Dialogue with Stakeholders

Fujitsu group Group held a dialogue with external experts to gain feedback and suggestions on Fujitsu's human rights initiatives. The CEO Office's Chief Sustainability Officer (CSuO) Division, led the dialogue and engaged in discussions with regions and related departments such as supply chain, compliance, human resources and AI ethics.

- **Theme**: Fujitsu Group's Business and Human Rights Initiatives
- **Date of implementation**: Monday, March 4, 2023
- **Experts**:
  - Sean Lees   UNDP Business and Human Rights Specialist
  - Nusrat Khan   UNDP Business and Human Rights Specialist (AI Expert)
  - Rishi Sher Singh   Advisor to the Japan Committee (Global Value Chain Specialist)
- **Facilitator:**
  - Hiroshi Ishida   Executive Director of the Japan Committee of Caux Round Table

* The names of the attending departments and the titles of the experts in our company as of March 2024

＜Key Insights from Experts＞
Supplier risk management

- Fujitsu's supply chain has a variety of suppliers, each with different risks in hardware, services, third parties, contractors, etc.
- A vital process is to listen to the voices of people whose rights are at risk (especially vulnerable groups such as subcontracted workers and local communities) from the upstream and downstream of the Value Chain. This should cover the perspective of the company itself, its suppliers, its own country, and overseas. Awareness of the risks can then be shared with top management and allow for resolution and remediation.
- To manage risk properly, there is an international movement to consolidate supply chains and narrow down the number of suppliers. Engaging with suppliers is important for proper selection.

Challenges as a service-providing tech company

- Supply chain risk management in on-cloud services is more complex than hardware in terms of:
  1. Difficult to classify them as Tier1 and Tier 2
  2. Greater number, size and breadth of suppliers than hardware
  3. Human rights issues such as long working hours, mental health and gender are mostly invisible in the value chain making information gathering challenging.

Human rights risks related to AI

- AI is expected to be widely used for the purpose of creating value in business and solving social issues, etc. However, it should be noted that AI systems and services are created and provided through complex processes, including the creation of algorithm models and the input of data. As a result, human rights in a wide range of value chains and methods of protection may be drastically changed.
- When AI is introduced into business, it is necessary to give due consideration to the possible impact on human rights, such as improper use of personal information, lack of explainability, and halcyon. It is essential to continuously monitor the process and the impact on human rights and maintain appropriate responses.

Suggestions and advice to progress Fujitsu's human rights activities

- Use specific industries and offerings as examples to engage with rights holders to identify any negative human rights impacts on relevant workers and service users, and to address any identified risks.
- It is important to appropriately conduct human rights due diligence in fields related to AI and other new technologies, taking into account their characteristics.