans to further develop compliance training for our partner companies.

Please refer to "FY2019 Performance " for the status of these activities in FY2019. As we continue to tackle these activities, we plan to enhance our program by reflecting the results of annual risk assessment and compliance trends in the world.

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
1
Comments
<p>The company states publicly that it reviews its anti-bribery and corruption communications and personnel training programme on an annual basis. The company tracks training completion rates.</p> <p>However, it is unclear how the company reviews the programme in practice. It is also unclear whether the results are used to update specific parts of the company's anti-bribery and corruption communications and training programme.</p>
Evidence
<p>[15] Promoting General Compliance Program (Document) Accessed 17/06/2020 https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf [p.2] 3.Training and Communications</p> <p>[p.3]</p> <p>The Fujitsu Group continuously conducts various training and awareness-boosting activities for executives and employees in order to embed and implement the Fujitsu Way Code of Conduct and the Global Business Standards.</p> <p>“Fujitsu Compliance Week” is held annually and includes various activities, such as sending out top management messages from executives such as the president to employees as mentioned above, and carry out activities in each region such as distribution of compliance related news to promote discussion in the workplace. There are plans to continue holding Fujitsu Compliance Week in the future. The Fujitsu Group has been printing the Fujitsu Way on wallet-sized cards and distributing them to employees. The cards are designed to serve as a quick reference to the Code of Conduct for employees when they are uncertain about a decision in the course of daily operations or dealing with customers and/or business partners.</p> <p>We provide Global Compliance E-learning for all Fujitsu Group executives and employees every year. The contents of this e-learning includes risk areas such as anti-bribery & anti-corruption law, competition law and security export control law, and is reviewed annually.</p> <p>Every year, Fujitsu and domestic Group companies hold compliance training sessions targeted at newly appointed executives, conducted by lawyers from outside Fujitsu, and the company's legal and compliance function. For managers, we regularly conduct internal seminars where in-house trainers explain the importance of the Code of Conduct and compliance, in addition to discussing typical scenarios and difficult situations.</p> <p>For overseas Group company employees, we also conduct training sessions for different sites, divisions or levels which take each country's laws and regulations, customs, and business conditions into account. In addition, in response to the risk of bribery, cartel forming and other such actions, we conduct timely group training sessions which emphasize the prevention of these illegal acts. There are also future plans to further develop compliance training for our partner companies.</p> <p>Please refer to "FY2019 Performance " for the status of these activities in FY2019. As we continue to tackle these activities, we plan to enhance our program by reflecting the results of annual risk assessment and compliance trends in the world.</p>

[4] Compliance (Webpage)

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Within Japan

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Accessed 13/07/2019

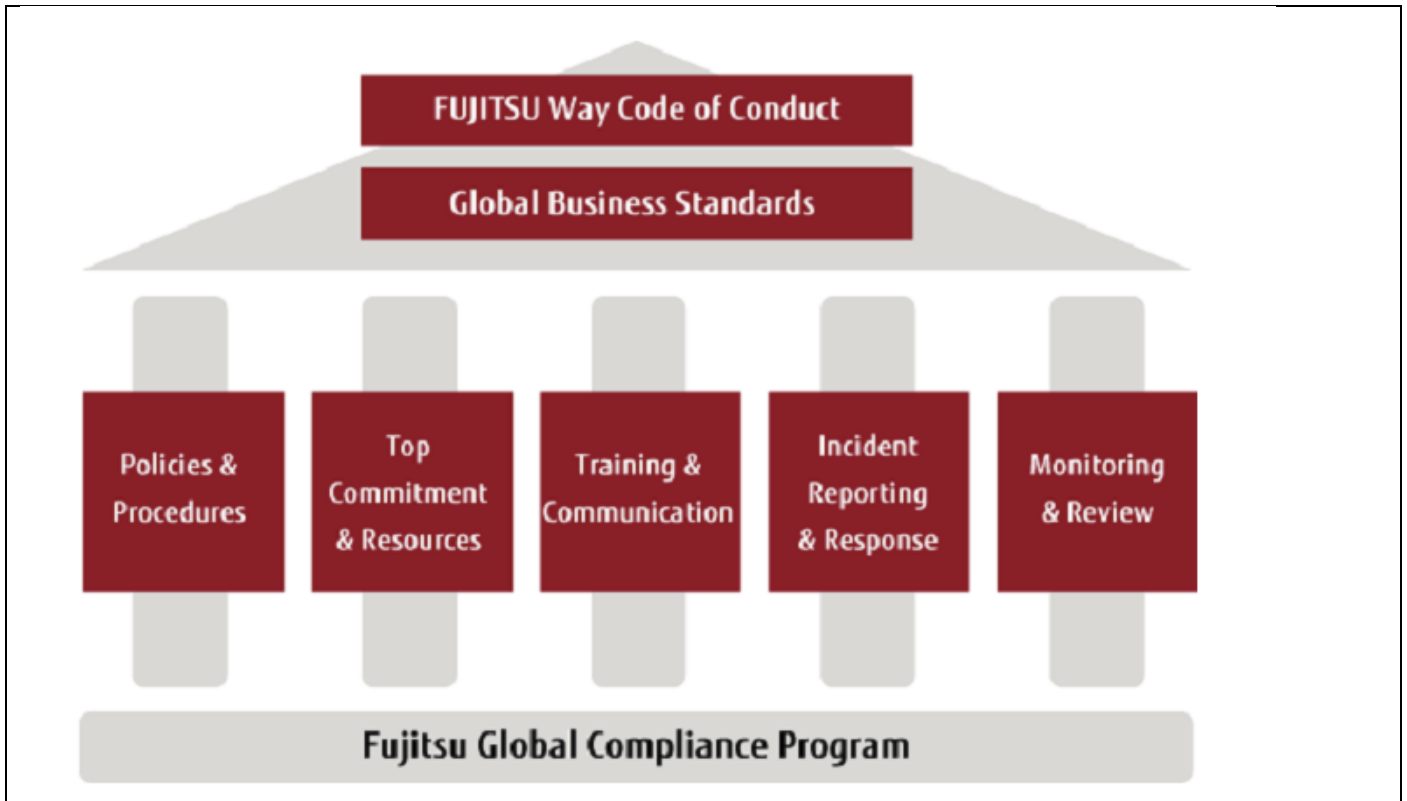
<https://www.fujitsu.com/global/about/csr/compliance/>

Global Compliance Program

[...]

When implementing the GCP, we establish internal Group rules and deploy an officer responsible for compliance activities to each region to secure the implementation structure. We also continuously provide employees with various forms of training, and aim to embed the Fujitsu Way Code of Conduct and GBS. In addition, we have established an internal whistleblower system in case of compliance issues, and in the event that compliance violations are discovered, employees are required to immediately report them to the Risk Management & Compliance section. We periodically verify the effectiveness of the GCP through measures such as risk assessment, audit, and reviews by external specialists, and continuously work towards improve the GCP.

[...]



Question

3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?

Score

0

Comments

Based on publicly available information, there is no clear evidence that the company’s incentive schemes incorporate ethical or anti-bribery and corruption principles.

Evidence

[1] Sustainability Report 2018 (Document)

Accessed 12/07/2019

<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>

[p.38]

[Reference] Executive Compensation Policy

To secure exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its financial performance and shareholder value, while at the same time improving its transparency, Fujitsu establishes its Executive Compensation Policy as follows.

Executive compensation is comprised of the following: "Base Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Performance-based Stock Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

Basic Compensation
Base compensation is paid to all Directors and Audit & Supervisory Board Members. A fixed monthly amount shall be determined for each executive in accordance with the position and responsibilities of each executive.

Bonuses

- Bonuses shall be paid to Directors who carry out executive responsibilities. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific method for calculating a bonus, Fujitsu shall adopt an "On Target model" that uses consolidated revenue and consolidated operating profit as indices and the amount shall be determined in accordance with the degree of achievement of the performance targets for the respective fiscal year.

Performance-based Stock Compensation

- Performance-based stock compensation shall be granted to Directors who carry out executive responsibilities, in order to share the profit with shareholders and as an incentive to contribute to enhancement of medium- to long-term performance.
- A base number of shares in accordance with respective rank, performance judging period (three years) and mid- to long-term performance targets in terms of consolidated sales revenue and consolidated operating profit, and coefficient according to performance achievement level vis-à-vis the mid- to long-term performance targets shall be set in advance. The number of shares to be allocated for each fiscal year shall be calculated by multiplying the base number of shares and the coefficient according to the performance achievement level, and the total number of shares calculated shall be allocated upon completion of the performance evaluation period.

In accordance with the resolution of the Annual Shareholders' Meeting, the total amount of Base Compensation and Bonuses (monetary compensation) for Directors shall not exceed 600 million yen per year, Performance-linked Compensation (non-monetary compensation) shall not exceed 300 million yen per year, and the total number of shares to be allocated shall not exceed 430,000 shares per year. The Base Compensation for Audit & Supervisory Board Members shall not exceed 150 million yen per year.

(Reference) Types of Executive Compensation and Eligibility

Category	Basic Compensation		Bonuses	Performance-based Stock Compensation
	Management Oversight Portion	Business Execution Portion		
Directors	○	—	—	—
Executive Directors	○	○	○	○
Audit & Supervisory Board Members	○		—	—

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
0
Comments
Based on publicly available information, there is no evidence that the company commits to support or protect employees who refuse to act unethically, even when it might result in a loss of business.
Evidence
No evidence found.

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
2
Comments
<p>Based on publicly available information, the company promotes a policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents, which explicitly applies to all employees across the organisation. There is evidence indicating that the company’s whistleblowing line is open to third parties and that its policy on non-retaliation extends to these parties. There is evidence that the company assures itself of its employees’ confidence in this commitment by tracking usage data from its whistleblowing line.</p>
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.45]</p> <p>4. Incident Reporting and Response</p> <p>(1) Whistleblowing Hotline</p> <p>Fujitsu Group has been operating the Compliance Line/Fujitsu Alert for both internal and external reports (also covering anonymous reports) handling reports and providing consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Additionally, Group companies have established and are operating their own internal reporting system. These reporting lines are made known to the employees via compliance trainings, websites, posters and wallet-size cards with contact information.</p> <p>Our Compliance Line/ Fujitsu Alert forbids any and all retaliation against any individual who makes the report, and meticulous care is taken in handling the information so as to preserve their anonymity. When the report is received, appropriate investigation is conducted and if the issue is identified as a result of the investigation based on FUJITSU Way Code of Conduct and GBS, such is corrected (including a disciplinary actions) and prevention measures are implemented.</p> <p>We opened a Compliance Line for Suppliers in Japan to handle reports and inquiries from the employees of companies that directly supply products, services or software, etc. to Fujitsu and domestic Group companies. For overseas Group companies, reports are accepted in 20 languages, at any time, on any day.</p> <ul style="list-style-type: none"> • Fujitsu Alert https://secure.ethicspoint.eu/domain/media/en/gui/102834/index.html • Compliance Line for Suppliers in Japan http://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/ <p>(2) Report to the Risk Management & Compliance Committee</p> <p>Employees are required by Risk Management Rule to report compliance violation or signs of violation and immediately to the Risk Management & Compliance Committee and the Board of Directors if necessary, following the reporting structure set by the Heads of Units.</p> <p>The status of reports and consultations, or key compliance issues are reported regularly to the Risk Management & Compliance Committee and the Board of Directors.</p> <p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf Reporting Global Business Standards violations and non–retaliation All Fujitsu employees and those engaged in the business of Fujitsu are encouraged to report breaches or potential breaches of the Global Business Standards of which they become aware.</p> <p>[...]</p>

It is fundamental to Fujitsu's compliance program that people are able to report actual or suspected compliance breaches without fear of retaliation. Fujitsu will not tolerate any adverse treatment against anyone who reports issues or concerns in good faith. Any such retaliation will itself be regarded as a very serious breach of the Global Business Standards.

[15] Promoting General Compliance Program (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.3]

These internal whistleblower systems are publicized to employees via periodic messages, compliance training sessions, websites, posters and wallet-sized cards with contact information. In addition, Fujitsu regularly confirms trends in the usage of the whistleblower system ensuring the improvement and recognition of, and confidence in, the system.

Protection of reporter

Employees are encouraged to report breaches or potential breaches of Compliance they become aware of and must seek advice from a senior manager or from the specialized department such as the Legal department.

Regarding the Compliance Line/Fujitsu Alert, it is possible to report anonymously and we handle information with the utmost care in order to preserve anonymity. Even if the reporter would be identified indirectly during investigation process, we strictly prohibit the adverse treatment of whistleblowers because of their reports, and such retaliation will itself be regarded as a very serious breach of the internal rules.

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
2
Comments
Based on publicly available information, there is evidence the company has multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. Channels are sufficiently varied to allow the employee to raise concerns across the management chain and to relevant external bodies. These channels allow for confidential and, wherever possible, anonymous reporting. They are available and accessible to all employees in all jurisdictions where the company operates, including those employed by the group as third parties, and in all relevant languages.
Evidence
<p>[2] Promoting Global Compliance Program (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf [p.2]</p> <p>4. Reporting and Responding to Incidents Establishing an Internal Whistleblower System</p> <p>The Fujitsu Group has established a point of contact inside and outside the company, operated as the Compliance Line/FUJITSU Alert, to receive reports from all Group employees (including retirees, temporary transfers, contracted employees, part-time employees and dispatch workers) and offer consultations (including anonymous reports). Group companies also maintain and operate separate internal whistleblower systems. These internal whistleblower systems are publicized to employees via compliance training sessions, websites, posters and wallet-sized cards with contact information.</p> <p>Regarding the Compliance Line/FUJITSU Alert, we strictly prohibit the adverse treatment of whistleblowers because of their reports, and handles their information with the utmost care in order to preserve their anonymity. In the event of a report, we conduct the appropriate investigations. In the event that our investigation has verified problems according to the provisions of the Code of Conduct and the GBS, we address them (which includes taking disciplinary action) and take measures to prevent the problems from reoccurring.</p> <p>We have established a Compliance Line for Suppliers in Japan to receive reports from the suppliers of Fujitsu and domestic Group companies, to whom we directly supply products, services, software and other goods. FUJITSU Alert is also available overseas in 20 languages, and accepts reports from customers, suppliers and other third parties 24 hours a day, 365 days a year.</p> <p>[p.3]</p> <ul style="list-style-type: none"> • FUJITSU Alert https://secure.ethicspoint.eu/domain/media/en/gui/102834/index.html • Compliance Line for Suppliers in Japan http://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/

Filing Reports with the Risk Management & Compliance Committee

When executives and employees are aware that compliance violations have really occurred, or there are signs that violations will occur, they are required by Risk Management Rule to immediately file a report with the Risk Management & Compliance Committee and Heads of Units in accordance with the previously established reporting system. Furthermore, the Heads of Units is required to promptly respond and report any updates to Risk Management & Compliance Committee.

In addition, we regularly make reports to the Risk Management & Compliance Committee and the Board of Directors concerning internal whistleblower reports and consultations, as well as our responses to major compliance issues.

[3] Fujitsu Global Business Standards (Document)

Accessed 13/07/2019

<https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf>

Reporting Global Business Standards violations and non-retaliation

All Fujitsu employees and those engaged in the business of Fujitsu are encouraged to report breaches or potential breaches of the Global Business Standards of which they become aware.

Reports of actual or suspected compliance breaches can be made in a number of ways, including:

- To a senior manager
- To a member of the Legal department
- To a member of the HR department
- To a member of the Internal Audit department
- Through local grievance procedures
- Through "Fujitsu Alert" - the external Employee Whistle-blowing Line or Web Reporting process

If you are unsure as to the correct course of action you must seek advice from a senior manager or from the Legal department.

It is fundamental to Fujitsu's compliance program that people are able to report actual or suspected compliance breaches without fear of retaliation. Fujitsu will not tolerate any adverse treatment against anyone who reports issues or concerns in good faith. Any such retaliation will itself be regarded as a very serious breach of the Global Business Standards.

[9] Supplier Compliance Line (Webpage)

Accessed 14/07/2019

<https://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/>

Supplier Compliance Line

As part of the Fujitsu Group's compliance promotion, we established the "Compliant Compliance Line".

If a Fujitsu Group officer or employee violates compliance regarding procurement activities, or if there is a suspicion, fill in the required items on the "Customer Compliance Line" notification reception only form, I would like to hear from you.

In addition, I will refuse the report about the wrinkles and the slander to an individual firmly.

1. Corresponding department:
the company CONTACT: Fujitsu Limited Corporate Legal Department
Outside CONTACT: Sakura law firm
2. Notes:
 - Please specify the employer's name, name and department name of the whistleblower. However, if you do not want to clearly identify your company name or name, please contact the outside office from the outside office in a form that does not identify the whistleblower if you can notify the outside office.
 - The personal information of the whistleblower will not be disclosed to any departments other than the corresponding department unless the person's consent is obtained.
3. How to respond:
 - We will confirm the facts of the contents of the report and respond promptly after investigation.
 - In order to request confirmation of the facts of the contents of the report and provision of materials and data that support the fact that the contents of the report are facts, the corresponding department may contact the report person.
 - Regarding the response results, we will notify the Reporter as necessary.

4. Prohibition of unfair treatment: In the "Compliant Compliance Line", it is prohibited to treat unfairly against the report person and his / her place of work by reporting.
Report to the company window
Report to an external contact
(click to "Customer Compliance Line Report Acceptance Form")

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy which addresses conflicts of interest, including actual, potential and perceived conflicts. The policy covers conflicts of interest associated with employee relationships, financial interests and other employment. There is evidence the policy applies to all employees and executives across the group.</p> <p>However, while the company has a policy on government relationships, there is no specific mention of the risks associated with conflicts of interest in these relationships.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.3] The Global Business Standards apply to all employees in Fujitsu, including directors and officers (who are together referred to as “employees” in the Global Business Standards), and also extends to anyone engaged in the business of Fujitsu. The standards are to be applied to all our business operations throughout the world.</p> <p>[p.11] 3.3 Dealing with Governments Fujitsu conducts business with national governments and government owned enterprises. In the course of our work, we frequently interact with government agencies and officials. In every instance, Fujitsu employees must apply the highest ethical standards and comply with applicable laws and regulations. In particular, we must:</p> <ul style="list-style-type: none"> • Comply with special legal and regulatory requirements that are commonly associated with government transactions • Be truthful and accurate when dealing with government officials and agencies • Ensure that reports, certifications, statements and proposals are current, accurate and complete • Ensure that contractual requirements are adequately identified and understood, and that we do not materially deviate from contract requirements without written approval of an authorized government official • Avoid any incorrect or unauthorized cost charging on government contracts • Be especially careful when dealing with foreign governments, or governments of developing countries or emerging markets, which may be less familiar to us. <p>In the event of contact with a government regulator or enforcement authority, advice should be sought from the Legal department.</p> <p>[p.14] 6.2 Conflicts of Interest All those working in or on behalf of Fujitsu must ensure that nothing they do, at work or outside work, conflicts with their responsibilities to Fujitsu. We must all aim to avoid any situation where our own interests may impair our ability to make unbiased decisions on behalf of Fujitsu. Even the appearance of a conflict can be damaging. Where potential conflicts cannot be avoided, they must be carefully managed. Areas to watch for include:</p> <ul style="list-style-type: none"> • Outside business activities or financial interests that may present a conflict, or the appearance of one • The use of Fujitsu time, resources or facilities for activities other than Fujitsu business (including civic, charitable or non-profit activities, for which line manager permission should always be obtained) • Taking personal advantage of an opportunity that is discovered or advanced through Fujitsu work • Accepting officer or director positions with an outside business (even with not-for-profit organizations, where Fujitsu support may be sought or expected) • Gifts, discounts or entertainment offered by customers or potential customers • Dealing with businesses owned or managed by friends or family

- Hiring, promoting or directly supervising a family member or close friend.

All employees must proactively disclose to their manager any actual or apparent conflict, so as to work with the manager to discuss, document and manage such conflicts effectively. We must not engage in activity outside work that damages the Fujitsu reputation. For example, we should not post inappropriate messages about the Company on online bulletin board or networking sites.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
1
Comments
<p>Based on publicly available information, there is some evidence the company has procedures to manage conflicts of interest. Employees must report potential conflicts to their manager while the board of directors exercises oversight of potential conflicts of interest involving directors.</p> <p>However, there is no evidence that all employee and board member declarations are held in a dedicated register or central depository that is accessible to those responsible for oversight of the process. The company's policies also do not mention examples of criteria for recusals nor do they state that disciplinary measures will apply if breached.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.14] 6.2 Conflicts of Interest All those working in or on behalf of Fujitsu must ensure that nothing they do, at work or outside work, conflicts with their responsibilities to Fujitsu. We must all aim to avoid any situation where our own interests may impair our ability to make unbiased decisions on behalf of Fujitsu. Even the appearance of a conflict can be damaging. Where potential conflicts cannot be avoided, they must be carefully managed.</p> <p>[...]</p> <p>All employees must proactively disclose to their manager any actual or apparent conflict, so as to work with the manager to discuss, document and manage such conflicts effectively. We must not engage in activity outside work that damages the Fujitsu reputation. For example, we should not post inappropriate messages about the Company on online bulletin board or networking sites.</p> <p>[13] Corporate Governance Report (Document) Accessed 16/06/2020 https://www.fujitsu.com/global/documents/about/ir/library/governance/governancereport-en.pdf [p.2] [Principle 1.7 Related Party Transactions] The Board of Directors performs the oversight on the transactions involving the conflict of interest by Directors in accordance with the relevant laws, regulations, and the Regulations of the Board of Directors.</p>

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a policy regulating the employment of current or former public officials.
Evidence
No evidence found.

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company publicly reports details of the contracted services of serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>Based on publicly available information, there is evidence the company has a policy on political contributions. However, while donations are generally prohibited, these are stated to be permissible in certain circumstances, providing that proper authorisation is given by a senior manager. Based on the scoring criteria, the company therefore receives a score of '0'.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.3] The Global Business Standards apply to all employees in Fujitsu, including directors and officers (who are together referred to as “employees” in the Global Business Standards), and also extends to anyone engaged in the business of Fujitsu. The standards are to be applied to all our business operations throughout the world.</p> <p>[p.12] 3.6 Political and Media Activity The laws of certain countries set strict limits on contributions by companies to political parties or candidates. Violations can lead to serious penalties including fines or imprisonment. It also may affect Fujitsu’s reputation to be perceived as supporting a particular political party. We are not permitted to make direct or indirect political contributions to candidates, office holders or political parties on behalf of Fujitsu unless authorized in writing by a senior level of management. We should not speak to the media or make statements on behalf of Fujitsu, unless authorized by the Public Relations office.</p> <p>[p.16] Global Policy on Anti-Bribery and Anti-Corruption 1. Prohibited Payments Fujitsu competes on the basis of the quality and price of its products, services and solutions. Nobody within the Fujitsu, or acting on behalf of the Fujitsu, may give or accept, directly or indirectly, a bribe in any form. “Bribe” means any advantage, whether in monetary or other form. The making of an improper payment to gain advantage is never acceptable in Fujitsu, and exposes the individuals and Fujitsu to criminal prosecution. Many countries have adopted laws banning bribery by companies, in conformity with internationally agreed anti-corruption standards. Some of these laws, such as the UK Bribery Act and the US Foreign Corrupt Practices Act, have global application and are vigorously enforced. The following can all be construed as a bribe or improper payment, but this is not a complete list, each potential Bribe has to be considered in its own circumstances to determine if it is prohibited by this policy:</p> <p>[...]</p> <ul style="list-style-type: none"> • Contributions to a political party, candidate or campaign • Charitable donations to organizations associated with, or at the request of, government officials or customers <p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.1] 1. Establishing Regulations and Procedures</p>

[...]

With regard to bribery, we indicate the types of actions that are high risk, such as providing gifts and hospitality to government officials, giving donations and charitable contributions to political organizations, and facilitation payments. We have installed online systems in order to secure compliance of gifts and hospitality for government officials, and to thoroughly conduct due diligence on transactions made in regions at high risk for corruption. We operate these systems in major overseas Group companies in EMEIA, Asia, Americas and Oceania.

[1] Sustainability Report 2018 (Document)

Accessed 12/07/2019

<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>

[p.43]

1. Establishment of Rules and Procedures

The Fujitsu Group has established and implemented various internal rules to align globally with the GBS.

In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces.

For overseas Group companies, Fujitsu Group's minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the

[p.44]

General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEIA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no evidence that the company publishes details of its political contributions.
Evidence
No evidence found.

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
0
Comments
<p>Based on publicly available information, there is some evidence that the company has a policy on charitable donations.</p> <p>However, there is no evidence that the company has a policy on sponsorships, and the available information relating to its approach to charitable donations is insufficiently detailed. The company also publishes only high-level information concerning its charitable contributions.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.16] Global Policy on Anti-Bribery and Anti-Corruption 1. Prohibited Payments Fujitsu competes on the basis of the quality and price of its products, services and solutions. Nobody within the Fujitsu, or acting on behalf of the Fujitsu, may give or accept, directly or indirectly, a bribe in any form. "Bribe" means any advantage, whether in monetary or other form. The making of an improper payment to gain advantage is never acceptable in Fujitsu, and exposes the individuals and Fujitsu to criminal prosecution. Many countries have adopted laws banning bribery by companies, in conformity with internationally agreed anti-corruption standards. Some of these laws, such as the UK Bribery Act and the US Foreign Corrupt Practices Act, have global application and are vigorously enforced. The following can all be construed as a bribe or improper payment, but this is not a complete list, each potential Bribe has to be considered in its own circumstances to determine if it is prohibited by this policy:</p> <p>[...]</p> <ul style="list-style-type: none"> Charitable donations to organizations associated with, or at the request of, government officials or customers <p>[2] Promoting Global Compliance Program (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf [p.1] Establishing Regulations and Procedures</p> <p>[...]</p> <p>With regard to bribery, we indicate the types of actions that are high risk, such as providing gifts and hospitality to government officials, giving donations and charitable contributions to political organizations, and facilitation payments. We have installed online systems in order to secure compliance of gifts and hospitality for government officials, and to thoroughly conduct due diligence on transactions made in regions at high risk for corruption. We operate these systems in major overseas Group companies in EMEIA, Asia, Americas and Oceania.</p> <p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.205]</p>

Approach to Social Contribution Activities

The Fujitsu Group will create new value and knowledge together with our customers, communities, and people worldwide through ICT, and contribute to sustainable development for the earth and society to achieve a prosperous future where people's dreams are fulfilled.

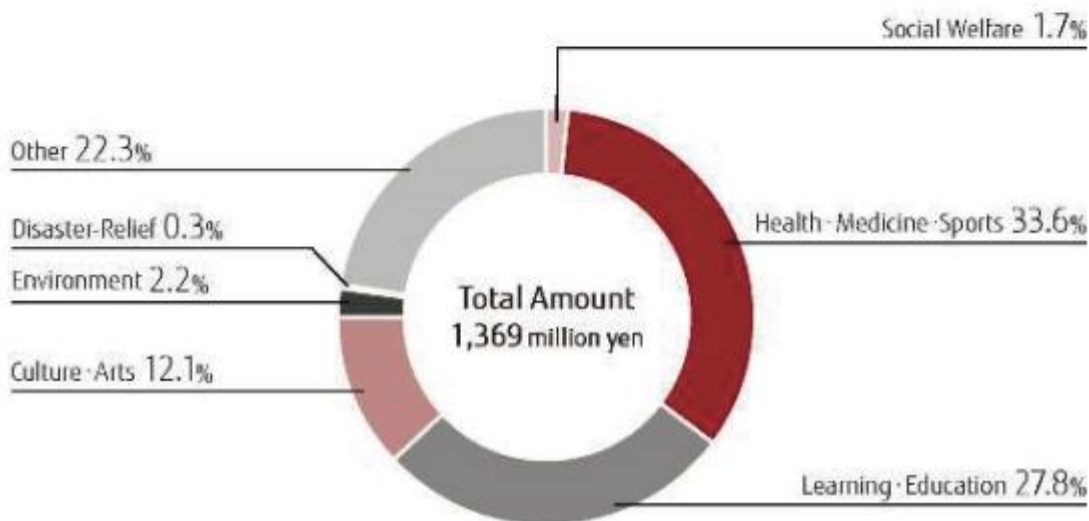
All Fujitsu employees are actively participating and engaging in social contribution activities together with a wide range of stakeholders and base those activities on four pillars: ICT for Everyone, Support for Challenges, Community Engagement and Environment.

In order to energize our social contribution activities and share best practices, we are building and have made viewable a record of our activities on our internal system. We also carry out an in-house award program using this database.



Total Amount of Investments for Social Contribution Activities

The following chart describes the investments for social contribution activities at Fujitsu in fiscal 2017.



5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a policy or procedure on lobbying.
Evidence
No evidence found.

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
0
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes any details about its global lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
<p>5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?</p>
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on the giving and receipt of gifts and hospitality, with procedures to ensure that such promotional expenses are bona fide and not used for bribery. The company explicitly addresses the risks associated with gifts and hospitality given to and received from public officials.</p> <p>However, the policy does not specify financial or proportional limits or different approval procedures for different types of promotional expenses. There is also no clear evidence that all gifts and hospitality above a certain threshold are recorded in a dedicated register or central depository that is accessible to those responsible for oversight of the process.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.11] 3.2 Bribery Fujitsu competes on the basis of the quality and price of its products, services and solutions. Nobody within the Fujitsu, or acting on behalf of the Fujitsu, may give or accept, directly or indirectly, a bribe in any form. "Bribe" means any advantage, whether in monetary or other form. The making of an improper payment to gain an advantage is never acceptable in Fujitsu, and exposes the individual and the Company to criminal prosecution. The following can all be construed as a bribe or improper payment:</p> <ul style="list-style-type: none"> • Giving or promising money, goods or services to a government official or customer employee <p>[p.14] 6.3 Gifts and Entertainment Employees must ensure that they are fully aware of and understand their Regional Gifts and Entertainment Policy before</p> <ul style="list-style-type: none"> • Giving or accepting any gift • Engaging in customer entertainment • Giving or receiving any other benefit. <p>Employees may accept gifts or benefits of modest value that are within a reasonable and acceptable range under the Regional policy, subject to prior approval by their manager. If there is any risk that the gift, entertainment or other benefit may create the appearance of impropriety, then it must not be offered, or must be politely declined.</p> <p>[p.16] 1.Prohibited Payments The following can all be construed as a bribe or improper payment, but this is not a complete list, each potential Bribe has to be considered in its own circumstances to determine if it is prohibited by this policy:</p> <ul style="list-style-type: none"> • Giving or promising money, goods or services to a government official or customer employee • Paying a gratuity to officials or employees to expedite an administrative action • Payment of a commission or fee that is disproportionate to the services provided. • Lavish or excessive entertainment, hospitality or gifts • Contributions to a political party, candidate or campaign • Charitable donations to organizations associated with, or at the request of, government officials or customers <p>Certain circumstances may be warning signs that a payment is improper, and require us to use extra caution to ensure that no bribe or improper payment is made. The following are some examples of such circumstances:</p> <ul style="list-style-type: none"> • We are doing business in a country that has a reputation for corruption.

- A consultant, agent or other third party asks for an unusually large fee or an increase in a previously-agreed fee to close a deal.
- The reputation of the consultant, agent or other third party is questionable.
- We are asked to make a payment to an individual, in another country, to a numbered bank account or to pay in cash.
- We are asked to make a political or charitable contribution or to use a particular subcontractor.
- The payment, gift, or entertainment would appear to influence the recipient's objectivity.
- The payment, gift, or entertainment does not appear to have a business purpose or may appear to have a private purpose.
- We would be embarrassed if the payment, gift or entertainment were made public.

2. Government Officials

We have to take great care in dealing with government officials; in many countries gifts or payments to government officials are specifically prohibited by law. Some countries also extend such laws to foreign government officials overseas.

The following are some examples of government officials under the anti-corruption laws of countries in which Fujitsu does business:

[p.17]

- Employees of state-owned enterprises
- Employees of publicly-listed companies where there is government control or significant ownership
- A professor at a state university
- A doctor or nurse at a government-run health care facility
- Family members of public officials
- Political party officials or candidates for political office
- Employees of international organizations, such as the United Nations, World Bank or International Monetary Fund

All gifts to government officials are prohibited unless they are lawful and customary in the applicable country, of nominal value, and approved in advance by regional management in accordance with the applicable authority limits set by the Company. Gifts cannot be made under local business practices that ignore or condone bribery. Payments for bona fide business expenses incurred by government officials (such as travel, lodging and meals) that are related to the promotion, demonstration or explanation of products or services, or to the execution or performance of a contract, may be permissible, but only if they are reasonable, necessary, and approved in advance by regional management. Expenditures for first class airfare, spouses and family members, side trips, leisure activities, stipends and spending money are not considered to be reasonable and necessary.

[1] Sustainability Report 2018 (Document)

Accessed 12/07/2019

<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>

[p.43]

1. Establishment of Rules and Procedures

The Fujitsu Group has established and implemented various internal rules to align globally with the GBS.

In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces.

For overseas Group companies, Fujitsu Group's minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the

[p.44]

General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.

[2] Promoting Global Compliance Program (Document)

Accessed 12/07/2019

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf

[p.1] 1. Establishing Regulations and Procedures

With regard to bribery, we indicate the types of actions that are high risk, such as providing gifts and hospitality to government officials, giving donations and charitable contributions to political organizations, and facilitation payments. We have installed online systems in order to secure compliance of gifts and hospitality for government officials, and to thoroughly conduct due diligence on transactions made in regions at high risk for corruption. We operate these systems in major overseas Group companies in EMEA, Asia, Americas and Oceania. Suppliers and partners are required to abide by laws and regulations, as well as the GBS, in contracts and other means.

[15] Promoting General Compliance Program (Document)

Accessed 17/06/2020

https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf

[p.1]

1. Establishing Regulations and Procedures

Fujitsu group's minimum requirements for internal rules have been put together as "Fujitsu Group Global Policy" across the entire Fujitsu Group and they are adopted into the internal rules of each Group company after taking each country's law, culture, customs and other characteristics into account.

We have instituted the Compliance Policy with the approval of the Risk Management & Compliance Committee, and expanded them into Japanese Group companies with the aim of thoroughly ensuring compliance and improving corporate values. In particular, under the above regulations, we have established more specific and detailed guidelines in the areas with significant impact on business: antitrust law, anti-bribery, and antisocial forces.

For overseas Group companies, in addition to Fujitsu Group Global Policy, we make global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each overseas Group company. While issuing General Compliance Guidelines which correspond to the above compliance rules, we are also issuing global guidelines which relate to competition laws and various guidelines which pertain to bribery prevention.

With regard to bribery, we indicate the types of actions that are high risk, such as providing gifts and hospitality to government officials, giving donations and charitable contributions to political organizations, and facilitation payments. We have installed online systems in order to secure compliance of gifts and hospitality for government officials, and to thoroughly conduct due diligence on transactions made in regions that are high risk for corruption. We operate these systems in major overseas Group companies in Europe, Asia, the Americas and Oceania. Suppliers and partners are required to abide by laws and regulations, as well as the Global Business Standards, in contracts and other means.

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
0
Comments
Based on publicly available information, there is no clear evidence that the company has a procurement department that is involved in and responsible for the establishment and/or oversight of its supplier base
Evidence
<p>[5] Procurement Policy (Webpage) Accessed 13/07/2019 https://www.fujitsu.com/global/about/procurement/policy/ Fujitsu Group procures products and services based on the following procurement policy.</p> <ol style="list-style-type: none"> 1. Working with our Suppliers We procure goods, software, and services ("Procurement Items") from various suppliers, add value, and supply them to society as FUJITSU Groups' products or services. We strive to establish a positive and collaborative relationship between the Fujitsu Group and our suppliers. As good business partners we aim to build a long term relationship of trust, and to prosper together by continually supporting each other to improve. 2. Fair and Proper Evaluation and Selection of Suppliers We evaluate and select suppliers comprehensively based on several criteria including i) Credibility as an enterprise, ii) Technology, iii) Quality, Price and Delivery of Procurement Items and iv) The level of engagement with Corporate Social Responsibility ("CSR") activities. In evaluating and selecting suppliers, we treat all supplier candidates fairly and equally without making any distinctions by their nationality or the size of their businesses. 3. Promotion of CSR-Conscious Procurement Activities We respect globally recognized standards and, together with our suppliers, we promote such CSR issues as respect for human rights, labor, health and safety, environmental responsibility, compliance with laws and regulations, fair trade and business ethics.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
0
Comments
The company simply states publicly that it conducts due diligence on third parties without providing any specific details regarding its due diligence process.
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu’s anti-corruption policies.</p> <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.</p> <p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.43] 1. Establishment of Rules and Procedures The Fujitsu Group has established and implemented various internal rules to align globally with the GBS. In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces. For overseas Group companies, Fujitsu Group’s minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the</p> <p>[p.44]</p>

General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company requires suppliers to comply with its Global Business Standards. These standards prohibit bribery and facilitation payments and include procedures to address conflicts of interest, gifts and hospitality, and whistleblowing. The company requires new suppliers to sign an agreement stating that they will comply with the company’s anti-bribery and corruption policies.</p> <p>However, it is unclear how the company assures itself that suppliers have adequate anti-bribery and corruption procedures in place in practice. The company also does not specify that it conducts assurance when there is a significant change in the business relationship.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu’s anti-corruption policies.</p> <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.</p> <p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.39] Compliance System Primarily through the Risk & Management Compliance Committee, the Company shall promote the preparation of the internal rules, education, and oversight systems required for compliance with the Code of Conduct set forth by the FUJITSU Way, and also with laws and regulations concerning the business activities of the Fujitsu Group. The Company shall also prepare management systems to ensure the appropriateness of financial reporting, as well as systems for information disclosure and internal auditing.</p> <p>[p.43]</p>

1. Establishment of Rules and Procedures

The Fujitsu Group has established and implemented various internal rules to align globally with the GBS.

In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces.

For overseas Group companies, Fujitsu Group's minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the

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General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required of sub-contractors throughout the supply chain.</p> <p>However, this evidence is in the form of a simple statement and it is unclear how the company does this in practice.</p>
Evidence
<p>[5] Procurement Policy (Webpage) Accessed 13/07/2019 https://www.fujitsu.com/global/about/procurement/policy/</p> <p>Fujitsu Group joined the Responsible Business Alliance (RBA) in March 2017. Our strategy, together with our partners, is to further strengthen initiatives related to CSR in our supply chain through the framework of RBA.</p> <p>[6] Supplier Code of Conduct - RBA (Document) Accessed 13/07/2019 https://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_English.pdf</p> <p>[p.10] D. ETHICS To meet social responsibilities and to achieve success in the marketplace, Participants and their agents are to uphold the highest standards of ethics including:</p> <p>1) Business Integrity The highest standards of integrity are to be upheld in all business interactions. Participants shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.</p> <p>2) No Improper Advantage Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.</p> <p>[p.13] Participants shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. The management system should contain the following elements:</p> <p>12) Supplier Responsibility A process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.</p>

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers, or the associated disciplinary actions.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
1
Comments
<p>Based on publicly available information, there is some evidence the company has a policy covering the use of agents, which addresses the corruption risks associated with the use of agents. The policy includes details of controls to mitigate these risks, including financial controls, contractual agreements and due diligence. There is evidence the policy applies across the group.</p> <p>However, the company does not explicitly commit to establishing and verifying that the use of agents is, in each case, necessary to perform a legitimate business function.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.3] The Global Business Standards apply to all employees in Fujitsu, including directors and officers (who are together referred to as “employees” in the Global Business Standards), and also extends to anyone engaged in the business of Fujitsu. The standards are to be applied to all our business operations throughout the world.</p> <p>[p.16] Certain circumstances may be warning signs that a payment is improper, and require us to use extra caution to ensure that no bribe or improper payment is made. The following are some examples of such circumstances:</p> <ul style="list-style-type: none"> • We are doing business in a country that has a reputation for corruption. • A consultant, agent or other third party asks for an unusually large fee or an increase in a previously-agreed fee to close a deal. • The reputation of the consultant, agent or other third party is questionable. • We are asked to make a payment to an individual, in another country, to a numbered bank account or to pay in cash. • We are asked to make a political or charitable contribution or to use a particular subcontractor. • The payment, gift, or entertainment would appear to influence the recipient’s objectivity. • The payment, gift, or entertainment does not appear to have a business purpose or may appear to have a private purpose. • We would be embarrassed if the payment, gift or entertainment were made public. <p>[p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu’s anti-corruption policies.</p> <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive</p>

expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.

[1] Sustainability Report 2018 (Document)

Accessed 12/07/2019

<https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf>

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Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
The company simply states publicly that it conducts due diligence on third parties without providing any specific details regarding its due diligence process.
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu’s anti-corruption policies.</p> <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.</p> <p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.43]</p> <p>1. Establishment of Rules and Procedures The Fujitsu Group has established and implemented various internal rules to align globally with the GBS.</p> <p>In Japan, to enforce compliance and enact sustainable improvement in our corporate value, we established the Compliance Policy with the approval of the Risk Management & Compliance Committee, and have applied the rule throughout domestic group companies. We established more specific and detailed regulations and guidelines based on the Compliance Policy in the areas with significant impact on business: antitrust, anticorruption and anti-social forces.</p> <p>For overseas Group companies, Fujitsu Group’s minimum requirements for internal rules have been put together as global guidelines with the approval of the Risk Management & Compliance Committee, and they are adopted into the internal rules of each companies after coordination has been given with respect to the applicable laws, culture, and customs of each country. We issued the</p> <p>[p.44] General Compliance Guideline, corresponding to the Compliance Policy in Japan above along with a global guideline on competition law, and other guidelines concerning the prevention of bribery. We indicate what the actions are that have high risk for being bribery, such as gifts and hospitality for government officials, charity and donations to political parties, and facilitation payments, implemented online systems to secure compliance of gifts and hospitality for government officials, and third party due diligence in the locations with high risk of corruption in major Group companies of EMEA, Asia, Americas, and Oceania. Suppliers and partners are required to abide by the laws, regulations, and GBS by contracts and other means.</p>

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
Based on publicly available information, there is no evidence that the company aims to establish the ultimate beneficial ownership of its agents.
Evidence
No evidence found.

Question
7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
Based on publicly available information, there is evidence the company’s anti-bribery and corruption policy applies to agents and intermediaries, and that it includes anti-bribery and corruption clauses in its contracts with such entities. However, there is no evidence that the company includes audit and termination rights in its contracts with these entities.
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu’s anti-corruption policies.</p> <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.</p>

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company highlights and addresses incentive structures for agents as a factor in bribery and corruption risk.</p> <p>However, there is no evidence that the company imposes a threshold on the payment of sales commissions to agents, and there is no requirement that remuneration is paid in stage payments or into local bank accounts.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.16] Certain circumstances may be warning signs that a payment is improper, and require us to use extra caution to ensure that no bribe or improper payment is made. The following are some examples of such circumstances:</p> <ul style="list-style-type: none"> √ We are doing business in a country that has a reputation for corruption. √ A consultant, agent or other third party asks for an unusually large fee or an increase in a previously-agreed fee to close a deal. √ The reputation of the consultant, agent or other third party is questionable. √ We are asked to make a payment to an individual, in another country, to a numbered bank account or to pay in cash. √ We are asked to make a political or charitable contribution or to use a particular subcontractor. √ The payment, gift, or entertainment would appear to influence the recipient's objectivity. √ The payment, gift, or entertainment does not appear to have a business purpose or may appear to have a private purpose. √ We would be embarrassed if the payment, gift or entertainment were made public. <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.</p>

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for and/or on behalf of the company.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
The company simply states publicly that it conducts due diligence on third parties without providing any specific details regarding its due diligence process. There is no clear evidence that due diligence includes and is based on an assessment of potential bribery and corruption risk.
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf [p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu’s anti-corruption policies.</p>

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture relationships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company requires all business partners to comply with its Global Business Standards and it requires anti-bribery and corruption clauses in its contracts with all partners.</p> <p>However, it is unclear how the company ensures that joint venture partners abide by these standards in practice. The company does not specify that it takes steps to detect, control and prevent breaches through the inclusion of audit and termination rights in the contract.</p>
Evidence
<p>[3] Fujitsu Global Business Standards (Document) Accessed 13/07/2019 https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf</p> <p>[p.17] 4. Third Parties Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and Fujitsu can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex. We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and Fujitsu's anti-corruption policies.</p> <p>[p.18] We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Employees must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.</p>

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
Based on publicly available information, there is no evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
No evidence found.

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
Based on publicly available information, there is no evidence that the company addresses the corruption risks associated with offset contracting. There is also no evidence that a dedicated body, department or team is responsible for monitoring the company's offset activities.
Evidence
No evidence found.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a procedure to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
Evidence
No evidence found.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of the company's offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of its offset obligations and contracts.
Evidence
No evidence found.

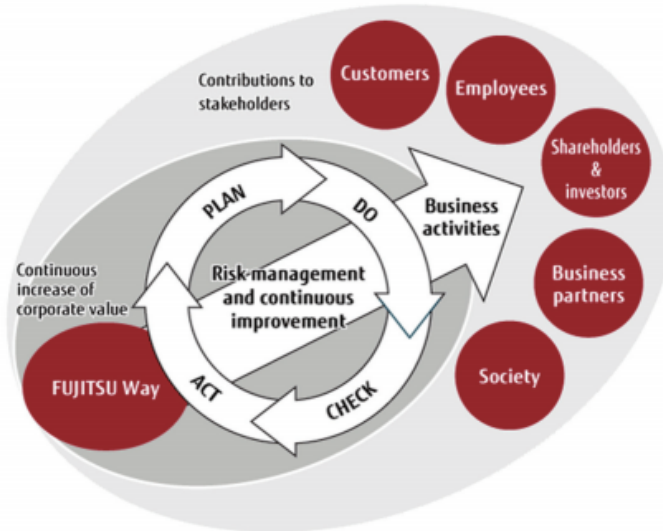
9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
2
Comments
In publicly available information the company acknowledges the corruption risks associated with operating in different markets, and there is evidence that it has a risk assessment process in place to account for these specific risks, with clear risk management procedures. The results of risk assessments have a direct impact on business decisions and inform the development and implementation of additional controls.
Evidence
<p>[1] Sustainability Report 2018 (Document) Accessed 12/07/2019 https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf [p.45]</p> <p>5. Monitoring and Assessment</p> <p>Through activities such as risk assessments and audits, or review by external experts such as law firms, efficacy of the GCP is periodically checked and work is being done to continually improve it.</p> <p>In FY2017, Fujitsu started audits in order to confirm observance of the Antimonopoly Act, and we will improve and continue the audit program as a communication tool with relevant departments.</p> <p>For overseas, Fujitsu headquarters' compliance team conducts risk assessments by visiting Group companies in countries and regions with a high risk of corruption, and through the 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.</p> <p>The outcome of all risk assessments and the status of the GCP implementation are reported regularly to the Risk Management & Compliance Committee, the Region Risk Management & Compliance Committees and the Board of Directors.</p> <p>[p.47]</p>

Risk Management

Risk Management Guidelines

Through its global activities in the ICT industry, the Fujitsu Group continuously seeks to increase its corporate value, and to contribute to its customers, local communities and indeed all stakeholders. Properly assessing and dealing with the risks that threaten the achievement of our objectives, taking steps to prevent the occurrence of these risk events, and establishing measures to minimize the impact of such events if they do occur and to prevent their recurrence are assigned a high priority by management. Moreover, we have built a risk management and compliance system for the entire Group and are committed to its continuous implementation and improvement.



Business Risks

The Group identifies, analyzes and evaluates the risks that accompany business activities and works on measures to avoid or reduce them, and to deal with them quickly in the unlikely event that they materialize.

Major Business Risks*1

- Economic and financial market trend risk
- Customer risks
- Competitor and industry risk
- Investment decision and business restructuring risk
- Supplier and alliance risk
- Public regulations, public policies and tax matters risk
- Natural disasters and unforeseen incidents risk
- Financial reporting risk
- Financial risk
- Product and service deficiencies and flaws risk
- Compliance risk
- Intellectual property rights risk
- Security risk
- Human resource risk
- Fujitsu's facilities and internal system risk
- Environmental and climate change risk

*1 These are just some of the business risks. More detailed risk-related information can be found in our earnings report, securities reports and other published reports.

Question																																																																													
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?																																																																													
Score																																																																													
1																																																																													
Comments																																																																													
<p>The company publishes a list of its major subsidiaries and associated companies on an annual basis. The company lists its percentage voting rights in each entity.</p> <p>However, the evidence suggests this is not a full list of all the company's holdings. While the company lists the country of each entity, it is unclear whether this relates to the country of incorporation or operation.</p>																																																																													
Evidence																																																																													
<p>[7] Fujitsu 2018 Integrated Report (Document) Accessed 14/07/2019 https://www.fujitsu.com/global/documents/about/ir/library/integratedrep/financialsection2018-all.pdf [p.38]</p> <p>10. Subsidiaries</p> <p>(1) Major subsidiaries</p> <p>The Group's consolidated financial statements are prepared with consolidation of 462 subsidiaries. Major changes for the year ended March 31, 2018 are as follows.</p> <p>Newly consolidated as a result of acquisitions or formations of new companies: 6 companies Excluded due to liquidations, sale, or other: 41 companies Excluded due to mergers: 5 companies</p> <p>The major subsidiaries at March 31, 2018 are as follows.</p> <table border="1"> <thead> <tr> <th>Segment</th> <th>Name</th> <th>Country</th> <th>Ratio of total voting rights (%)</th> </tr> </thead> <tbody> <tr> <td rowspan="13">Technology Solutions</td> <td>Fujitsu Frontech Limited</td> <td>Japan</td> <td>53.59</td> </tr> <tr> <td>Fujitsu Broad Solution & Consulting Inc.*¹</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Marketing Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Services Holdings PLC</td> <td>UK</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Technology Solutions (Holding) B.V.*²</td> <td>Netherlands</td> <td>100.00</td> </tr> <tr> <td>Fujitsu America, Inc.</td> <td>US</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Australia Limited</td> <td>Australia</td> <td>100.00</td> </tr> <tr> <td>Fujitsu FSAS Inc.</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>PFU Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu FIP Corporation</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu IT Products Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Telecom Networks Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Network Communications, Inc.</td> <td>US</td> <td>100.00</td> </tr> <tr> <td rowspan="4">Ubiquitous Solutions*³</td> <td>Fujitsu Personal System Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Client Computing Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Isotec Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Peripherals Limited</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td rowspan="5">Device Solutions</td> <td>Fujitsu Semiconductor Ltd.</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Fujitsu Electronics Inc.</td> <td>Japan</td> <td>100.00</td> </tr> <tr> <td>Shinko Electric Industries Co., LTD.</td> <td>Japan</td> <td>50.06</td> </tr> <tr> <td>FDK Corporation</td> <td>Japan</td> <td>72.57</td> </tr> <tr> <td>Fujitsu Component Limited</td> <td>Japan</td> <td>76.57</td> </tr> <tr> <td>Other</td> <td>Fujitsu Laboratories Ltd.</td> <td>Japan</td> <td>100.00</td> </tr> </tbody> </table> <p>*¹ Fujitsu Broad Solution & Consulting Inc. became a wholly owned subsidiary of the Company due to a share exchange conducted with its shareholders. *² The PC business of Fujitsu Technology Solutions (Holding) B.V. falls under Ubiquitous Solutions. *³ Fujitsu Connected Technologies Limited and Fujitsu TEN Limited, which were included in Ubiquitous Solutions, were excluded from consolidation due to partial transfers of their shares.</p>	Segment	Name	Country	Ratio of total voting rights (%)	Technology Solutions	Fujitsu Frontech Limited	Japan	53.59	Fujitsu Broad Solution & Consulting Inc.* ¹	Japan	100.00	Fujitsu Marketing Limited	Japan	100.00	Fujitsu Services Holdings PLC	UK	100.00	Fujitsu Technology Solutions (Holding) B.V.* ²	Netherlands	100.00	Fujitsu America, Inc.	US	100.00	Fujitsu Australia Limited	Australia	100.00	Fujitsu FSAS Inc.	Japan	100.00	PFU Limited	Japan	100.00	Fujitsu FIP Corporation	Japan	100.00	Fujitsu IT Products Limited	Japan	100.00	Fujitsu Telecom Networks Limited	Japan	100.00	Fujitsu Network Communications, Inc.	US	100.00	Ubiquitous Solutions* ³	Fujitsu Personal System Limited	Japan	100.00	Fujitsu Client Computing Limited	Japan	100.00	Fujitsu Isotec Limited	Japan	100.00	Fujitsu Peripherals Limited	Japan	100.00	Device Solutions	Fujitsu Semiconductor Ltd.	Japan	100.00	Fujitsu Electronics Inc.	Japan	100.00	Shinko Electric Industries Co., LTD.	Japan	50.06	FDK Corporation	Japan	72.57	Fujitsu Component Limited	Japan	76.57	Other	Fujitsu Laboratories Ltd.	Japan	100.00
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[p.40]

11. Associates

(1) Major associates

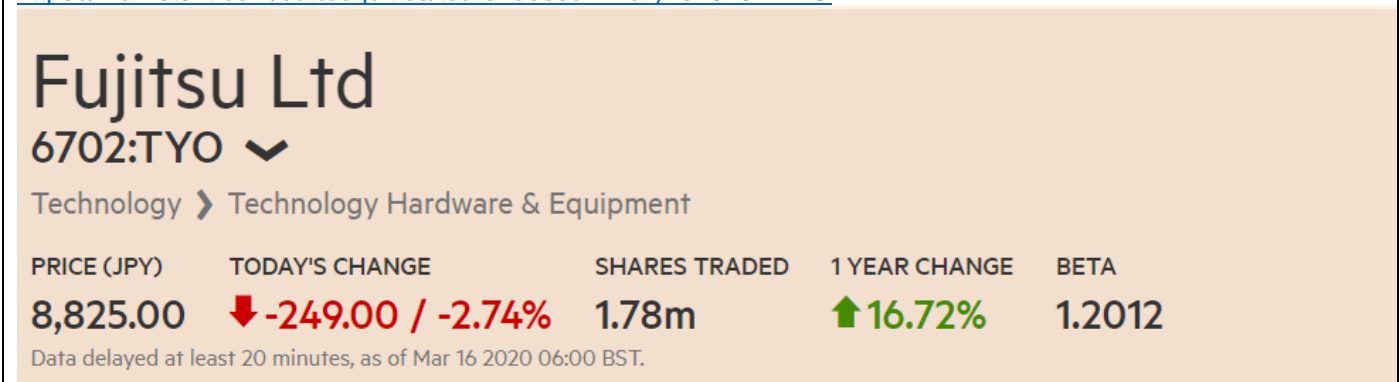
The major associates at March 31, 2018 are as follows.

Name	Country	Ratio of total voting rights (%)	Business description	Business transactions, etc.
Fujitsu General Limited	Japan	44.10	Development, production, and sales of air conditioners and information communications equipment and electronic devices, as well as provision of services	Contracted manufacturing and sales of the Company's products
Fujitsu Leasing Co., LTD.	Japan	20.00	Leasing and sales of information processing equipment, communications equipment, etc.	Leasing and sales of the Company's products
Socionext Inc.	Japan	40.00	Design, development, and sales of system LSI (SoC: System on a Chip) and provision of solutions and services	Some of its products are supplied to the Company

Notes: 1. Investments in associates are accounted for using the equity method and the number of companies to which the method applies is 23. For the year ended March 31, 2018, four companies were added and five companies were subtracted.
 2. The Group holds 20% or more of the JECC Corporation shares issued, but because it is a special company operated through the joint capital investment of six companies, including domestic computer manufacturing companies, for the promotion of the domestic data processing industry, it is not an equity method associate.

(2) Summarized financial information of material equity method associates

Summarized financial information of material equity method associates is as follows.

Question
9.3 Does the company disclose its beneficial ownership and control structure?
Score
2
Comments
The company is a publicly listed on the Tokyo and Nagoya stock exchanges and therefore automatically receives a score of '2'. The company also publishes a list of its major shareholders on its website.
Evidence
<p>[10] Financial Times Markets Data (Webpage) Accessed 16/03/2020 https://markets.ft.com/data/equities/tearsheet/summary?s=6702:TYO</p>  <p>[8] Stock Information (Webpage) Accessed 13/07/2019 https://www.fujitsu.com/global/about/ir/stock/information/</p>

Securities Code	6702
Number of Authorized Shares	5,000,000,000
Number of Outstanding Shares and Stated Capital	Shares: 207,001,821 Stated Capital: ¥324,625,075,685
Shares Issued during the Business Period	There was no issuance of shares during the business period.
Number of Shareholders	134,539 (20,353 decrease from the end of FY 2018)

Principal Shareholders

Name	Shareholder's investment in Fujitsu Limited	
	Number of shares held (thousands)	Percentage of shares held (%)
Ichigo Trust Pte. Ltd.	12,951	6.39
The Master Trust Bank of Japan, Ltd. (for trust)	12,067	5.95
Japan Trustee Services Bank, Ltd. (for trust)	10,869	5.36
SSBTC CLIENT OMNIBUS ACCOUNT	6,307	3.11
Fuji Electric Co., Ltd.	5,949	2.94
Fujitsu Employee Shareholding Association	5,467	2.70
JP MORGAN CHASE BANK 385151	3,921	1.93
Japan Trustee Services Bank, Ltd. (for trust 5)	3,785	1.87
Asahi Mutual Life Insurance Company	3,518	1.74
STATE STREET BANK WEST CLIENT – TREATY 505234	3,400	1.68

Question																																												
9.4 Does the company publish a percentage breakdown of its defence sales by customer?																																												
Score																																												
0																																												
Comments																																												
There is no evidence that the company publishes a breakdown of its defence sales by customer.																																												
Evidence																																												
<p>[7] Fujitsu 2018 Integrated Report (Document) Accessed 14/07/2019 https://www.fujitsu.com/global/documents/about/ir/library/integratedrep/financialsection2018-all.pdf</p> <p>[p.5]</p> <p>Reference: Financial Indicators</p> <table border="1"> <thead> <tr> <th></th> <th colspan="3" style="text-align: center;">(Billions of yen)</th> </tr> <tr> <th></th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">YoY change</th> </tr> </thead> <tbody> <tr> <td>Ratio of revenue outside Japan . .</td> <td style="text-align: center;">35.4%</td> <td style="text-align: center;">36.8%</td> <td style="text-align: center;">1.4 ppt</td> </tr> <tr> <td>EMEIA*1</td> <td style="text-align: center;">747.9</td> <td style="text-align: center;">799.6</td> <td style="text-align: center;">51.7</td> </tr> <tr> <td>Americas</td> <td style="text-align: center;">288.2</td> <td style="text-align: center;">276.8</td> <td style="text-align: center;">(11.3)</td> </tr> <tr> <td>Asia</td> <td style="text-align: center;">335.3</td> <td style="text-align: center;">332.1</td> <td style="text-align: center;">(3.1)</td> </tr> <tr> <td>Oceania</td> <td style="text-align: center;">89.8</td> <td style="text-align: center;">98.1</td> <td style="text-align: center;">8.3</td> </tr> <tr> <td>Revenue outside Japan by locations of customers</td> <td style="text-align: center;">1,461.2</td> <td style="text-align: center;">1,506.8</td> <td style="text-align: center;">45.5</td> </tr> <tr> <td>Gross profit margin</td> <td style="text-align: center;">28.2%</td> <td style="text-align: center;">27.6%</td> <td style="text-align: center;">(0.6 ppt)</td> </tr> <tr> <td>Operating profit margin</td> <td style="text-align: center;">2.8%</td> <td style="text-align: center;">4.5%</td> <td style="text-align: center;">1.7 ppt</td> </tr> <tr> <td>Return on equity attributable to owners of the parent (ROE)*2 . .</td> <td style="text-align: center;">10.6%</td> <td style="text-align: center;">17.2%</td> <td style="text-align: center;">6.6 ppt</td> </tr> </tbody> </table> <p>*1 EMEIA: Europe, the Middle East, India, and Africa *2 ROE = Profit for the year attributable to owners of the parent ÷ [(Beginning balance of total equity attributable to owners of the parent (Owners' equity) + Ending balance of total equity attributable to owners of the parent (Owners' equity)) ÷ 2]</p> <p>[p.36]</p> <p>(5) Information about major customers</p> <p>Information is not disclosed because no specific customers reached 10% of revenue in the consolidated statement of profit or loss.</p>		(Billions of yen)				2017	2018	YoY change	Ratio of revenue outside Japan . .	35.4%	36.8%	1.4 ppt	EMEIA*1	747.9	799.6	51.7	Americas	288.2	276.8	(11.3)	Asia	335.3	332.1	(3.1)	Oceania	89.8	98.1	8.3	Revenue outside Japan by locations of customers	1,461.2	1,506.8	45.5	Gross profit margin	28.2%	27.6%	(0.6 ppt)	Operating profit margin	2.8%	4.5%	1.7 ppt	Return on equity attributable to owners of the parent (ROE)*2 . .	10.6%	17.2%	6.6 ppt
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10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

N o.	Type <i>(Webpage or Document)</i>	Name	Download Date	Link
01	Document	Sustainability Report 2018	12/07/2019	https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2018-report/fujitsureport201801-e.pdf
02	Document	Promoting Global Compliance Program	12/07/2019	https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_Global_Compliance_Program.pdf
03	Document	Fujitsu Global Business Standards	12/07/2019	https://www.fujitsu.com/global/Images/Global%20Business%20Standards%20V2%20English.pdf
04	Webpage	Compliance	14/07/2019	https://www.fujitsu.com/global/about/csr/compliance/
05	Webpage	Procurement Policy	14/07/2019	https://www.fujitsu.com/global/about/procurement/policy/
06	Document	Supplier Code of Conduct - RBA	14/07/2019	https://www.responsiblebusiness.org/media/docs/RBACodeofConduct6.0_English.pdf
07	Document	Fujitsu 2018 Integrated Report	14/07/2019	https://www.fujitsu.com/global/documents/about/ir/library/integratedrep/financialsection2018-all.pdf
08	Webpage	Stock Information	14/07/2019	https://www.fujitsu.com/global/about/ir/stock/information/
09	Webpage	Supplier Compliance Line	14/07/2019	https://www.fujitsu.com/jp/about/csr/management/compliance/complianceline/
10	Webpage	Financial Times Markets Data	16/03/2020	https://markets.ft.com/data/equities/tearsheet/summary?s=6702:TYO
11	Webpage	Message from the President	20/03/2020	https://www.fujitsu.com/global/about/csr/topmessage/
12	Document	Fujitsu Integrated Report 2019	16/06/2020	https://www.fujitsu.com/global/documents/about/ir/library/integratedrep/IntegratedReport2019-all.pdf
13	Document	Corporate Governance Report	16/06/2020	https://www.fujitsu.com/global/documents/about/ir/library/governance/governancereport-en.pdf
14	Webpage	Secure Ethicspoint	16/06/2020	https://secure.ethicspoint.eu/domain/media/en/gui/102834/follow.html
15	Document	Promoting Global Compliance Program - update	16/06/2020	https://www.fujitsu.com/global/documents/about/csr/compliance/Promoting_the_Global_Compliance_Program.pdf
16	Webpage	Risk Management	16/06/2020	https://www.fujitsu.com/global/about/csr/riskmanagement/
17	Document	Annual Shareholders Meeting	16/06/2020	https://www.fujitsu.com/global/Images/notice119b.pdf
18	Document	Sustainability Data Book 2019	16/06/2020	https://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2019-report/fujitsudatabook201901-e.pdf