Reinforcing management capital

We are working to maintain and strengthen our management capital by building a workforce portfolio that drives business promotion and delivers value to customers, the acceleration of digital transformation (DX) to achieve data-driven decision-making and productivity improvement, and the practice of sustainability management that can serve as a reference for customers. We will utilize our management capital as a source of energy for the transformation to realize Our Purpose and strive for sustainable value creation.

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Human resource management | DX | Sustainability management

Message from the CHRO (Chief Human Resource Officer)

By increasing the self-starting job mobility of employees who take career ownership, we will create a workforce portfolio that dovetails with our business strategies and helps enhance corporate value.

Hiroki Hiramatsu
Corporate Executive Officer
EVP, CHRO
* Human Resource

Implementing human resource management transformation to realize Our Purpose

In 2019, the Fujitsu Group declared that it will become a "DX company" that leads the digital transformation of its customers. In 2020, we updated the Fujitsu Way, putting Our Purpose at the apex. To realize Our Purpose as a DX company, we had to think about what changes individuals and organizations needed to make. The HR department discussed this question with the CEO and other members of the management team to formulate our HR vision, to be a "DX company where diverse talent gathers to create innovation everywhere in society." During the past three years, we have been pushing forward with human resource management transformation to realize this vision.

One key initiative of these reforms was our introduction of job-based human resource management. This system requires clear definition of the responsibilities, authority, and talent requirements associated with specific jobs, and allocating personnel accordingly. We have gradually adapted this type of system in Japan, which is commonly used in other countries. In addition, we have significantly revised our education, performance management, and compensation systems. With this overhaul we aimed to raise employees' awareness of taking charge of their own career development. We sought to recast the relationship between the Company and its employees, and to transform the organizational culture more broadly.

Building a workforce portfolio aligned with our business strategies

Through fiscal 2022, we focused on carrying out comprehensive transformation that involved the development of various systems. In fiscal 2023, we are building a workforce portfolio aligned with the business strategies outlined in the 2023–2025 Medium-Term Management Plan (the new medium-term plan). Specifically, we are working with our business divisions to determine the workforce portfolio that we require to transform our business portfolio. Our considerations are based on a globally unified set of roles under the resource strategy outlined in the new medium-term plan. In these discussions, we are focusing on questions including how our transformation will enable our workforce portfolio to support our business portfolio three years hence, and even into 2030. We will clarify our current situation and define our ideal state (where we desire to be). We will then calculate the workforce needed for each role, and begin planning and implementing recruitment and training programs to realize this ideal state.

This approach to human resource management differs markedly from the traditional method of annual workforce planning and operation based on interviews with business divisions. The new approach represents a considerable challenge for the HR department, as we now need to contribute to the strategies of the business units. However, we see this as an unprecedented opportunity to establish a framework for investment in the acquisition and training of talent from a medium- to long-term perspective toward our ideal state for 2030, based on our Materiality ◉.

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Message from the CHRO (Chief Human Resource Officer)

Two approaches to realize our ideal state

Once we have established a clear quantitative framework for our future workforce portfolio, the next step is to understand the gap between where we are now and where we wish to be, plan how to fill the gap, and then proceed to approach this ideal state. We believe this process will require a combination of top-down and bottom-up approaches.

In the top-down approach, we will use a reskilling program to help designated personnel acquire the knowledge and skills necessary for specific roles. A forerunner to this initiative was a reskilling program we conducted in fiscal 2020, which transformed approximately 8,000 sales employees into business producers. We now also plan to take a top-down approach to running development programs, and with a sense of urgency, for major portfolio transformations such as strengthening consulting resource offerings capable of delivering in Fujitsu Uvance's ▶ Vertical areas or expanding specialized resources to enhance delivery.

At the same time, we believe that the act of clearly establishing a future workforce portfolio is a means of adopting a bottom-up approach. As the Group defines its workforce portfolio more clearly, employees will better understand which skills they need to acquire in the future. In this way they will be able to see which skills will offer them new opportunities and contribute to their own growth and success.

Career ownership and self-starting job mobility as keys to building a robust workforce portfolio

Workforce mobility represents a key in building a workforce portfolio that aligns with our business objectives and allows for agile adjustments based on the progress of and changes in our strategies. In addition to ensuring workforce mobility through systematic placement and transfer of talent, we believe it is crucial to foster employee initiative and self-starting job mobility, as this helps create value within the Group. As an example, consider a project that is critical to the execution of our business strategies. Selecting team members from among multiple candidates who express the desire to be involved makes it easier to form a highly skilled and motivated team. However, if the pool of employees volunteering for such an opportunity is small and lacks diversity, a bottom-up approach will eventually become ineffective. To help the bottom-up approach function well, we emphasize the importance of career ownership, in which employees shape their own careers.

Over the past two years, we have seen a significant upswing in the number of people taking advantage of our internal job-posting (internal recruitment) system to volunteer for transfers and promotions tailored to their desired career plans. This change is meaningful because it allows us to create a workforce portfolio based on greater employee mobility. The number of people using the job-posting system has increased, and more employees have inspired colleagues and supervisors to utilize the system, encouraging others to take action in developing their careers. We believe the Group's organizational culture will change further as a result, reinforcing the dynamic interplay between business strategies and the workforce portfolio.

Evolving as a competitive company with high employee engagement

The effects of personnel and organizational transformation can also be seen in the employee engagement ▶ survey results. Under the previous Medium-Term Management Plan, we set 75 as our target value. In fiscal 2022, we reached 69, which was below our target but was six points higher than in fiscal 2019 when we started conducting the survey.

Our analysis of survey results suggests that communication with managers strongly affects engagement. As talent mobility increases, it is important for companies to enhance employee engagement and create an environment where employees feel motivated to take on challenges and believe they can grow within the organization. Keeping this in mind, we encourage managers to regularly engage in 1-on-1 meetings with their team members. We also provide managers with knowledge and tools to facilitate smooth communication.

In April 2023, we revised our compensation of employees in Japan to bolster our competitiveness in talent acquisition, ultimately enabling us to provide sustained value to our customers as a global DX company. Employees' monthly wages were raised by 10% on average. By raising compensation levels and creating an environment that fosters growth, we aim to heighten engagement and strengthen the link between our business strategies and our workforce portfolio. We will also continue working to transform employees' mindsets and our organizational culture, contributing to the Group's growth and elevating our corporate value.

Overall human resource strategy

The Fujitsu Group is working to transform its businesses and the Group itself to realize Our Purpose. From the perspective of human capital management, we are focusing on connecting the growth of each employee and the overall growth of the Group toward individual and organizational transformation. We are promoting human resource management measures that can be broadly categorized into two areas: "results-producing initiatives" and "sustainable-effects initiatives."
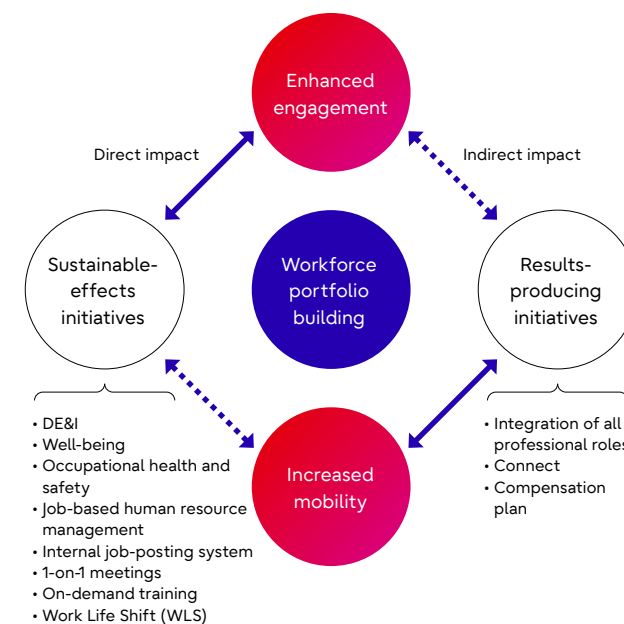
"Results-producing initiatives" are indispensable human resource strategies that are integral to the fulfillment of management and business strategies. As part of the resource strategy under the new medium-term plan, these initiatives include the global standardization of role definitions, the development of a workforce portfolio, and the implementation of our global personnel evaluation system, called "Connect."

"Sustainable-effects initiatives," meanwhile, create a framework to provide ongoing support for "results-producing initiatives." "Sustainable-effects initiatives" include those that seek to enhance diversity, equity, and inclusion (DE&I) and well-being under the GRB (Global Responsible Business) platform, our operation of job-based human resource management and internal job-posting systems, ongoing 1-on-1 meetings (regular dialogue between managers and their team), and the provision of on-demand training programs that support employees' autonomous learning. Another example is our promotion of the Work Life Shift initiative, which allows employees to optimize working styles to match job content and personal lifestyles.

As part of our data-driven management approach, we analyze personnel-related data. We have learned that utilization of an internal job-posting system and other initiatives to promote self-starting job mobility can play a potentially vital role in elevating corporate value. From

the perspective of bolstering employee engagement, we have also realized the need to foster a deep understanding of the organizational vision and to arrange effective 1-on-1 meetings to help achieve this understanding.

To successfully roll out the business strategies outlined in the new medium-term plan, we need to establish a workforce portfolio to help execute those strategies and create an environment that encourages all employees to perform to the best of their abilities. To create our ideal workforce portfolio, we will strategically allocate and develop talented individuals in collaboration with each business division. Simultaneously, we will continue to prioritize consistent human resource management, with a focus on maximizing employee engagement, improving the mobility of talent based on career ownership, and further promote DE&I to contribute to the growth and enhancement of corporate value.

Direct impact · · · Indirect impact

- Enhanced engagement
- Sustainable-effects initiatives
- Workforce portfolio building
- Results-producing initiatives
- Increased mobility

- DE&I
- Well-being
- Occupational health and safety
- Job-based human resource management
- Internal job-posting system
- 1-on-1 meetings
- On-demand training
- Work Life Shift (WLS)

- Integration of all professional roles
- Connect
- Compensation plan

Human capital management and data analysis

Beginning in March 2022, we held a series of six CHRO Roundtable meetings, bringing together chief human resource officers (CHROs) from five companies (including Fujitsu Limited) with the aim of defining human capital management strategies that improve corporate value. As part of this initiative, we analyzed data related to human capital and identified key performance indicators (KPIs) that would contribute to this goal. Specifically, we conducted correlation analysis by multiplying the growth rates of revenue and operating profit from fiscal 2020 to fiscal 2021 with data from approximately 50 categories related to internal talent to identify KPIs that are correlated with enhancing corporate value.

Through analyses from various perspectives, we found a positive correlation between the percentages of internal transfers

and mid-career recruits in an organization's workforce and the growth rate of financial indicators. Conversely, we found a negative correlation between the percentage of transfers based on convenience to the company and the financial indicator growth rate. These results suggest that voluntary mobility through internal transfers and mid-career recruiting helps in improving an organization's operational capabilities. As the Group undergoes various HR transformations, including job-based human resources management, it has become evident that "talent mobility," which we considered to be of great importance, also has the potential to enhance corporate value from a data analysis perspective.
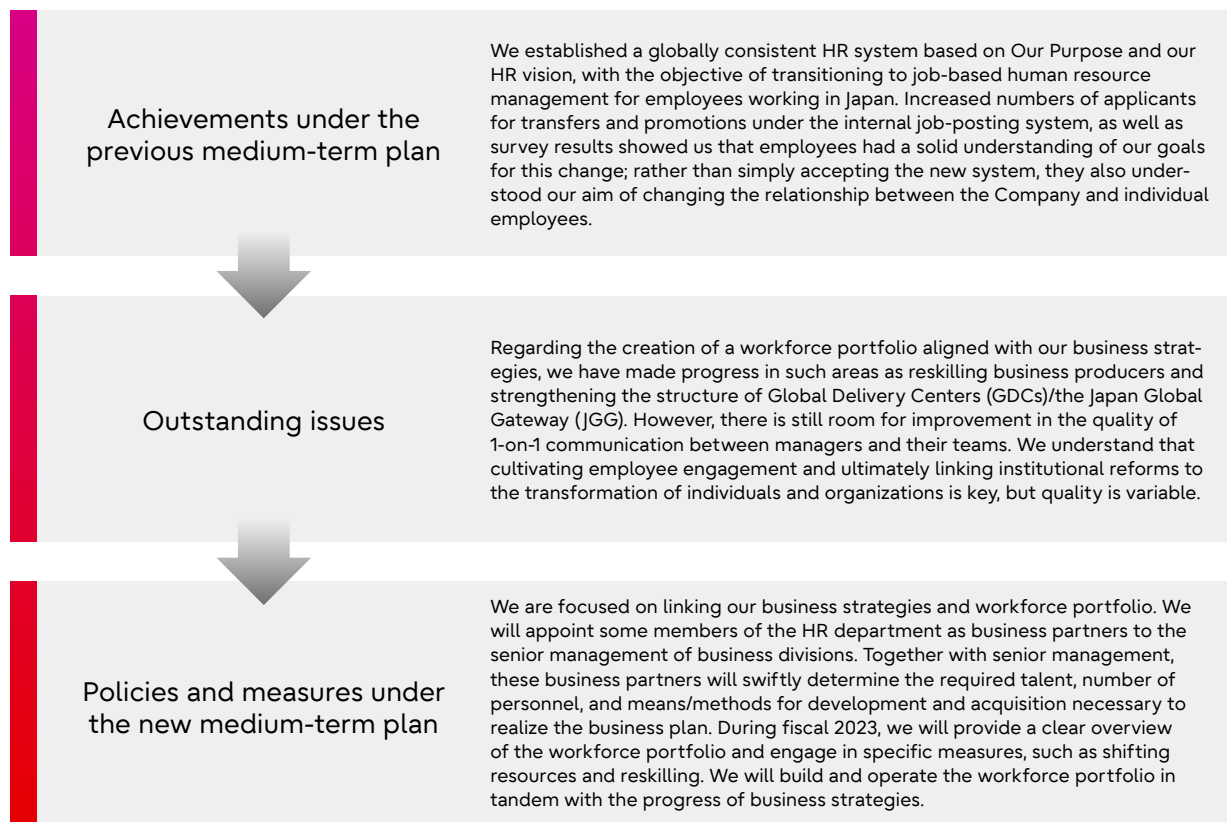
For details [↗] (CHRO Roundtable Report)

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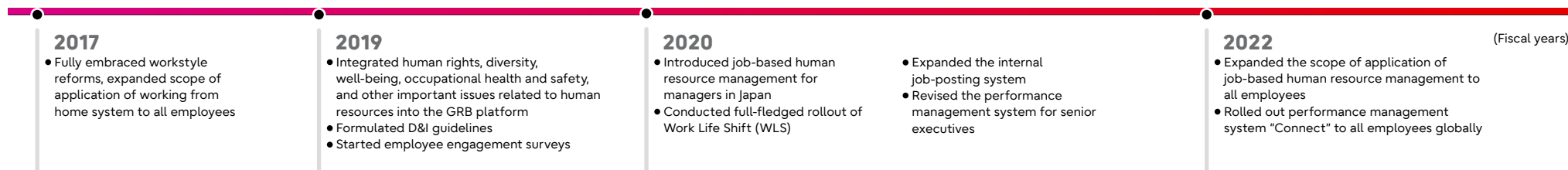# The human resource management trajectory

For the Fujitsu Group, the turning point in human resource management came in 2019, when we started to shift from being an IT company to a DX company. Since then, we have taken a wide range of initiatives to transform human resource management, including the adoption of a job-based human resource management system to drive innovation and promote DX.

Under our 2020–2022 Medium-Term Management Plan (the previous medium-term plan), we identified employee engagement as one of the non-financial indicators to measure the progress of transformation for our business and ourselves. We accelerated the transformation of individuals and organizations to promote employees' autonomous career development. The outbreak of COVID-19 coincided with the start of our previous medium-term plan, prompting us to reevaluate employees' work-styles and attitudes toward work, and we reaffirmed the importance of employee engagement.

As employee engagement is an ongoing theme, we have set our target for employee engagement at 75. This level is a benchmark for global companies, and we aspire to achieve competitiveness on a par with those companies. We will gather data by conducting global surveys twice a year and reflect the results of this analysis in our human resource management strategies.
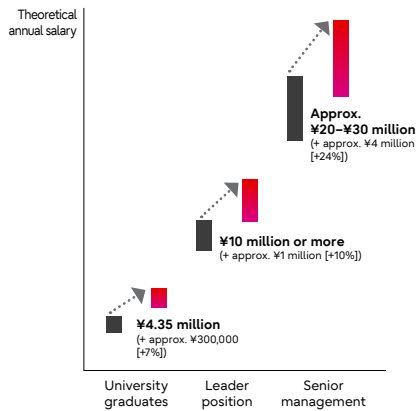
Achievements under the previous medium-term plan	We established a globally consistent HR system based on Our Purpose and our HR vision, with the objective of transitioning to job-based human resource management for employees working in Japan. Increased numbers of applicants for transfers and promotions under the internal job-posting system, as well as survey results showed us that employees had a solid understanding of our goals for this change; rather than simply accepting the new system, they also understood our aim of changing the relationship between the Company and individual employees.
Outstanding issues	Regarding the creation of a workforce portfolio aligned with our business strategies, we have made progress in such areas as reskilling business producers and strengthening the structure of Global Delivery Centers (GDCs)/the Japan Global Gateway (JGG). However, there is still room for improvement in the quality of 1-on-1 communication between managers and their teams. We understand that cultivating employee engagement and ultimately linking institutional reforms to the transformation of individuals and organizations is key, but quality is variable.
Policies and measures under the new medium-term plan	We are focused on linking our business strategies and workforce portfolio. We will appoint some members of the HR department as business partners to the senior management of business divisions. Together with senior management, these business partners will swiftly determine the required talent, number of personnel, and means/methods for development and acquisition necessary to realize the business plan. During fiscal 2023, we will provide a clear overview of the workforce portfolio and engage in specific measures, such as shifting resources and reskilling. We will build and operate the workforce portfolio in tandem with the progress of business strategies.

Chronological overview of our human resource management transformation

2017
- Fully embraced workstyle reforms, expanded scope of application of working from home system to all employees

2019
- Integrated human rights, diversity, well-being, occupational health and safety, and other important issues related to human resources into the GRB platform
- Formulated D&I guidelines
- Started employee engagement surveys

2020
- Introduced job-based human resource management for managers in Japan
- Conducted full-fledged rollout of Work Life Shift (WLS)
- Expanded the internal job-posting system
- Revised the performance management system for senior executives

2022
- Expanded the scope of application of job-based human resource management to all employees
- Rolled out performance management system "Connect" to all employees globally

(Fiscal years)

# Major human resource management initiatives and progress

Revision of the compensation system

In fiscal 2023, we reviewed our compensation system to further enhance our global competitiveness over the medium to long term. Specifically, we raised annual salaries of employees in Japan by an all-employee average of 7%, with maximum increases of 24%. Annual salaries for employees in leader positions rose to around ¥10 million, and those for senior management reached around ¥20 million to ¥30 million. Going forward, we will continue to step up our investment in human capital, aiming to recruit and retain talent that will help to increase our corporate value.

DE&I (ratio of female managers)
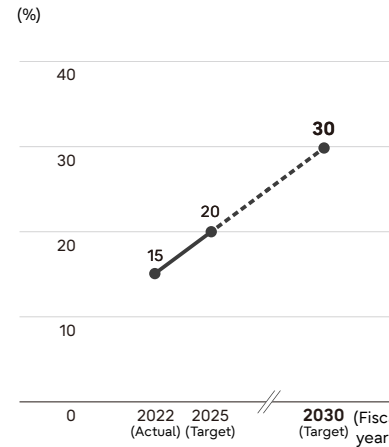
To realize a corporate culture in which diverse human resources can leverage their capabilities and express their values, in fiscal 2023 we set the percentage of female managers as one of our non-financial indicators, targeting a rate of 30% by the end of fiscal 2030. As a milestone toward that goal, we aim to achieve a 20% ratio of female managers by the end of fiscal 2025.

In addition to these efforts, we will continue to promote various other initiatives, such as "mindset shift," "positive action," and "improving the working environment through Work Life Shift."

Mobility (number of applicants for the internal job-posting system)
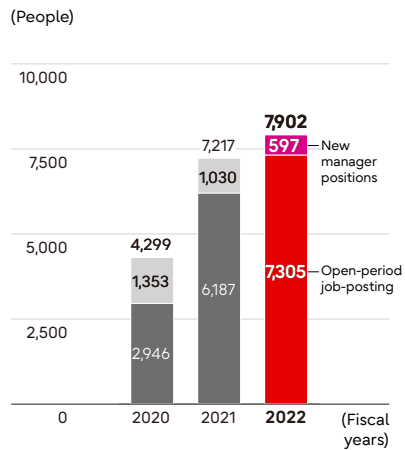
Together with the job-based human resource management system that we introduced in fiscal 2020, we significantly expanded our internal job-posting system with the aim of optimizing allocation of our talent to realize our business strategy and promote talent mobility and diversity. Over the course of three years, we received more than 19,000 applicants, and more than 7,500 employees have actually been transferred, demonstrating the willingness of employees to take ownership of their own careers. Moving forward, we will continue to provide opportunities for employees to realize their desired careers.

Reskilling (people enrolled in on-demand courses on Udemy)
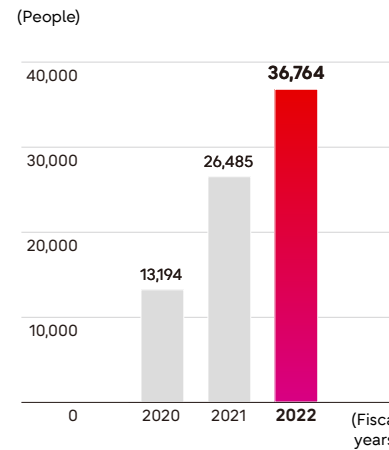
Over a three-year period, the number of people in the Fujitsu Group in Japan participating in on-demand training through a partnership with Udemy, one of the world's largest online video learning platforms, has grown by 2.8 times.

The number of participants increased across all age groups. Participation among people aged 50 and older grew by 3.6 times, marking the highest increase in comparison to other groups.

Over the same period, total training hours also increased by 3.2 times. Across the three years, people have tended to take courses related to their current position and job type, and we have noted a meaningful change in awareness and behavior toward autonomous learning.

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Employee opinions

Internal job-posting system

Misako Shimazaki
Cross Industry Solution
Business Unit

After joining the Company, I worked as a system engineer on a public-sector account. However, I had a strong desire to contribute to the resolution of customer issues from upstream processes and to venture into new areas. I believed that the challenge of supporting the entire process, from identifying customers' challenges to developing and implementing strategies, aligned with my own aspirations. For that reason, I applied for a position in my current department through the internal job-posting system. Transitioning from a system engineer to a consultant position presented challenges in terms of my job responsibilities and ways of working. However, being closer to customers and working together to address their business challenges brings me a sense of fulfillment on a daily basis. The introduction of the internal job-posting system provided a good opportunity for me to reevaluate the type of work I wanted to do and the way I wanted to work. Additionally, I realized that I could explore new areas within the Company while leveraging my previous experience, which was a big advantage for me. What I found attractive about the internal job-posting system is that it gave me the chance to proactively reassess and take action toward my own career development.

About the internal job-posting sytem
The internal job-posting system allows employees to choose opportunities for reassignment or take on positions at the management level based on their desired career plans. Group employees can access a dedicated website on the intranet to view and apply for open positions and check the requirements. Fujitsu also offers a global job opportunities system to recruit talent for cross-border assignments.

1-on-1 meetings

Takeshi Nagasawa
Consumer Products/Service
and Retail Business Unit

Regular 1-on-1 meetings have made it easier to consult with my manager and has improved the psychological safety at the workplace. When 1-on-1 meetings were first introduced, we first saw them as an opportunity to discuss work issues and personal matters with our managers. However, I now also use them as a platform to discuss and debate themes including our organizational vision, priority themes, medium-term achievements, and individual growth visions. The greatest benefit of 1-on-1 meetings is ease of communication. It has become commonplace to have 1-on-1 meetings, regardless of position, and these days we set up meetings whenever we have something we want to discuss, regardless of our regular interactions. Using the 1-on-1 meeting support tool further allows us to look back on past meetings in chronological order. It helps us confirm what we discussed and what we noted down when we had doubts about continuing to work in our current department, and it also helps us reaffirm our career aspirations.

About 1-on-1 meetings
1-on-1 meetings provide a forum for dialogue between managers and their teams, helping to align departmental and organizational visions with an individual employee's career direction. They provide an opportunity for reporting and consulting on daily business tasks, sharing medium- to long-term departmental policies, and confirming team members' challenges and growth, thereby enhancing employees' awareness of autonomous career development. All employees are engaging in 1-on-1 meetings at least once a month.

Reskilling

Maki Orita
Japan Global Gateway

I participated in reskilling to become a SAP consultant, which is one of our most important offerings in our DX business, as I wanted to drive this business forward. While I had been responsible for making estimates in Japan in my role as a system engineer, I also wanted to gain experience in global work, acquire skills in enterprise resource planning (ERP), as well as in a wide range of business domains and consulting.

As part of this reskilling initiative, I completed an internal program called SAP Practical Training Program (SPTP), which consisted of a six-month curriculum including foundational education (collective and behavioral change program) and practical on-the-job training. Through the SPTP, I was able to systematically learn the principles and fundamentals of SAP, and I am currently leveraging the knowledge I gained in the project I am involved in, striving daily to make the most of my new skills.

I believe that the reskilling program as part of initiatives to expand my career perspectives enabled me to better adapt to a society that continues to change.

About reskilling
Reskilling refers to acquiring and relearning skills in preparation for future jobs and roles. The Fujitsu Group provides specific training programs that enable systematic learning of essential content for business strategies. We also promote autonomous learning in line with employees' individual career plans. To support the latter, Fujitsu has introduced an on-demand education platform to facilitate learning.

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Message from the CDXO (Chief Digital Transformation Officer), CIO (Chief Information Officer)

We will promote Groupwide transformation while building a corps of people willing to break the status quo to realize DX that will directly boost corporate value.

Yuzuru Fukuda
Corporate Executive Officer
EVP, CDXO, CIO
* Digital Transformation * Information

Challenging an unchanging corporate culture

The period of the 2020–2022 medium-term plan was a trial-and-error phase for the Fujitsu Group. Out of numerous discussions led by President Tokita, we elicited Our Purpose and Vision, which are our reason for existence, our so-called "Why," along with our "What," which took the form of growth through digital services centered on Fujitsu Uvance ▶. In April 2023, I took on the role of CDXO from President Tokita. My mission is to thoroughly implement and actualize the "Why" and the "What" during the 2023–2025 Medium-Term Management Plan (new medium-term plan) and to contribute to growth and the creation of corporate value.

The most important task for progressing on implementation and accomplishment is ensuring that a transformative mindset is promoted throughout the Company. To put it in stronger terms, employees who just watch from the sidelines and do not get involved in the reform of their own organization cannot be DX partners for our customers. This challenge to the unchanging stance and corporate culture has been led by our Groupwide DX project, Fujitsu Transformation, known as "Fujitra."

Fujitra tackles issues across divisions

At the core of Fujitra is a team around 60 DX officers, who are united by a mission and aspiration to make

Fujitsu better. DX officers participate from all of the main divisions and regions of the Group, and the team therefore has an inherently strong ability to take on cross-divisional initiatives. This is because transformation requires the breaking down of organizational barriers.

Fujitsu Uvance is a case in point. To provide cross-industry digital services, offerings and delivery formats naturally have to go beyond the existing concepts. But that is not all. It is also essential to consider product development processes and revenue models that are suitable for co-creation with customers, as well as the conditions of contracts with customers. We also need to revise various operational systems related to rules for recording sales and expenses. To change to an optimal arrangement across divisions requires an approach that addresses multiple aspects, such as the budgeting system, personnel systems, and internal communications. Fujitra works with a view to optimizing the entire Group by addressing these issues between organizations.

Supporting employees who take on challenges

The transformative mindset is steadily spreading. Around 80% of the entire Group's employees, or 100,000 people, actively use our internal social media and this is evidenced by their communication across organizations, ranks, and roles, as well as countries. There are now examples of the Company's own active DX initiatives linking directly to its initiatives as a DX partner of customers. We will support employees who are working to break the status quo and speed up our transformation.

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Fujitsu Group's DX

Fujitsu Group's DX and Fujitra

The true value of DX lies not only in the use of digital technology (D) in operations, but the transformation (X) that goes beyond this. Fujitra is a Groupwide DX project that aims to achieve a true transformation by employing a top-down approach from the management leadership in tandem with promoting the spread of bottom-up initiatives with employee participation, and sharing the transformative mindset throughout the entire Group.

With Fujitra, we are encouraging any employee to promote a transformation theme that the Group should address, gather a team together, and take action. Up until fiscal 2022, over 150 transformation themes were established, and the number of people participating in cross-organizational communities grew to around 9,000. The initiative is now becoming even more diverse, from the planning and operation of a program that aims to develop 1,000 in-house entrepreneurs over three years to create new businesses, to the holding of DX events targeting the involvement of several hundred customers.

The Fujitsu Group set DX Promotion Indices ⬤ as one of the non-financial indicators under the previous medium-term plan. Along with progress on the preparation of infrastructure for achieving data-driven management, such as OneCRM, we also monitored the change in organizational culture and employee mindset toward realizing Our Purpose. There is little doubt that the continuous improvement of our performance on the DX Promotion Indices throughout the previous medium-term plan period has contributed meaningfully to DX integrating the whole organization, symbolized by Fujitra. Under the new medium-term plan, we will set indices suitable for a new management phase that succeed and further develop the DX Promotion Indices. We will work to provide quantitative clarification of which initiatives accelerate transformation and contribute to financial growth.

Main internal DX activities implemented up to fiscal 2022

Theme	Overview
Purpose Carving	A dialogue program for putting individual employees' personal purposes into words. While carving out their own purpose, individuals explore the overlap with Fujitsu's Purpose, which provides motivation for future transformation.
exPractice	Provision of practical methods and study tools combining data science, design thinking, and agile development in a framework to support self-generated transformation inspired by one's purpose.
VOICE program	This program is designed to sustainably enhance the Company's competitive advantages by visually presenting the opinions ("voice") of customers and employees and using them to speed up decision-making, change behavior, and uncover new insights.
Data Analytics Center	A specialist organization established in 2021, the Data Analytics Center is leading a shift to optimal Companywide data-driven management, including preparation of a data foundation, systems, human resources and skills, and organizational culture.
Utilization of internal social media	Internal social media functions as a starting point for transforming workstyles and behavior patterns, with members in over 10,000 cross-organizational communities disseminating information and sharing knowledge and expertise.
Internal DX events	Events held every three months to share DX promotion themes and frontline initiatives, with a focus on two-way communication through activities such as discussions and questionnaire voting.
Fujitsu Innovation Circuit	A program that seeks to nurture entrepreneurs and create businesses through taking up new business challenges. The program aims to foster an organizational culture that welcomes challenges.

Data-driven management

One of the objectives of DX is to pivot from management based on past achievements and experience value to management based on predicting the future using data. This will enable flexible and rapid responses to changes in the business environment as well as rational decision-making. To attain this objective, the Fujitsu Group will promote infrastructure upgrades under the OneFujitsu Program to facilitate data-driven management.

Specifically, we are currently promoting the global introduction of the OneERP+ system for presenting tangible and intangible management resources visually in the form of data. Moreover, during the previous medium-term plan we already brought OneCRM into operation in 31 countries, where it is now used by 20,000 Group employees. The system enables all movements to be followed in real time, from the initial contact between the customers in every region and the customer-contact divisions, to the progression of business deals, receiving of orders, service provision, and the acquisition of new business opportunities through follow-up actions.

The key to introducing and utilizing these systems is the standardization of business operations. If customer-contact divisions in two different countries have completely different operating methods and data management practices, the systems will not function. Therefore, it is essential that global operational standards are determined and implemented before introducing the systems.

Through our efforts to achieve our own DX, we are accumulating a wide range of practical knowledge, including issues involved with standardizing operations and methods for resolving them. We plan to use this knowledge as a reference for making proposals to customers and leading their DX.

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Message from the CSuO (Chief Sustainability Officer)

We will encourage all employees to take ownership of sustainability and accelerate the sustainability transformation of the Fujitsu Group and its customers.

Yumiko Kajiwara
Corporate Executive Officer
EVP, CSuO
* Sustainability

Materiality that reflects Fujitsu's unique character

In 2020, the Fujitsu Group revamped the Fujitsu Way centered on Our Purpose. Since then, we have been promoting GRB (Global Responsible Business) ▶ and initiatives in non-financial areas guided by the Sustainability Management Committee. Through these initiatives, the Group has fulfilled its responsibilities as a global company, while employees have experienced a stronger sense of belonging and job satisfaction.

We have been actively promoting sustainability management through these measures, and to make sustainability even more central to business growth in the future—while making use of our activities to date—we also defined the Group's material issues ("Materiality"). In the process, we conducted surveys and interviews with a wide range of stakeholders, including customers, institutional investors, and employees. Looking ahead to the society of 2030, we sought out the intersections between the issues that the Group should focus on to achieve its own sustainable growth and the role that stakeholders expect the Group to play. In addition, we

emphasized the perspective of Fujitsu's unique character, reflecting the discussions held at management level.

I think that defining our Materiality has clarified key issues that we need to focus on and has made the path to realizing Our Purpose clearer for employees. In addition, we have had feedback from our external directors and auditors indicating the need for each employee to take ownership of Materiality, so as we promote initiatives across the Company, we will take measures to foster their awareness of how Materiality relates closely to their work.

Sharing a recognition of issues with customers

Taking ownership of sustainability and the link between sustainability and business are issues that we have in common with our customers. This means that our own in-house practices can serve as a reference model for making proposals to customers. I myself have experienced an increase in opportunities to visit customers, together with business producers (BPs), to talk about the Fujitsu Group's implementation of know-how for data-driven management in the area of sustainability, including initiatives to reduce greenhouse gas (GHG) emissions ▶ and the correlation between financial and non-financial aspects of business. The knowledge of our BPs regarding sustainability is increasing, along with their ability to understand and empathize with customers' business issues.

As a company that conducts business globally, and as a partner working together with our customers, we will accelerate our initiatives to drive sustainability transformations.

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Overview of our sustainability management

As a member of international society, the Fujitsu Group is working earnestly to resolve societal issues through responsible business activities, from the perspectives of the environment, society, and the economy. We aim to grow over the long term while generating a positive impact on society. To realize this goal, we are promoting sustainability management under the guidance of our senior management team.

Sustainability Management Committee

The Fujitsu Group has established the Sustainability Management Committee, which will drive a sustainability-focused management approach under the supervision and direction of the Board of Directors Meeting and the Executive Management Council Meeting. The committee is tasked with discussing how a responsible global company should conduct sustainability management in order to real-ize long-term growth and transformation, while taking into consideration environmental, social, and economic impacts, as well as all of the Group's stakeholders.

The committee is chaired by the CEO and comprises executives appointed by the chairperson. As of June 2023, the committee had 13 members, including the chairperson. Meeting once every six months, the committee expanded its meeting duration from fiscal 2022 from one day to two, in order to allow more active exchange of opinions and a fuller discussion of the agenda items.

Based on Our Purpose and Our Values as set out in the Fujitsu Way, we identified priority issues that are deeply connected to the sources of the Fujitsu Group's value cre-ation. These included respect for human rights, acceptance of diversity and equity, human resource development, main-tenance of the global environment, and contributing to the development of regional communities. We refer to such matters as GRB (Global Responsible Business), and our activities in these areas have been reported and discussed in the committee since fiscal 2020. Moreover, having defined our Materiality in 2023, we will now strengthen our activities and discussion in areas where we contribute to customers and society through our business activities. In this way, we aim to increase the Fujitsu Group's corporate value sustainably over the long term.

Sustainability management promotional framework

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┌──────────────────────────────────────┐
│      Board of Directors Meeting       │
└──────────────────────────────────────┘
                   │
┌──────────────────────────────────────┐
│  Executive Management Council Meeting  │
└──────────────────────────────────────┘
                   │
┌──────────────────────────────────────────────────┐
│      Sustainability Management Committee          │
│                                                    │
│  Reporting, deliberation, and decision-making on   │
│  sustainability-related policies and activities    │
│  Chairperson: CEO; Vice-chairperson: COO;          │
│  Committee members: Corporate and Business Group   │
│  Board Members                                     │
│  Head of office: CSuO (Chief Sustainability Officer)│
└──────────────────────────────────────────────────┘
                   │
┌──────────────────────────────────────────────────┐
│  Business Groups/Regions and Corporate Functions  │
└──────────────────────────────────────────────────┘
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Agenda items for committee meetings held in fiscal 2022

- Activity reports on GRB priority issues and setting of new KPIs for fiscal 2025
- Materiality
- Correlational analysis of non-financial and financial indicators
- Information disclosure on sustainability

For details ⤴ The Fujitsu Group's sustainability management

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Overview of GRB progress

The Fujitsu Group has designated the priority issues under GRB (Global Responsible Business) that it must address as a responsible global company. Since fiscal 2020, we have defined what Fujitsu aspires to be, and its related goals, for each priority issue and have managed these globally. In fiscal 2023, we embarked on the new medium-term management plan, which ends in fiscal 2025. Together with this plan, we updated our existing statement of what Fujitsu aspires to be based on social trends and the challenges facing the Company, and set new goals to be reached by the end of fiscal 2025. To reach those goals, we will build an effective management structure and take specific actions to enable us to implement activities on a higher level globally, while taking into account the different laws and cultures of each country.

For details ⬀ Goals of GRB for fiscal 2025

Priority issue	What Fujitsu aspires to be and goals for fiscal 2022	Major achievements in fiscal 2022	What Fujitsu aspires to be for fiscal 2023 onward

Human Rights and DE&I	▶ **Human Rights**
	[What Fujitsu aspires to be]
	In both the real-world and digital societies, consideration for "human dignity" is reflected in all our corporate activities and we constantly work to "create human-centric value."
	[Goals for fiscal 2022]
	Embedding "respect for human rights" within the Fujitsu Group
	• Completion rates for global human rights training: 80%
	
	▶ **Diversity, Equity & Inclusion (DE&I)**
	[What Fujitsu aspires to be]
	Be a responsible business that reflects the diversity of our world. Build an inclusive and equitable culture where everyone belongs and can be completely themselves. We will celebrate difference and ensure that people can succeed regardless of their personal identity.
	Through inclusive design and innovation, we will endeavor to make a positive impact within society and empower each other to make the world more sustainable.
	[Goals for fiscal 2022]
	Cultivation of inclusive corporate culture
	• The Fujitsu Group aims to achieve at least consolidated 69% from 66% (fiscal 2019) / non-consolidated 63% from 59% (fiscal 2019), in favorable answers to Diversity, Equity and Inclusion question in the engagement survey by fiscal 2022.
	• The Fujitsu Group aims to achieve at least consolidated 10% from 8% (fiscal 2019) / non-consolidated 9% from 6% (fiscal 2019) female leadership by fiscal 2022.
		▶ **Human Rights**
		• Conducted e-learning on business and human rights for all Group employees in 16 languages worldwide
		  Attendance rate: 92%
		
		▶ **Diversity, Equity & Inclusion (DE&I)**
		• Favorable answers rate of engagement survey related to "Diversity, Equity and Inclusion" question
		  Consolidated 73% / non-consolidated 69%
		• Female leadership rate
		  Consolidated 10.8%* / non-consolidated 9.1%
		* In the past, standards for leadership rates were set by region, but from fiscal 2023 a unified global standard has been set at 15% on a consolidated basis.
			▶ **Human Rights**
			In both the real-world and digital societies, consideration for "human dignity" is reflected in all our corporate activities and we constantly work to "create human-centric value."
			
			▶ **Diversity, Equity & Inclusion (DE&I)**
			Be a responsible business that reflects the diversity of our world. Build an inclusive and equitable culture where everyone belongs and can be completely themselves. We will celebrate difference and ensure that people can succeed regardless of their personal identity. Through inclusive design and innovation, we will endeavor to make a positive impact within society and empower each other to make the world more sustainable.

Well-being	**[What Fujitsu aspires to be]** To create an environment where all employees can work positively and healthily in both mind and body. We will also endeavor to provide opportunities for employees to develop personally and display their abilities to the fullest extent. **[Goals for fiscal 2022]** **Providing a positive work environment** • An average score of 71 globally for "Work Life Balance" and "Well-being"*1 in the engagement survey **Provide opportunities for employees to develop personally and display their abilities to the fullest extent** • An average score of 70 globally for "Growth Opportunities" in the engagement survey	• Global average score for "Work Life Balance" and "Well-being"*1: 67 • Global average score for "Growth Opportunities": 71	Achieve a state in which each individual can realize their work and private life as they envision, and they have the discretion and decision-making power to achieve self-realization.

*1 "Work Environment" has been changed to "Well-being" from fiscal 2022.

Overview of GRB progress

Priority issue	What Fujitsu aspires to be and goals for fiscal 2022	Major achievements in fiscal 2022	What Fujitsu aspires to be for fiscal 2023 onward
Environment	**[What Fujitsu aspires to be]** Fujitsu will fulfill its social responsibilities as a global corporate environmental leader. We aim to contribute to achieving the 1.5°C climate change goal of the Paris Agreement and also to resolving environmental challenges, through such measures as developing innovative solutions that make effective use of resources. **[Goals for fiscal 2022]** **Fulfill our social responsibilities and help to resolve environmental challenges** • Reduce greenhouse gas emissions at Fujitsu sites by 37.8% or more from the base year level (reduce by 4.2% each year compared with fiscal 2013) • Avoid risks associated with our business activities and minimize our impact on the environment • Help to resolve environmental challenges for customers and society through our business operations	**Greenhouse gas emissions reduction rate:** • Actual 47.5%; 403,000 tons-CO_2 against a target of 37.8% or more reduction; down to 478,000 tons-CO_2 or less (reduced by 4.2% each year compared with fiscal 2013) • Renewable energy usage ratio: actual 30.0% against a target of 16% or more **Avoid risks and minimize our impact on the environment:** **[Business sites]** • Improve power usage effectiveness (PUE) at datacenters: actual 1.57 against a target of 1.54 • Water usage: actual 87,645 m^3-reduction from the previous year against a target of 30,000 m^3 or more • Promoted eco design for resource savings and circulation and increased resource efficiency of newly developed products: actual 11.2% against a target of 10% or more (compared with fiscal 2019) **[Supply chain]** • Reduced CO_2 emissions due to power consumption during product usage: actual 25% against a target of 17% (compared with fiscal 2013) • Reduce CO_2 emissions and conserve water resources in the upstream supply chain: request the Fujitsu Group's key partners to undertake reduction activities, 100% completed **Help to resolve environmental challenges:** • Transfer of carbon-neutral knowledge to business units • Improving the professional skills of employees by conducting in-house education such as seminars, workshops and e-learning courses • Support customer proposals to resolve environmental issues	Fujitsu will fulfill its social responsibilities as a global corporate SX leader. In addition to achieving our carbon neutrality goals, we will solve various environmental challenges by providing innovative solutions through co-creation with our customers.
Compliance	**[What Fujitsu aspires to be]** Ensure that all officers and employees within the Fujitsu Group conduct their business activities with a high level of compliance awareness and through those activities, the Fujitsu Group fulfills our social responsibilities and earns the trust of our stakeholders. **[Goals for fiscal 2022]** **To further disseminate compliance-related part of the Fujitsu Way Code of Conduct throughout the entire organization, the Global Compliance Program is rolled out for the entire Fujitsu Group, thereby instilling a high level of compliance awareness in the organization, and the management is to take the lead in fostering a corporate culture where each employee does not tolerate any wrongdoings (Zero Tolerance).** • Deliver messages from the president or the heads of each business group/region on the importance of compliance (at least once a year)	• Delivered messages to all employees from the CEO, the heads of each business region, and presidents of Group companies in each country on the importance of compliance at Fujitsu Compliance Week to coincide with International Anti-Corruption Day	Ensure that all officers and employees within the Fujitsu Group conduct their business activities with a high level of compliance awareness, and through those activities the Fujitsu Group becomes a trusted corporate group that is chosen by stakeholders for investment, business transactions, and employment and that fulfills its role as a model for society.

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Overview of GRB progress

Priority issue	What Fujitsu aspires to be and goals for fiscal 2022	Major achievements in fiscal 2022	What Fujitsu aspires to be for fiscal 2023 onward
Supply Chain	**[What Fujitsu aspires to be]** In its supply chain, the Fujitsu Group will achieve responsible procurement that embraces diversity and gives full consideration to human rights, the environment and health & safety. **[Goals for fiscal 2022]** **The Fujitsu Group will achieve responsible procurement in its supply chain.** • To ensure that its major suppliers comply with the international standards for responsible procurement, the Fujitsu Group will obtain one of the following documents from its major manufacturing subcontractors and parts suppliers for its core products (Target KPI = 100%) 　- A platinum or gold level of site recognition under the RBA*2 Audit Recognition program 　- Written consent with the Fujitsu Group CSR Procurement Guideline (equivalent to the RBA Code of Conduct) **Promotion of supply chain diversity** • We set supply chain diversity as our goal of Responsible Business and promote it globally. **Reduction of Greenhouse Gas (GHG) Emissions in Supply Chain** • We requested our foremost suppliers to set the quantitative targets complying with international standards to reduce GHG emissions.	**Availability of any of the following documents: 100%** 　- A platinum or gold level of site recognition under the RBA Audit Recognition program 　- Written consent with the Fujitsu Group CSR Procurement Guideline Achievement: 100% obtained **Achieved procurement KPIs from enterprises with diverse attributes, such as SMEs, women's management, and minority enterprises in the UK, the Americas, and Oceania** Achievements: • Achieved key targets in each region/country • Determined women's empowerment as the perspective and target for diversity in Japan **Completed to request 293 companies to participate in our briefing for target setting** Achievement: Understood the situation with suppliers, requested responses and provided support in line with targets	The Fujitsu Group will realize a responsible supply chain that takes into consideration human rights, health and safety, and the environment and also ensures diversity.
Occupational Health and Safety	**[What Fujitsu aspires to be]** The Fujitsu Group's first priority in all business activities is to protect the health and safety of our employees both in mind and body by providing a safe and healthy work environment tailored to the different cultures in which we operate. • We will foster a culture that does not tolerate accidents, incidents and poor safety performance. • We will ensure safety is a core business value, and make safety important and personal in order to influence people's decisions and behavior. • We will completely eliminate the loss of business opportunities due to preventable illnesses, injuries, and unexpected work-related accidents. **[Goals for fiscal 2022]** **The Fujitsu Group will maintain a safe and comfortable working environment, and promote employees' mental and physical health in every workplace.** • Zero occurrences of serious accidents • Implementing health and safety-related management reviews at the global level, conducted once a year	• One serious accident • Replaced management reviews in each country/region with meeting structures (such as the Central Safety and Health Committee and the Europe, GD and Americas OH&S Leadership Forum)	Note: From fiscal 2023, "Occupational Health and Safety" has been integrated into "Well-being"
Community	**[What Fujitsu aspires to be]** Our employees, who possess an awareness that they belong to a global society, will have a positive impact not just on society, but on the economy and on business, by increasing their empathy for social issues and engaging in the co-creation of activities. We will evaluate, analyze and communicate the impact that our employees have made, and offer greater value to society. **[Goals for fiscal 2022]** **Contributing to the transformation of both our corporate culture and mindset of employees** • Rate of increase in the number of employees participating in social contribution activities related to social issues: 10% increase compared with fiscal 2019 under the "new normal" situation	• Increase of 38% compared with fiscal 2019	Every employee is increasing their empathy for social issues and engaging in activities through collaboration and co-creation with a wide range of stakeholders, making a significant and positive impact on society, thereby creating growth opportunities for Fujitsu and contributing to the realization of Our Purpose.

*2 Responsible Business Alliance
　Fujitsu Joins EICC, a Global Corporate Social Responsibility Coalition (renamed as the Responsible Business Alliance (RBA) in October 2017)

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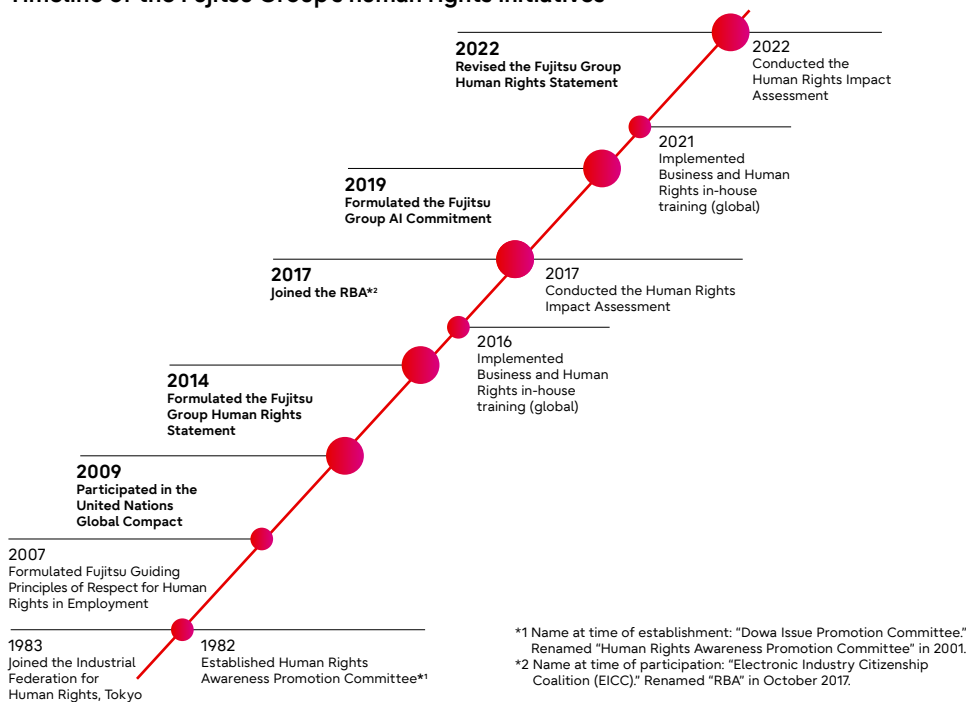Human resource management | DX | **Sustainability management**

Human Rights

Framework

The Fujitsu Group promotes human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights (UNGP). Through interviews with a wide range of internal divisions and exchanges of opinions with experts in and outside Japan, we have identified "supply chain," "employees," and "customers and end-users" as three areas where human rights are particularly affected by our business activities, and are implementing activities to resolve human rights issues in these areas. Within the framework of "Human Rights, Diversity, Equity & Inclusion," one of the priority issues of GRB (Global Responsible Business), we have also established a system in which human rights officers from each overseas region meet regularly to promote initiatives globally and to implement activities to address human rights issues throughout the supply chain, in collaboration with each region, business division, and corporate division.

Timeline of the Fujitsu Group's human rights initiatives

2022
Revised the Fujitsu Group Human Rights Statement

2022
Conducted the Human Rights Impact Assessment

2021
Implemented Business and Human Rights in-house training (global)

2019
Formulated the Fujitsu Group AI Commitment

2017
Joined the RBA*²

2017
Conducted the Human Rights Impact Assessment

2016
Implemented Business and Human Rights in-house training (global)

2014
Formulated the Fujitsu Group Human Rights Statement

2009
Participated in the United Nations Global Compact

2007
Formulated Fujitsu Guiding Principles of Respect for Human Rights in Employment

1983
Joined the Industrial Federation for Human Rights, Tokyo

1982
Established Human Rights Awareness Promotion Committee*¹

*1 Name at time of establishment: "Dowa Issue Promotion Committee." Renamed "Human Rights Awareness Promotion Committee" in 2001.
*2 Name at time of participation: "Electronic Industry Citizenship Coalition (EICC)." Renamed "RBA" in October 2017.
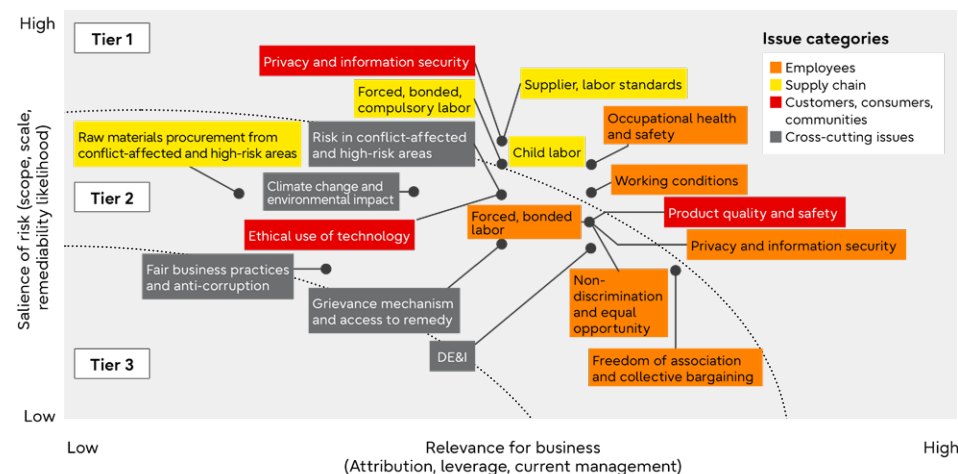
Greater importance of business and human rights, and the Fujitsu Group's initiatives

In international society, there is a growing movement toward mandating respect for human rights, as seen in the establishment of "The Act on Corporate Due Diligence Obligations in Supply Chains" (Germany) and the announcement of the EU proposal for a "Corporate Sustainability Due Diligence Directive." We will respond by taking measures such as establishing a due diligence system and conducting regular risk analysis, including in our supply chains.

In fiscal 2022, the Fujitsu Group revised the "Fujitsu Group Human Rights Statement" for the first time in the eight years since its formulation in fiscal 2014. The statement clearly explains the Group's approach and initiatives on respecting human rights to customers and society. We also asked the international non-profit organization Business for Social Responsibility (BSR) to assist us with conducting an independent human rights impact assessment of the Group's management and business from a third-party standpoint. The assessment enabled us to identify priority areas such as the working environment and health and safety of employees, forced labor and child labor in supply chains, and data privacy and data security in business operations.

Human rights issues identified through a human rights impact assessment conducted in fiscal 2022

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Human Rights

Fujitsu conducted e-learning in fiscal 2021 on "Business and Human Rights" in 16 languages to raise each employee's awareness of human rights issues, with 92% of all employees completing the course. We also run periodic webinars on human rights. In fiscal 2022, we also conducted e-learning on the topic of "AI Ethics and Business" for all Group employees in Japan, with a 94% participation rate.

Supporting human rights promotion activities through donations to the International Rescue Committee

In fiscal 2022 the Fujitsu Group made strategic community investments aimed at contributing to solutions for social issues through support for NGOs and NPOs. One of these was an investment of US$50,000 to the International Rescue Committee (IRC), to support the development and implementation of a digital literacy curriculum for women and girls, which aims to improve their access to information to increase their autonomy and confidence. The initial pilot program was implemented in August 2023 for a group of women in Yemen aged between 22 and 35. Once it is established, the curriculum is to be expanded to other countries supported by the IRC.

IRC staff also work as healthcare staff for women supported by the program
© Gabreez Productions for the IRC

For details [↗] Human Rights

Supply Chain

Supply chain strategy encompassing financial and non-financial aspects

Supply chains are vital for the Fujitsu Group to supply products and services to its customers. We drive our supply chain strategies from both financial and non-financial viewpoints.

On the financial side, the Company is promoting collaboration with strategic partners based on its seven Key Focus Areas. To prepare a foundation to support business growth, we are working to standardize and automate operations when procuring other companies' services, and taking steps to deal with IT personnel shortages by using IT personnel databases that we share with our partners. This system ensures that we can secure the necessary personnel when needed.

On the non-financial side, aiming to realize responsible procurement in our own supply chain, we have established a global coordination structure and we are working together with each region in planning and operations. Moreover, we promote integrated efforts in which key social issues such as human rights, diversity, compliance, and the environment are addressed in our supply chain. To this end, we coordinate closely with relevant business units to promote initiatives.

Building responsible supply chains

In its supply chain, the Fujitsu Group will achieve responsible procurement that embraces diversity and gives full consideration to human rights, the environment, and health & safety. We are promoting sustainable procurement activities as part of what Fujitsu aspires to be. In 2005, we formulated the Fujitsu Group CSR Procurement Guideline, and in 2018 we adopted the Code of Conduct of the RBA, a global industry initiative, as part of the guideline, and have clarified the items that our suppliers are required to comply with. For major suppliers, we obtain platinum or gold level site recognition under the RBA Audit Recognition program, or a written statement of agreement with the Fujitsu Group CSR Procurement Guideline. We are also working with our suppliers to reduce greenhouse gas (GHG) emissions in the supply chain by holding briefing sessions with major suppliers and requesting that they set numerical targets in line with international standards. Furthermore, to ensure supply chain diversity, in each region and country we are promoting procurement from companies with diverse characteristics, such as small and medium-sized enterprises (SMEs) and companies headed by women or operated by ethnic minorities. In addition, in selecting suppliers, we conduct due diligence and provide training on information security and compliance.

For details [↗] Supply Chain

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Compliance

Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct, which outlines the fundamental principles that all Fujitsu Group employees should abide by, as shown on the right. Fujitsu has also refined its Fujitsu Way Code of Conduct by developing the Global Business Standards (GBS) in 20 languages to serve as a guide on legally compliant behavior for all Fujitsu Group-affiliated employees worldwide and applies the GBS uniformly across the Fujitsu Group.

Fujitsu Way Code of Conduct

We respect human rights.

We comply with all laws and regulations.

We act with fairness in our business dealings.

We protect and respect intellectual property.

We maintain confidentiality.

We do not use our position in our organization for personal gain.

For details ⬈ Global Business Standards (GBS)

Global Compliance Program

Fujitsu has developed the Fujitsu Global Compliance Program (GCP) to implement and disseminate the Fujitsu Way Code of Conduct and the GBS, and is working to maintain and improve the Fujitsu Group's global legal compliance structure. The GCP organizes Fujitsu's various compliance-related activities into five pillars in a systematic manner. The GCP promotes external understanding of Fujitsu's compliance structure and its compliance activities, in addition to clarifying what items Fujitsu needs to address on a continual basis. Based on this GCP, we implement various policies and initiatives in each region, taking into account factors such as each country/region's legal systems and government institutions' guidelines.

Five pillars of the GCP

Policies & Procedures

Top Commitment & Resources

Training & Communication

Incident Reporting & Response

Monitoring & Review

For details ⬈ Our approach to tax matters

Communication from management regarding compliance

The Fujitsu Group aims to have the management team take the lead in fostering a corporate culture where no employee tolerates any kind of misconduct (Zero Tolerance). We have set a KPI of having the management team at head office, including the CEO, and the heads of Group companies in each country send out annual messages on the importance of compliance.

Message from President Tokita during the Fujitsu Compliance Week (December 2022, excerpt)

Our purpose is to make the world more sustainable by building trust in society through innovation. Throughout the year, not just during Compliance Week, I have emphasized the importance of compliance in business management. In order to accomplish that, building trust in relationships not only with business partners, but also various stakeholders are crucial, and it is necessary for us to take a proactive action along with awareness of compliance more than ever.

I would like everyone to not only follow the code of conduct outlined in the Fujitsu way, but also to maintain a high level of compliance awareness and maintain a fair, impartial and open attitude in all aspects of our business.

If you have a concern in business, please do not hesitate to consult anything to your supervisor and colleagues. All the supervisors should try to create an environment in which it is easy to converse and concern about team member's actions and to listen to them. Also, please report issues as soon as they are discovered. Each of you is responsible for prevention and early detection.

Compliance training

We provide compliance e-learning for all Fujitsu Group executives and employees every year (for approximately 120,000 people in 14 languages). The participation rate is high, at over 95% annually. In fiscal 2022, we also conducted training on fair business practices for employees and around 1,300 partner companies. We plan to continue these programs every year.

Participation in compliance e-learning by all executives and employees

Fiscal 2022	**98.1**%
Fiscal 2021	**97.6**%
Fiscal 2020	**98.1**%

For details ⬈ Compliance

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The Environment

The Fujitsu Group has positioned its response to the environment as one of its highest management priorities since its founding, and we are promoting environmental activities with the commitment of the senior management. From fiscal 2023, we have been promoting activities under "The Fujitsu Group Environmental Action Plan (Stage XI)" (fiscal 2023 to 2025), and we are working to achieve a reimagined environmental vision in light of expanding social demands and roles expected of companies with respect to the environment. As a global company, we are making efforts to fulfill our responsibilities, and to provide solutions and services to help resolve the environmental issues confronting our customers and society.

Environmental Action Plan

Environmental Action Plan Stage X (fiscal 2021–2022)
The overall Group achieved its GHG emissions reduction targets and delivered results from initiatives for resource circulation and living in harmony with nature. These were achieved through measures such as using advanced ICT to save energy at datacenters and introducing and expanding renewable energy for cloud computing services in Japan.

		Targets	Fiscal 2022 achievements
Climate change (Decarbonization)	1	Reduce greenhouse gas (GHG) emissions from business sites each year by 4.2% or more, compared with the base year of fiscal 2013	Target: 37.8% or more reduction (478,000 tonnes or less per year) ⇒Achieved: 47.5% reduction (403,000 tonnes/year)
	2	Improve PUE (Power Usage Effectiveness) of our datacenters by 3%, compared with fiscal 2017	Target: PUE 1.54 or less ⇒Result: PUE 1.57
	3	Increase renewable energy usage to 16% of total electricity	Target: 16% ⇒Achieved: 30.0%
	4	Reduce CO_2 emissions due to power consumption during product usage by 17% or more, compared with fiscal 2013	Target: Reduction of 17% or more ⇒Result: 25% reduction expected
	5	Drive activities to reduce CO_2 emissions in the upstream supply chain	Requests to key partners to undertake reduction activities
Resource circulation	6	Promote eco design for resource saving and circulation, and increase resource efficiency of newly developed products by 10% or more, compared with fiscal 2019	Target: Increase 10% or more ⇒Achieved: 11.2% improvement
	7	Reduce water consumption by 30,000 m³ or more by implementing water resource conservation measures	Target: 30,000 m³ or more ⇒Achieved: 87,645 m³
	8	Reinforce awareness of the need to conserve water resources in the upstream supply chain	Requests to key partners to undertake reduction activities
Living in harmony with nature (Conservation of biodiversity)	9	Visualize and reduce the impact of corporate activities on ecosystems and on biodiversity	Established a calculation method using the Ecological Footprint as an index to visualize the impact of corporate activities on ecosystems and on biodiversity

Environmental Action Plan Stage XI (fiscal 2023–2025)

	Customers and society	Fujitsu and supply chain		
	Business field	Upstream business	Fujitsu's business areas	Downstream business
Climate change	• Development and provision of solutions that contribute to SX	• Suppliers' GHG reduction (well below 2°C target)	• Reduction of GHG emissions at business sites (1.5°C target) • Increase in the use ratio of renewable energy	• Reduction of GHG emissions by reducing power consumption during product use
Resource circulation		• Enhancing suppliers' awareness of water resource conservation	• Reduction of water consumption	• Reduction of resource consumption, improvement of resource recycling, and improvement of efficiency
Living in harmony with nature (Conservation of biodiversity)		• Reduction of negative impacts of corporate activities on biodiversity		

Environmental Action Plan Stage XI (fiscal 2023–2025)

|			Goal	Base line	Targets for fiscal 2025
Customers and society			• Fiscal 2023: Environmental contribution metrics will be developed. Fiscal 2024 to fiscal 2025: The amount of contribution will be measured and disclosed. • To earn the objective recognition of global customers and society as an SX leader.	—	Deliver SX offerings to customers
Fujitsu and supply chain	Climate change*1	Scope 1 and 2	Reduce GHG emissions at business sites by half of the base year by the end of fiscal 2025 • Increase use of renewable energy to 50% or more by 2025	Fiscal 2020	Reduction of at least 50%
		Scope 3 (Category 11)	Reduce CO_2 emissions from power consumption during product use by 12.5% or more	Fiscal 2020	Reduction of at least 12.5%
		Scope 3 (Category 1)	Reduce GHG emissions in the supply chain • Major business partners should set emissions reduction targets (equivalent to SBT well below 2°C target) • Collection of GHG reduction data, construction and deployment of mechanisms	—	To complete target setting
	Resource circulation		Development of products and services that contribute to a circular economy business model	—	Circular economy business products and service development
			Reduce water consumption by 57,000 m³ or more by implementing continuous water reduction measures	—	57,000 m³ or more
			Strengthen awareness of water resource conservation in the upstream supply chain • Requesting our major suppliers to make efforts to raise their awareness of the importance of water resources	—	To complete the request
	Living in harmony with nature (Conservation of biodiversity)		Reducing negative impacts on biodiversity in the areas of our corporate activities, including supply chains, by at least 12.5%. In addition, promote activities that increase positive impacts on biodiversity.	Fiscal 2020	Reduction of at least 12.5%

*1 Scope 1, 2, and 3 adjusted for acquisitions and divestitures

The Environment

Roadmap to zero emissions

The Fujitsu Group has been working toward carbon neutrality, revising its fiscal 2030 target for reducing GHG emissions from business activities (Scope 1 and 2) from a 33% to a 71.4% reduction compared with fiscal 2013 levels. Now, we have decided to aim for Net-Zero GHG emissions[2] from business activities by fiscal 2030 and Net-Zero GHG emissions[2] across the entire value chain (Scope 1, 2, and 3) by fiscal 2040 (validated by SBTi).

Reduction of GHG emissions from business activities (Scope 1 and 2)
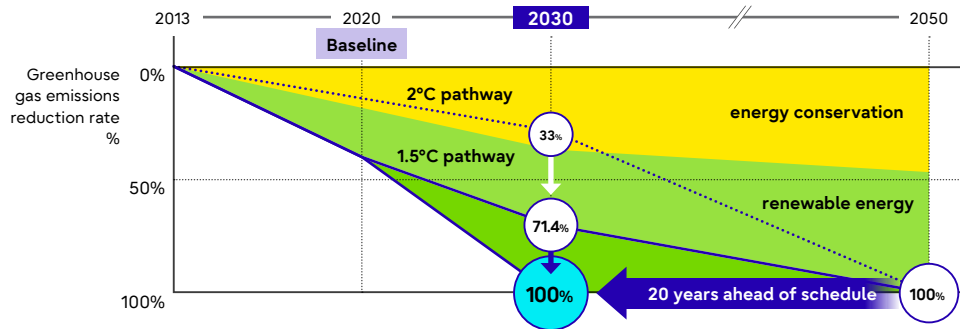
Reduction of GHG emissions across the entire value chain (Scope 1, 2, and 3)

Neutralization amount (removal and storage from the atmosphere)
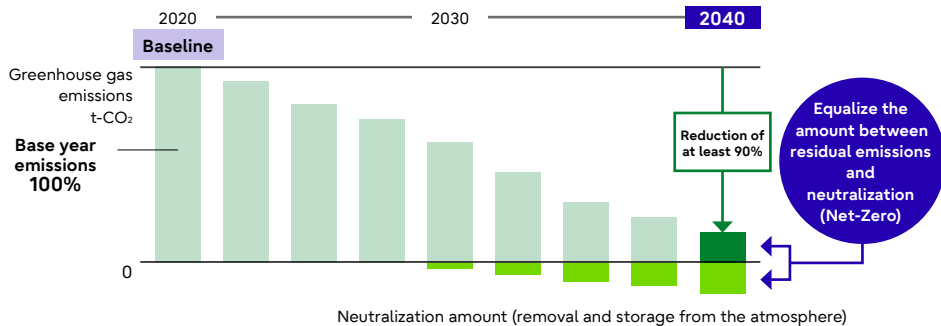
[2] Refers to reducing GHG emissions by at least 90% from the emissions in the base fiscal year by the target fiscal year, then removing 10% of lower residual emissions by absorbing atmospheric CO_2 through the use of Direct Air Capture (DAC) technology and afforestation

Greening datacenters (strategic introduction of renewable energy and innovative energy conservation)

The Fujitsu Group is strategically procuring renewable energy to help promote its spread. Ahead of Companywide adoption of renewables, in fiscal 2022 we realized 100% renewable energy to supply all of the electricity needs for operating "FUJITSU Hybrid IT Service FJcloud," a cloud service provided by datacenters in Japan. Going further, we aim to convert all Fujitsu datacenters to 100% renewable energy by fiscal 2025, which will contribute to the decarbonization of the Fujitsu Group, as well as the decarbonization and climate-change response of our customers and society. We will also continue to implement energy conservation measures, aiming to reduce power consumption by 15% to 20% per year by optimizing cooling efficiency through air conditioner control utilizing outside air cooling and AI. Looking forward, we will continue to promote activities aimed at realizing a sustainable society, such as the popularization of renewable energy and innovative energy conservation.

Initiatives for living in harmony with nature (preservation of biodiversity)

Biodiversity loss has been recognized as a serious global risk. Realizing a goal called "Nature Positive," which refers to the achievement of a net positive improvement in nature by 2030, represents an essential step in resolving this issue. At the Convention on Biological Diversity (CBD) COP15, the Kunming-Montreal Global Diversity Framework was adopted.

In line with these international initiatives, the Fujitsu Group has established what it aspires to be in 2050 as "realizing a world in harmony with nature by using digital technology to fully restore the foundation of a sustainable society, which is nature and biodiversity." Moreover, we have formulated our medium-term target for 2030 as "Reduce negative impacts on biodiversity in the areas of our corporate activities, including supply chains, by at least 25% (compared to 2020), and increase positive impacts." We have also set a short-term target for fiscal 2025 in the Environmental Action Plan (Stage XI). The "Ecological Footprint" was selected as the assessment indicator to establish a method for assessing the negative impacts. In our activities to increase positive impacts, we will work on using digital technology for the conservation of tropical rainforests and protection of endangered species.

The Fujitsu Group will provide disclosure in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) Framework going forward. In addition to our Ecological Footprint, we will also assess regional characteristics, starting with assessments of the land use and water resource use of our own sites, and plan to expand the assessment target to include other company activities and the value chain. We will disclose the assessment results appropriately.

For details ↗ The Environment

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The Fujitsu Group recognizes that climate change is an important issue for management as it has a significant impact on the sustainability of society over the long term, and we therefore conduct analysis to ascertain medium- to long-term risks and opportunities. In addition to our own response to climate change risks, we believe that examining the potential climate change risks affecting our customers and making value creation proposals to them using our strengths in digital technology will also lead to business opportunities. As a result, we have also strengthened our governance as we aggressively promote initiatives on management strategies for climate change countermeasures. In April 2019, we announced our support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), and we are working to disclose information effectively to various stakeholders, including investors.

For details [↗] TCFD-based information disclosure

Item		Response status
Governance	Oversight structure under the Board of Directors for climate-related risks and opportunities	• The Sustainability Management Committee shares the risks and opportunities arising from climate change, deliberates on medium- and long-term issues, and formulates policies. These results are reported to the Board of Directors via the Management Council. • In fiscal 2021, the results of analysis using multiple climate change scenarios, including limiting global warming to 1.5°C, were reported on and discussed by the Sustainability Management Committee. • Important risks identified for the overall Group, including climate risk, are reported periodically to the Board of Directors by the Risk Management & Compliance Committee.
	Role of management in assessing and managing climate-related risks and opportunities	• The representative director and CEO serves as the chair of the Sustainability Management Committee, with responsibility for the highest level of decision-making and for business execution. Directors are responsible for supervision based on reports by the Management Council. The CSuO (chief sustainability officer) proposes reforms to directors and the executive team and executes business related to sustainability. • The Company introduced ESG indicators, including consideration of climate-change issues, for evaluation of executive directors' bonuses.
Strategy	Short-, medium-, and long-term climate-related risks and opportunities	• The provision of ICT products that can contribute to climate change mitigation and adaptation measures creates opportunities to increase sales. Physical risks and legal risks have an impact on operational costs by requiring the implementation of measures in the Group's operations and supply chains.
	Impacts on business, strategy, and financial planning	
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• In fiscal 2021, scenario analysis was conducted for businesses susceptible to climate change, covering the period to 2050 and using 1.5°C and 4°C scenarios. • Analysis of the risk to the Company and the opportunities acquired by supporting resolutions to customers' issues found that the Company's businesses have strategic resilience from a medium- to long-term perspective.
Risk management	Climate-related risk identification and assessment process	• The Risk Management & Compliance Committee promotes Companywide risk management policy, including for risks related to climate change. Based on the risk assessment results for each division, the committee conducts a two-factor matrix analysis with severity and likelihood axes, selects and assesses risks, and reports the results to the Board of Directors.
	Climate-related risk management process	• The Company conducts risk monitoring using an environmental management system based on ISO 14001. The Sustainability Management Committee is responsible for managing the progress of climate change measures.
	Status of integration with organization-wide risk management	• The Risk Management & Compliance Committee identifies and evaluates Companywide risks, including climate change, and coordinates with the Sustainability Management Committee to identify, analyze, and evaluate risks, and to propose and implement recurrence prevention strategies.
Metrics and targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	• Fujitsu uses greenhouse gas (GHG) emissions and the renewable energy introduction rate as metrics.
	Scope 1 & 2, and the corresponding Scope 3 GHG emissions (Aggregate data based on the latest boundaries)	• Scope 1: 65 kt-CO_2 • Scope 2: 476 kt-CO_2 (Location based), 341 kt-CO_2 (Market based) • Scope 3: 1,361 kt-CO_2 (Category 1: Purchased Goods and Services), 3,693 kt-CO_2 (Category 11: Use of Sold Products)
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	• Set new targets to achieve net zero GHG emissions in the Company's own business activities by fiscal 2030 and across the entire value chain by fiscal 2040 • Scope 1 and 2 (compared with fiscal 2020): 34% reduction in fiscal 2022 versus a target of 100% reduction by fiscal 2030 • Scope 1 to 3 (compared with fiscal 2020): 4% reduction in fiscal 2022 versus a target of 90% reduction by fiscal 2040

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Climate change risks and opportunities

Based on external scenarios, we analyzed the business impacts of climate change in fiscal 2018 using a 2°C scenario and in fiscal 2021 using 1.5°C and 4°C scenarios. We identified the climate change risks and opportunities for the Group and examined countermeasures. Our aims are to respond to the negative impacts on the Company's operations and supply chains due to transition and physical risks, while also making proposals for value creation by understanding customers' climate change risks and capturing business opportunities.

Risks

Risk type		Term	Details	Key responses
Transition	Policy/Regulation	Short- to long-term	• Increase in costs for responding to the strengthened laws and regulations on GHG emissions and energy use (such as a carbon tax, energy-saving policies, etc.) • Risk of diminished corporate value in the event of a violation of the above laws and regulations	• Continued reduction of GHG emissions (increased use of renewable energy and implementation of energy-saving measures) • Ensure legal compliance through EMS
	Market	Medium- and long-term	• Increase in electricity prices associated with promotion of a carbon-neutral society (spread of electrification)	• Reduced electricity consumption by formulating internal company standards and development of innovative technologies, etc.
	Technology	Medium- and long-term	• Risk that the Company could lose business opportunities if it were to fall behind in fierce competition in technological development (such as energy-saving performance and low-carbon services) and be unable to meet market needs	• Development of products and services for solving customers' climate change issues and promotion of innovation
	Reputation	Short- to long-term	• Increase in costs for responding to demands from stakeholders such as investors and customers • Negative impacts on ratings and sales due to delay in response to external requests	• Formulation and promotion of medium- to long-term environmental vision and Environmental Action Plan • Active disclosure of information to ensure transparency of climate change strategy
Physical (Natural disasters, etc.)	Chronic/Acute	Short- to long-term	• Increase in costs for responding to changes in rainfall and weather patterns, increase in average temperature, sea level rise, flooding • Increase in costs for operation stoppages and recovery, including supply chains, due to increasing severity of abnormal weather	• Strengthening of BCP measures, survey of suppliers' business continuity systems and application of countermeasure such as multi-sourcing • Assessment and monitoring of potential water risks

Opportunities

Opportunity type	Term	Details	Key responses
Products/services	Short- to long-term	• Increase in sales due to development and supply of highly energy-efficient products and services	• Development and provision of high-performance and energy-saving 5G virtualized radio access network (vRAN) technology, high-performance and low-energy supercomputers, etc.
Market	Short- to long-term	• Acquisition of new market opportunities by applying ICT to create climate change countermeasures	• Development and provision of services to measure and visualize CO_2 emissions in supply chains and more efficient methods for the discovery of new materials for achieving zero emissions
Resilience	Short- to long-term	• Sales growth through new products and services for strengthening resilience	• Development and provision of disaster prevention information systems and an AI water management prediction system for estimating river levels during floods

Scenario analysis

In fiscal 2021, we conducted scenario analysis for our business areas that are considered particularly susceptible to the impacts of climate change covering the period to 2050 and using 1.5°C and 4°C scenarios. These areas were Sustainable Manufacturing (sectors studied: petrochemicals, automotive, foods, electronic device-related businesses), Trusted Society (sectors studied: public sector, transportation, energy-related businesses), and Hybrid IT (sector studied: datacenter-related businesses). The analysis was conducted in four steps: 1) assessment of risk severity, 2) definition of scenarios, 3) evaluation of impacts on business, and 4) discussion of countermeasures.

For Sustainable Manufacturing and Trusted Society, our analysis focused mainly on opportunities for the Company's businesses, such as helping customers respond to climate change risks. For Hybrid IT, we analyzed both risks and opportunities, including response to climate-related risks for the Company's businesses and for its customers.

Analysis results

The analysis confirmed that the opportunities under the scenarios are aligned with the discussion and development direction of the Company's offerings, and that the Company has prepared countermeasures for the risks. From a medium- to long-term perspective, the Company's businesses were found to have strategic resilience.

In Sustainable Manufacturing, we have announced "Carbon Neutrality" and "Resilient Supply Chain" as the pillars/areas for our ongoing initiatives, while those for Trusted Society are "Sustainable Energy & Environment" and "Sustainable Transportation." These themes will guide the development of our offerings going forward.

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Sustainable Manufacturing (Opportunity Analysis)

● 1.5°C scenario ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	**Natural disasters**		
Petrochemical businesses	Spread of ICT as a resource circulation-based business infrastructure to achieve carbon neutrality	Increase in plant and supply chain damage due to increased risk of natural disasters	● Acceleration of conversion of carbon-neutral materials into environmentally friendly products throughout the entire supply chain, advancement of portfolio transformation, and increase in demand for strengthening of traceability and streamlining of R&D	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Eco-friendly materials development solutions using materials informatics ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for plants and supply chains that are more resilient to increased severity of natural disasters	◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)
Automotive businesses	Increase in regulations on internal combustion engines (ICEs). Increase in spread of electric vehicles, and progress on achieving carbon neutrality throughout the product life cycle	Increase in plant and supply chain damage due to increased risk of natural disasters	● Increase in demand for measures to strengthen supply chain traceability and MaaS to help reduce environmental impacts throughout the life cycle	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Support for EV demand (e.g., circular management of EV batteries) ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management ● Digital technology-based process automation services from design to manufacturing and maintenance
			◆ Increase in demand for accelerated development and increased advancement of ICEs. Increase in demand for stable raw material procurement and enhanced business continuity capabilities due to increasing severity of natural disasters	◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM) ◆ Engineering outsourcing service which contributes to acceleration of development processes/technology and selection of management resources
Food-related businesses	Increased awareness of ethical consumption, promotion of resource circulation and biodiversity	Increase in agricultural damage due to increased risk of natural disasters and temperature rises	● Changes in consumer awareness are driving an increase in demand for environmentally friendly packaging, certificates of origin, smart agriculture, and response to food loss	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Support for enhancing traceability throughout the value chain (demand and supply optimization, support for consumer behavior change) ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for "resilient agriculture" as natural disasters put stable food supply at risk	◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)
Electronic device-related businesses	Increase in plant energy efficiency and expansion in market for products for EVs. Increased potential for radical manufacturing reforms, such as local production for local consumption and 3D printing	Increase in plant and supply chain damage due to increase in natural disaster and water shortage risk	● Spread of energy- and labor-saving technologies. Increase in demand for radical transformation of business model, such as demand chain management	● Visualization of CO_2 emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Digital technology-based process automation services from design to manufacturing and maintenance ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for higher labor productivity at production sites and construction of plants and supply chains resilient against natural disaster risks	◆ Digital technology-based process automation services from design to manufacturing and maintenance ◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)

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Trusted Society (Opportunity Analysis)

● 1.5°C scenario ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	Natural disasters		
Public sector-, transportation-, and energy related-businesses	The values by which people select cities and services, such as environmental concerns, will change as decarbonization progresses	Increase in damage to cities, buildings, and infra-structure due to increase in natural disaster risk	● Increase in need for digitalization of city and energy infrastructure and quantification and visualization of new values such as environmental concerns	● Services/solutions related to prediction and control of energy demand and supply balance using real-time data to help achieve a carbon-neutral society through green energy
			◆ Increase in demand for resilient city infrastructure	◆ Building of digital twin infrastructure and enhanced use in simulations, city infrastructure optimization giving consideration to human traffic and individuals, support for resilience in transport and logistics, and disaster prevention/mitigation

Hybrid IT (Risk & Opportunity Analysis)

● 1.5°C scenario ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	Natural disasters		
Datacenter-related businesses	Advancement of environ-mental value traceability, adoption of smart electric-ity management systems for datacenters	Increase in damage to datacenters due to increase in natural disaster risk	● Datacenter carbon neutrality itself becomes a source of competitive advantage as energy-saving and environmental considerations become standard selection criteria for customers	● Highly energy-efficient datacenters
			◆ Increase in demand for resilient datacenters and need for response to heightened disaster risk for the Company-owned datacenters	◆ Disaster recovery center services in preparation for disasters ◆ Robust datacenters with fully prepared earthquake and security countermeasures

The above scenario analyses are intended to verify the strategic resilience of the Company's business based on assumed hypotheses and are positioned as one simulation that takes into account future uncertainties.

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Collaboration with stakeholders

Participation in external organizations

World Economic Forum

In January 2023, the Annual Meeting of the World Economic Forum was held in Davos. The meeting was held under the theme of "Cooperation in a Fragmented World," and included discussions on economic issues including inflation and price increases, geopolitical risks, issues with resources such as energy and food, and social vulnerabilities.

CEO Takahito Tokita and COO Hidenori Furuta shared the global agenda on sustainability, DX, increasing resilience, and the digital divide with other leaders from the government and financial sectors, and all participants exchanged opinions from their respective standpoints on specific actions to be taken for resolving issues.

Furthermore, we opened our own booth at the venue, "Fujitsu Uvance House," in a first for the Group and as the only Japanese company to do so. At the booth, CRO Shunsuke Onishi, SEVP Hiroyuki Tsutsumi, CMO Taeko Yamamoto, EVP Paul Patterson, and EVP Graeme Beardsell used the occasion to establish networks with government personnel and corporate leaders from various countries. They also forged connections with the management of important business partners through a roundtable discussion held in conjunction with the Financial Times.

CEO Takahito Tokita (right) and COO Hidenori Furuta (left) at the annual meeting

The Fujitsu Uvance House booth

As a World Economic Forum Partner, the Fujitsu Group will work toward realizing the themes of this years' annual meeting by linking its global agenda with the Group's Materiality, and leading the formation of a global consensus as a technology company working to achieve a net positive outcome.

World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is an international organization with over 200 member companies worldwide that aims to realize a sustainable society through business. Fujitsu has been a member since 2013, and Takahito Tokita, our CEO, is currently serving on the organization's board.

In 2022, the annual meeting of the council was held in Tokyo on the theme of "The era of sustainability: how to lead the transformation and thrive," attended by leaders of approximately 170 companies from around the world. CEO Tokita was on the podium for the opening address as a member of the board of directors, and we also hosted a meeting for managers inside Japan.

We also hosted part of the WBCSD's activities, including inviting participants at the meeting to the executive briefing center, Fujitsu Uvance Rooftop, at our head office.

The Fujitsu Group will continue to engage actively in cooperation with the WBCSD, which shares a common direction with the Group's Purpose, as part of contributing to a sustainable future.

Stakeholder dialogue: Advancing business management through dialogue with external experts

We invited President and CEO Akimoto Uchikawa of Teijin Limited, a company operating global businesses in materials, healthcare, and high-performance fibers, and Ms. Shihoko Aoki, representative of Wholeness Lab, a company providing environmental impact quantification (life-cycle assessments) and creating next-generation lifestyles, to participate in a dialogue with Fujitsu Group management on the theme of "What should a company that has sustainability at the heart of its business strategy be like?" Our two experts offered many insights regarding co-creative businesses for societal issues, the Fujitsu Group's Materiality, and other topics. We will reflect and implement their valuable opinions in the Group's sustainability management.

For details ↗ Stakeholder dialogue

↗ Stakeholder engagement